

The Treasury
Australian Government
26 February, 2023

Dear Sir/Madam,

Re: Legislating the objective of superannuation

I am responding to your invitation to comment as a private citizen of Australia and as a male 68-year-old retired/semi-retired self-funded retiree with a superannuation account against which I have not withdrawn.

I consider government pensions a form of welfare and think it should be every citizen's objective to plan and work hard to self-fund their retirement so as not to be a burden on their fellow citizens. I have worked hard to achieve that objective and have tried to instil that attitude in others, including my children.

The Prime Minister, in his election campaign, committed that they were not considering any changes to Superannuation. I therefore expect that any changes to Superannuation may only underpin this government's campaign for the next or subsequent federal election. It is within that spirit of "no broken promise" that these comments are submitted.

The changes being contemplated by the government are major and retrospective in nature, which can have significant impact across the economy and further add to the magnitude of sovereign risk to which this government is encumbering Australia.

Those considering legislating the Objective of Superannuation must first recognize overriding Principles which must include:

1. Superannuation funds are earned by and are property of each member, not awarded by or owned by the government in any manner whatsoever.
 - a) Superannuation funds are not a 'honey pot' that the government can use to fund or subsidize their ideological priorities or supporters.
2. Members must continue to be able to self-administer their Superannuation funds or choose a trustee whose fiduciary duties such as the best financial interests duty and the sole purpose test will not be limited by the Objective or interfered with by the government.
 - a) The government cannot dictate or restrict Superannuation fund investments based on their ideological priorities, such as renewable energy investments which are generally high risk, sub-commercial and would severely erode superannuation savings.

b) Independent trustees must be able to continue to compete for members and the government cannot provide any advantage toward union managed funds. Union funds subsidize the current government's political party which could create a serious conflict of interest.

3. A dignified retirement includes being healthy, owning a home and having a healthy family.

a) The government must enable reasonable use of members funds prior to retirement to support a dignified retirement.

4. The government must retrospectively apply any new limits and restrictions on a member's accumulation and use of Superannuation funds to the government provided pension fund for all past and present Senators, Members of Parliament, and their beneficiaries.

Consultation questions

What do you see as the practical benefits or risks associated with legislating an objective of Australia's superannuation system?

I do not see a practical benefit but rather a material risk that the government, their bureaucracy, and unelected judges will interpret an Objective to the detriment of a member's Superannuation accumulation.

Does the proposed objective meet your understanding of the objective of the superannuation system in Australia?

No, as discussed in my comments above.

Is the proposed approach to enshrining the objective in legislation appropriate? Are there any alternative ways the objective could be enshrined?

No. I disagree with enshrining a government mandated Objective.

What are the practical costs and benefits of any alternative accountability mechanisms to the one proposed?

The ballot box is the primary accountability mechanism at present and is very suitable with a flexibility that represents the electorate. Enshrining an Objective in legislation would let the government blame unelected officials for negative outcomes, which severely reduces flexibility, visibility, and accountability.

Thankyou for this opportunity to submit my comments.

Yours sincerely,

Mr. Wayne Harden PGeoph