



Police Federation  
of Australia

The National Voice of Policing

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Tax White Paper Task Force  
The Treasury  
Langton Crescent  
PARKES ACT 2600

[bettertax@treasury.gov.au](mailto:bettertax@treasury.gov.au)

Dear Sir

### **POLICE FEDERATION SUBMISSION TO TAX WHITE PAPER**

The Police Federation of Australia (PFA) represents the nation's 59,000 police officers in each State and Territory jurisdiction, and in the Australian Federal Police.

We have an interest in a number of aspects of the Tax discussion paper, **Re:think**, most particularly:

- The superannuation preservation age and related taxation of superannuation savings;
- Bracket creep.

#### **Superannuation preservation age and taxation**

The PFA has for a number of years advocated that police officers should, if they wish, be able to access their superannuation savings at age 55 years. This is based on the view that arduous frontline police work is not work suitable for older workers. It is physically demanding work often involving dealing with young offenders and requires a level of fitness which many officers cannot maintain into their sixties. In fact the Queensland Police Force legislation requires officers' mandatory retirement at age 60.

We note that the relevant Commonwealth superannuation legislation has a provision enabling exemption from the superannuation preservation age by APRA for a class of persons (Section 328 of the Superannuation Industry (Supervision) (SIS) Act 1993) in recognition that a single preservation age, a one-size-fits-all approach, is not appropriate for all employees. The PFA has attempted, in various submissions to governments, to have this exemption activated to enable police to access their

superannuation at age 55 years, so far to no avail. We continue to strongly maintain this policy.

This would only be a viable proposition if police officers were not subject to a taxation disadvantage if they took the option of retiring and accessing their superannuation at age 55 years. A copy of the PFA's submission to the 2005 **Review of Superannuation Preservation Arrangements** which outlines our case in detail is attached.

We are also strongly opposed to any increase in the preservation age as has been advocated by some who suggest that it should be brought into line with the age pension age which is being progressively increased.

### **Bracket creep**

The second area of concern to the PFA is bracket creep. Using current police base salary rates and estimated rates to the year 2020, it is clear that all police officers on the rank of Sergeant and above are already on the second highest tax bracket of 37% plus the 2% Medicare levy. By 2020, almost all Constables (the lowest police rank) will be on that 37% tax rate.

This is a matter of concern to Australia's 59,000 police officers and one the PFA believes should be seriously addressed by the Tax White Paper, consistent with the government's objective of "a better tax system that delivers taxes that are lower, simpler, fairer".

We would be pleased to discuss our concerns with the Task Force.

Yours sincerely

Mark Burgess  
Chief Executive Officer

Attachment: Submission to 2005 Review of Superannuation Preservation Arrangements