

Federal Election 2016: Kelly O'Dwyer facing super pressure

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Assistant Treasurer Kelly O'Dwyer.

Assistant Treasurer Kelly O'Dwyer could come under further pressure next week with a meeting planned for Monday night in her electorate of Higgins to protest against the Federal Government's proposed superannuation changes.

Melbourne QC Jack Hammond, who has attacked the proposed changes as "manifestly unfair and unreasonable" and "undermining trust in government", said he had deliberately chosen the Malvern Town Hall, in O'Dwyer's electorate of Higgins, to hold the meeting.

Mr Hammond announced the formation of his Save Our Super movement at a seminar on superannuation for barristers and solicitors in Melbourne last week calling on the government to protect existing superannuation balances from the sweeping changes announced on Budget night.

Mr Hammond said he believed anger amongst traditional Liberal Party supporters in the seat of Higgins could further undermine support for Ms O'Dwyer who has been one of the key architects of the changes which were announced on Budget night.

A new poll released this week by Lonergan Research showed that O'Dwyer's

primary vote has gone down significantly from 54.37 per cent in the 2013 election to only 44.1 per cent now, with Greens candidate Jason Ball coming in second with a primary vote of 24 per cent and the ALP's Carl Katter with 18.5 per cent.

Mr Hammond said he expected there could be several hundred people at the rally next week including barristers, solicitors, retirees and business people, many of whom would be traditional Liberal Party supporters.

“People are angry and dismayed at the Federal Government’s proposed changes to superannuation,” Mr Hammond told the Australian.

“It’s unfair and unreasonable to individuals who now or will rely on superannuation for a retirement income to make new rules which significantly affects them by penalising their actions taken in good faith, encouraged by the government, under the then existing rules,” he said.



Jack Hammond said he had deliberately chosen the Malvern Town Hall, in O'Dwyer's electorate of Higgins, to hold the meeting. Stuart McEvoy

Mr Hammond is calling on the Federal Government to protect people with existing superannuation balances from the changes, quarantining the impact of the changes, particularly the proposed cap of \$1.6 million which can be put into tax free super, to new money coming into the system.

But this would substantially undermine the \$6 billion the Federal Government is expected to raise from its negative changes to super in the budget which also includes a 30 per cent superannuation contributions tax for people earning more than \$250,000 and an immediate lifetime cap of \$500,000 for post tax contributions to super.

“People have been making decisions and putting money into super and were encouraged to act on the rules of the day,” Mr Hammond said.

“If the government wants to change the rules they need to make these people exempt. You shouldn't be penalised for acting in accordance with the rules.”

Mr Hammond said people who had been caught by the Federal Government's proposed super changes "felt their trust has been breached."

"It's not so much the money involved but it is the bad precedent these changes set," he said.

"If they pass these measures what will be next?" he said.

Mr Drummond said it was traditional that adverse changes to key policies such as superannuation were grandfathered.

He said many people had made decisions including selling shares and property on the basis of the pre-Budget rules.

He said he did not believe the proposed Budget changes would raise anywhere near the government's estimates as he said people would move their money into other tax sheltered investments.

"Do they really think the billions of dollars they claim they will get will be sitting on the table like a Christmas turkey ready to be carved?" he said.

"Who will be next when that money evaporates like the morning mist on a summer's day?"

Mr Hammond said his new group, Save Our Super, wanted the government to agree to grandfather the impact of the negative changes to super announced at Budget night.

He was also calling on the Labor Party to grandfather its proposed 15 per cent tax on earnings from superannuation about \$75,000 a year.

He said the Labor Party had opened the door to considering some grandfathering of their proposed changes to super.

Labor policy says it will grandfather any capital gain tax earnings from taxation presumably from the date when the changes come into operation.

The Federal Government is planning for its proposed changes to come into operation from July 1, 2017.

Mr Hammond said any changes to the law based on the primary aim of raising money risked being bad law.

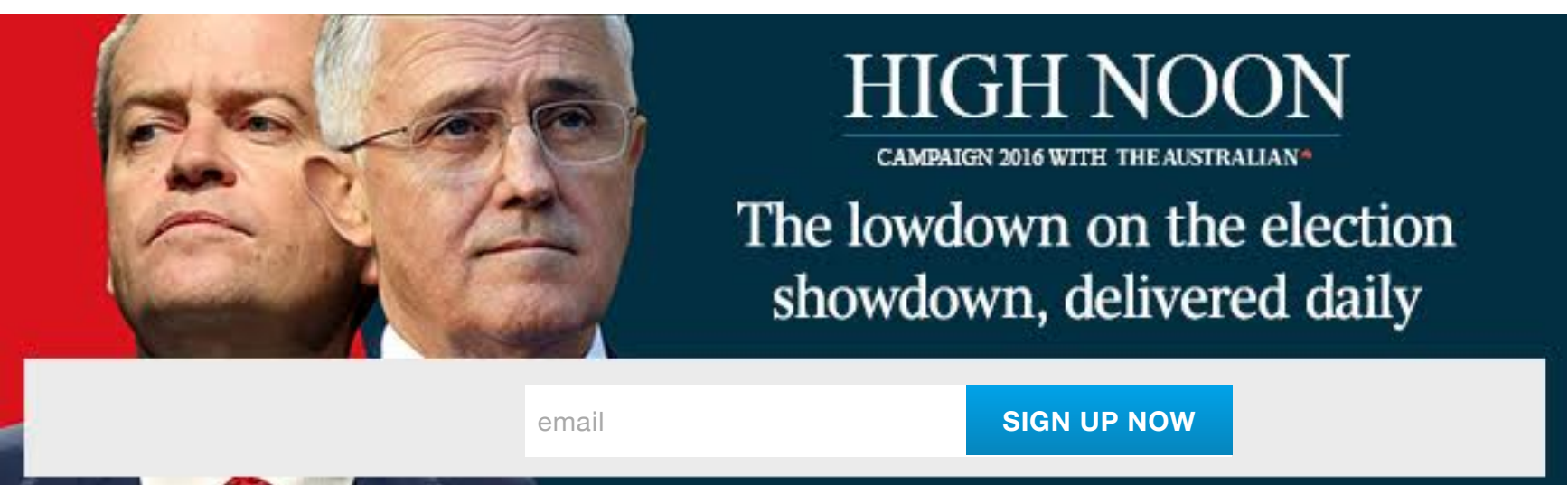
“It is wrong to have your eye fixed on revenue at the expense of good policy,” he said.

“If you are just looking at money, the policy goes out the window.”

Mr Hammond said Save Our Super would be in operation whichever government came into power after the July 2 election so it could consult with the party in government over the detail of any proposed super changes.

“Whoever forms government whether it be Labor or Liberal will seek to put their superannuation proposals into legislation.

“We will be speaking to whoever wins about grandfathering their proposed change to protect existing super members,” he said.



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