

The logo for the Labor party, featuring the word "Labor" in white text on a red rectangular background. To the right of the red bar is a blue square containing five white stars, representing the Australian flag.

MEDIA RELEASE | **WE'LL PUT
PEOPLE FIRST**

**CHRIS BOWEN MP
SHADOW TREASURER
MEMBER FOR MCMAHON**

**JIM CHALMERS MP
SHADOW MINISTER FOR FINANCIAL SERVICES AND
SUPERANNUATION
SHADOW MINISTER FOR SPORT
SHADOW ASSISTANT MINISTER FOR TRADE,
INVESTMENT AND PRODUCTIVITY
MEMBER FOR RANKIN**

**FAILURE TO DEAL WITH SUPER RETIREMENT PHASE MEANS FAILURE TO
MAKE SUPER TAX FAIR AND SUSTAINABLE**

Labor has been leading a debate for more than a year to make our superannuation system fairer and sustainable.

Over and over again, Scott Morrison has attacked Labor's plans to make both super tax concessions at the contributions and pensions phase fairer and sustainable [see attachment].

Today, there is speculation that the Government is following that lead. If true, it is Labor's leadership that has dragged Scott Morrison kicking and screaming to this point.

Labor will wait to see what is in the Budget, the details of the policy and the impact it will have.

Labor will consider any sensible changes to the superannuation tax system.

But the Government will not be properly addressing the fairness and sustainability of concessions if it leaves untouched the retirement phase.

According to the Association of Superannuation Funds Australia, the current system has seen 475 Australians accumulating super balances of greater than \$10 million in retirement phase, meaning their average income stream of \$1.5 million per year is tax free.

The 2015 Tax Expenditures Statement shows that concessions on superannuation earnings are expected to grow by 33 per cent over the next four years and this is compared to just 14 per cent growth for the Age Pension over the same period.

It's not fair that people with super balances of \$10 million are allowed to accrue earnings tax free. It's not fair or sustainable. That's pure and simple estate planning.

This is a major source of revenue leakage and it's only going to get worse.

So if the Government is now fair dinkum on this - after a year of Scott Morrison attacking Labor on super tax concessions - then it must address what's occurring in the pension phase.

WEDNESDAY, 20 APRIL 2016

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ATTACHMENT - BEST OF SCOTT MORRISON ATTACKING LABOR ON ITS PLANS TO ROLL BACK SUPER TAX CONCESSIONS

That is why we are so adamant about not having adverse changes to superannuation, **that's why we aren't going to increase taxes on superannuation**, and why we are trying to provide stability and certainty around superannuation for the simple reason that we want people to invest in it.

What this pension reform does is helps those who most need it and it ensures that those that have more substantial assets that they are able to draw on those assets in their retirement because that's what the tax incentives for superannuation were for and when their assets fall to a level that would require them to be on a part pension then that part pension would be available to them, it's a welfare payment – it's not superannuation.

[3AW](#) – 19 June 2015

CALLER: Morning guys. Scott, I work 20 hours a week in overtime and earn around \$30,000 a year in overtime payments. However, under current legislation there is no employer requirement to pay superannuation on that amount of money. I'd like to know why? I mean it seems to me the lower paid workers that do most of superannuation they're the ones who need it most in retirement.

MINISTER MORRISON: Well we do want to encourage everyone Dale to be saving for their retirement and **particularly when you are drawing down on that when you are retired we don't want to tax you like Chris Bowen does.**

[3AW](#) – 18 May 2015

It's the Labor Party who wants to tax superannuation, not the Liberal Party, particularly the incomes of superannuants and I think that's a fairly stark contrast that's emerging.

[ABC RN](#) – 5 May 2015

We don't think that people who have done that should be punished with higher taxes, Bill Shorten does, and so does Chris Bowen and I think that's a stark difference between the Government and the Opposition on these issues.

[Doorstop](#) – 8 May 2015

The Government has made it crystal clear that we have no interest in increasing taxes on superannuation either now or in the future. That is clearly our view, we have no plans for that...

Well unlike Labor, we are not coming after people's superannuation. We understand the difference between superannuation that people have built up through their own savings and their own earnings and a pension payment which is a welfare payment. We understand they are very different things. We need a fairer pension and this is a fairer pension, it is a more sustainable pension.

[Sky News PM Agenda](#) – 16 June 2015

Well that is right because the tax incentives that are given for superannuation - which we strongly support and we don't want to take away - the Labor Party wants to take those away. What we want to do is encourage people to save for their retirement but then when you are in retirement that is what you draw on, not the pension. The whole point of putting those incentives in place is so that people don't have to draw down on a pension.

Under us we think that more welfare and higher taxes is not the way forward.

[2GB](#) – 25 May 2015

My own view is that the superannuation system, for example, meant I don't want to tax people more when they're basically investing for their own future and ensuring that they are not going to be on the tax payer in terms of a pension in the future. I think that's something that should be rewarded. **That's why I think Chris Bowen's idea, frankly, of getting rid of negative gearing and taxing superannuation incomes, is a bad idea, I don't support it** because that's taking away incentives for people to actually provide for themselves.

