

Parliament waves through new super laws

23 November 2016

The controversial changes that will impose contribution limits and a new tax on superannuation passed both houses of Parliament today and will become law.

From the Parliamentary website it appears there was not much, if any, substantive debate in either house on the most significant changes to superannuation in a decade.

Some 142 pages of complex new tax law and 364 pages of explanation were simply waved through.

The Senate Economics Legislation Committee rubber-stamped the legislation in its report today.

It is particularly disappointing that the Senate Committee did not once mention the word 'retrospective' in its report.

In looking the other way on this important issue, the Senate has failed in its duty to uphold a fundamental principle of good law.

The Committee acknowledged concerns from the superannuation sector that the legislation is complex and will be difficult to apply in practice but was satisfied the government had allowed for this in its "extensive policy development and consultation process".

In reality, the consultation process was rushed at every stage with only a few days allowed for public comment on the draft bills.

The legislation passed today is basically about raising revenue. The Parliament will not be considering the over-arching legislation on the objective of superannuation until next year. This is putting the cart before the horse. The new laws passed today are to be validated later by a limited and weak definition of the purpose of superannuation.

The challenge now for the trustees of half a million self-managed superannuation funds is to understand how the complex new tax laws will affect them and make decisions on how to manage their superannuation assets well before 1 July next year.

The loss of confidence in superannuation as a life-long investment and the deep disillusion with the cynical way the changes have been made will last a lot longer.

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