



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
Member Outcomes and Governance Branch
Retirement, Advice and Investment Division
The Treasury
Langton Crescent
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'
Consultation paper
31 March 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' discussion paper.

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 being:

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 in 2019 to 2020) went to the people in the top income decile.³

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

² Ibid., 16.

³ Ibid., 17.



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

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