[3AW](#) – 1 May 2015

The Government does not support Labor's proposal to tax superannuants more on the income they have generated for their retirement. Receiving a Government welfare payment is not the same as being able to keep your own money. That is what we believe in the Coalition. We will tighten up welfare eligibility

by removing perceived entitlements that do not have a strong link to need in the welfare system but we will also retain incentive through the tax system for people who provide for themselves.

[Press Conference](#) – 7 May 2015

GILBERT: I think that they were basing their final decision on modelling that they were awaiting which showed that across the decade I think it was a million pensioners that were going to be adversely affected. Is that figure right?

MINISTER MORRISON: No, we don't accept those figures. The Labor Party are talking up the book of those who brought the arguments to them from the industry funds sector. That's alright they can talk up the book of those who wanted to keep everybody's assets in their funds rather than actually have to spend them in their retirement which is why we have the superannuation tax concessions so people can build up their retirement savings and then live on those retirement savings. **What we are not going to do is we are not going to tax those savings, like Bill Shorten wants to do. That is the difference, we will not tax your super, Bill Shorten will.**

GILBERT: But my income is my money as well, you tax that?

MINISTER MORRISON: Yes, and there are other taxation arraignments that apply to superannuation already **and we are not going to increase those taxes as the Labor Party does** and nothing we have done with the Greens has in any way changed the Government's position on not taxing your super. **We will not tax your super.**

[Sky News](#) – 17 June 2015

HADLEY: Today you have urged retirees not to hoard their super to pass on the savings to children. You say the purpose of providing tax incentives to encourage people to build up their super is so they can draw it down in their retirement, not use it as a nest egg for the next generation.

MINISTER MORRISON: Well that is right because the tax incentives that are given for superannuation - which we strongly support **and we don't want to take away - the Labor Party wants to take those away.** What we want to do is encourage people to save for their retirement but then when you are in retirement that is what you draw on, not the pension. The whole point of putting those incentives in place is so that people don't have to draw down on a pension. We know particularly in the last five years in which people are drawing a pension almost two thirds of them have the same level of assets or are increasing their levels of assets. So it is not designed for people to take it with them or hand on. It is there to ensure that they can have a good retirement, a good standard of living.

[2GB](#) – 25 May 2015

But on this side we think that those who have an entitlement are those who earn income to save for their retirement, **the sort of income that they want to draw down in their retirement and which the shadow Treasurer wants to tax to**

within an inch of its life. On that side of the House it is all about higher taxes and more welfare, but not on this side and not in this budget.

[QT](#) – 25 May 2015

And when they get into their retirement, we are going to make sure that their hard-earned savings in their superannuation will not be the subject of the tax slug that those opposite want to impose, because we understand that when workers save all their lives they build a nest egg for themselves. Those opposite see it as a tax nest—a tax nest for those to plunder.

The shadow minister earlier referred to 'trousering'. The 'trouser bandit' sits over there because he, together with the shadow Treasurer, wants to come after the hard-earned superannuation savings because they do not understand that the pension is not superannuation.

What we will do for them is: we will not tax them like the 'trouser bandit' opposite.

[QT](#) – 16 June 2015

You have to go to the somehow bucket. The member for McMahon has a bucket over there; it just says 'somehow'. You pull all the costings and the funding for your policies out of that.

[QT](#) – 1 June 2015

This is why Chris Bowen's argument when it comes to changing the tax system – he doesn't want to change the tax system so it can help people work, save and invest, he wants to change the tax system so he can get more money off people so he can spend more money off people. **This is the real dividing line now between Labor and the Coalition when it comes to tax.** We want a tax system that helps the economy grow.

[2GB](#) – 28 September 2015

MORRISON: Now, the Opposition aren't proposing to do that, they're just proposing to spend more and tax more. **They want to tax superannuants more on the income they earn.**

BRISSENDEN: Well that's almost an assets test in itself in a way isn't it?

MINISTER MORRISON: Well no it's not, Michael, **and I think this is a clear difference.** We don't think someone holding...

BRISSENDEN: But it's targeting wealthy Australians and getting them to pay more tax.

MINISTER MORRISON: ...on to their own money that they have earned is the same as saying to someone well, government payments of the pension which is for a safety net, that's equivalent. I don't think it is equivalent. A welfare payment...

BRISSENDEN: But that's just asking wealthier people to contribute more.

MINISTER MORRISON: No, but a welfare payment is not the same as taxing people more. They're not the same thing and I think this is a big demarcation in this debate. The Government can't run around and the Opposition can't run around thinking they have some entitlement to money that people have earned. I mean, tax is something that people pay as part of a society and it's been around a long time, but payments are made under the welfare system to support people in genuine need. The welfare system is not an incentive system, it's a safety net system, **and I don't think we should confuse the two, but the Labor Party clearly do.**

[ABC AM](#) – 5 May 2015

I don't think what is fair is this though, what is not fair is if you save for your retirement and you create yourself **a superannuation nest egg and the Government then comes along and taxes that income; which is what Labor are proposing to do.**

[Sky News AM Agenda](#) – 5 May 2015