



Centre for Theology and Ministry
29 College Crescent
Parkville Victoria
Australia, 3052
Telephone: 0409 166 915
jim@victas.uca.org.au

Director
Superannuation Insurance and Governance Unit
Retirement, Advice and Investment Division
Treasury
Langton Cres
Parkes ACT 2600
E-mail: superannuationobjective@treasury.gov.au

Submission by the Synod of Victoria and Tasmania, Uniting Church in Australia to legislating the objective of superannuation 29 September 2023

The Synod of Victoria and Tasmania, Uniting Church in Australia, welcomes this opportunity to make a submission in response to the legislating the objective of superannuation exposure draft Bill.

The membership of the Uniting Church in Australia has been concerned about widening financial inequality from its foundation. In the Statement to the National made at the first meeting of the National Assembly in 1977, the representatives of the Uniting Church stated:
We will challenge values which emphasise acquisitiveness and greed in disregard of the needs of others and which encourage a higher standard of living for the privileged in the face of the daily widening gap between the rich and poor.

The Synod therefore supports the proposed objective of superannuation:
The objective of superannuation is to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way.

The Synod particularly supports the inclusion of 'equitable' as the current superannuation arrangements favour those on high incomes, offering substantive reductions in tax paid on contributions compared to if income tax needed to be paid. As pointed out by the February 2023 Treasury assessment of tax expenditures, in 2019-2020, 91% of the benefit from the concessional tax rate on superannuation contributions went to people with above median income. Further, 30% of the benefit (approximately \$6 billion) went to people in the top-income decile.¹ For the lowest 20% of income earners, there is a net detriment from the tax on superannuation contributions because, on average, they face a personal income tax rate of less than 15%.²

In addition, 39% of the benefit from the concessional taxation of superannuation earnings (\$6 billion from 2019 to 2020) went to the people in the top-income decile.³

An objective of equity should prompt a review of the current tax arrangements to make them more equitable over time, delivering a greater proportion of the benefits to those on lower

¹ Treasury, 'Tax Expenditures and Insights Statement', February 2023, 15.

² Ibid., 16.

³ Ibid., 17.



incomes than is currently the case.

Additionally, considering the global need to urgently shift to a low-carbon economy, we would also encourage Treasury to consider that the “sustainable way” includes a just climate transition. A goal of sustainability should include ensuring beneficiaries can retire with financial security and in a world that is stable and safe. We now know beyond any reasonable doubt that climate change poses a sustainable threat to our collective future well-being.⁴

Investors need governments to lead the necessary shift in financial instruments to ensure capital allocations flow where most needed to mitigate climate risks while driving resilience building for both communities and businesses. To do so, investors also need clarity and confidence about the risks associated with what they are investing in and robust assets and credible investable products that can drive both equitable and climate-sound outcomes. Long-term investors have a more pressing fiduciary responsibility to invest in sustainable business activities that do not drive further climate change. They cannot meet these responsibilities and drive adequate commitments to address climate change by businesses unless governments support a broader market transition. We all share a responsibility to ensure the systems we rely on are equitable, healthy, resilient, and sustainable.

The Synod supports the provisions in the *Superannuation (Objective) Bill 2023* that any Bill or regulations introduced into the Parliament that relates to superannuation must include a statement of compatibility that assesses whether the Bill or regulations are compatible with the objective of superannuation.

The Synod would have preferred that the objective of superannuation would have created a requirement for future amendments to legislation and regulation of superannuation needing to be compatible with the objective.

Dr Mark Zirnsak
Senior Social Justice Advocate
Phone: 0409 166 915
E-mail: mark.zirnsak@victas.uca.org.au

⁴ See for example Richardson, K., Steffen, W., Lucht, W., Bendtsen, J., Cornell, S.E., Donges, J.F., Drüke, M., Fetzer, I., Bala, G., von Bloh, W., Feulner, G., Fiedler, S., Gerten, D., Gleeson, T., Hofmann, M., Huiskamp, W., Kummu, M., Mohan, C., Nogués-Bravo, D., Petri, S., Porkka, M., Rahmstorf, S., Schaphoff, S., Thonicke, K., Tobian, A., Virkki, V., Weber, L. & Rockström, J., “Earth beyond six of nine planetary boundaries”, *Science Advances* 9, 37, 2023, DOI: [10.1126/sciadv.adh2458](https://doi.org/10.1126/sciadv.adh2458), [All planetary boundaries mapped out for the first time, six of nine crossed - Stockholm Resilience Centre](https://www.stockholmresilience.org/en/our-work/publications/2023/06/all-planetary-boundaries-mapped-out-for-the-first-time-six-of-nine-crossed)