

When compulsory superannuation was introduced, or at some stage soon after, richer people were encouraged to accept the idea of contributing to their own retirement incomes by being offered lower tax rates on superannuation contributions as well as on savings that accrued. Or that, I presume, was the thinking behind tax concessions for superannuation.

But clearly this benefits higher income earners substantially more than lower income earners. In fact those below the base level marginal tax rate are penalised by the system, paying a higher rate of tax than their usual rate.

I understand the cost of those tax concession benefits is around forty billion dollars per year. Forty billion dollars of taxpayers money going into the pockets of individuals. Individuals who are by and large richer than those who are paying in those dollars. Forty billion dollars transfer of wealth from the poor to the rich. (While centrelink recipients were hounded for their pittances by robodebt.)

Clearly this is wrong. If it was ever needed as an incentive to contribute to super, in these days of low and means tested pensions, the idea of tax concessions as an incentive is superfluous. It is also immoral.

End concessional tax for superannuation contributions and returns.

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