

The perception of all full rate pensioners as “poor” is ludicrous. Many have expensive houses in top suburbs and new cars. On full pensions including substantial perks, plus \$286,500 in term deposits their income is almost \$41,000. Using superannuation, that can be over \$48,000.

Equally ludicrous is the assertion that all self-funded retirees [SFRs] are “rich”. Many live in modest homes in downmarket suburbs and drive old cars. In fact, with \$823,000 in term deposits their income would be less than \$20,000. Using superannuation that would only increase to \$41,000.

*In both these scenarios SFRs are considerably worse off than full age pensioners.*

Superannuation was only introduced in 1989 – more than halfway through the working lives of current retirees – so most balances are less than \$150,000, some as little as \$40,000. Topping up super post-retirement, is impossible due to the convoluted “work test”. Those using super as serious tax avoidance are in the minority, most cannot afford to.

It is grossly unfair to dump the burden on one small section of the community when there are many alternatives:

#### Revenue:

Introduce a resources tax.

Norway - population about five million – has amassed \$900 billion by charging a resource tax similar to that proposed by Labor. Oil and gas mining companies pay the 28% company rate, up to 10% of profits and thereafter another 50%. The miners must still make good profits or they wouldn't stay.

#### Equity:

“The age of entitlement is over”, so:

- \*\*\* Cut politicians' travel and accommodation reimbursements to actual costs and make them use reasonably priced accommodation and travel;
- No taxpayer funding for polities' “jaunts”, only for genuine government business using reasonably priced accommodation and travel;
- Bring polities' salary increases in line with the rest of the country not some mystical board decision;
- Stop the system which gives ex-Prime Ministers free offices, staff and travel;
- Ex-MPs should only get reasonable super like the rest of us.

\*\*\*Many SFRs had to relocate to get work or use a FIFO-system but were not reimbursed for travel and accommodation and even denied tax offsets.

#### Beneficiaries:

Age pension eligibility is restricted so “taxpayers do not contribute to inheritances”, but SFRs may leave small estates while “poor” full pensioners leave many millions because of their asset-test-free MacMansions.

Liberals consider it wrong to “make people sell their family homes”, **but have no compunction expecting SFRs to sell down their assets.** Because of money market cycles, this is most likely to be necessary when returns are low.

#### Negative Gearing:

This legal rort reportedly loses billions of dollars annually and is unheard of in other countries. The assumption is that rebates will be clawed back when the shares/properties are sold and CGT is levied. However, there is no compunction to ever sell the assets and even if inheritance triggers CGT, that could be decades later. Get rid of it.

#### Family and Other Trusts:

Another legal rort, this gives full pensions to older members who, in reality, have far higher assets than many SFRs. Get rid of all trusts too!

#### Unfair Tax Burden

Ordinary Australians, including SFRs, who pay full rate tax on all their income, are unfairly biased against, while those who don't are still able to access all the taxpayer-funded benefits.

Companies pay more to accountants and lawyers than actually paying the tax. Australia's ridiculous system encourages them!

Force non-complying companies to pay the proper tax.

#### Summary:

Changes to the Age Pension Assets and Income Test are, quite simply, wrong. One part of the community being vilified and penalised while others, with far more money, gain is totally inequitable and must not be implemented.