

Save Our Super: Turnbull and O'Dwyer are breaking super promises

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In Melbourne's Malvern Town Hall on June 20, about 250 people gathered for a Save Our Super meeting. On the stage sat three empty chairs representing Malcolm Turnbull, Bill Shorten and assistant treasurer Kelly O'Dwyer. The Prime Minister and the Opposition Leader had promptly declined the invitation to attend. O'Dwyer, the local member of parliament and the person with carriage of the superannuation issue, declined to attend at the last minute.

"Not only did she not attend, until mid-afternoon on the day of the meeting she had not even responded," says Jack Hammond QC, founder of the community-based group Save Our Super. "Worse, the response only came after I phoned a senior member of the Liberal Party, advised that Kelly had not responded to earlier messages, and said it was a very bad look."

O'Dwyer was contacted for comment but did not respond.

Hammond goes on to say, "In 1915, superannuation earnings were exempted from income tax, but now, for the first time since then, a government intends to tax the earnings on people's pension savings accounts."

In the past, O'Dwyer gave the impression she respected the savings of retirees. Consider this, in March 2013, from Hansard. It was part of a passionate speech based on letters from people who were worried that Labor might steal their super.

“We on this side have given an undertaking not to muck around with superannuation ... We understand the importance of certainty when people are sacrificing and saving for their retirement. We understand the importance of good and responsible economic management so that the government does not have to put its hand in the pockets of the retirement savings of Australians. It is quite, quite wrong. That is why we will stand up for all Australians who want to work hard ... and be rewarded for their efforts. They should not be penalised.”

Now, though, those on that side do intend penalising Australians who want to work hard. The Turnbull government is going to put its hands into their retirement savings. O'Dwyer no longer thinks it is “quite, quite wrong” to do so. In March this year, O'Dwyer said: “No one has a right to a super tax concession. It is a gift that the government should only provide when it makes sense.”

A gift. Letting people keep their own money is now considered a gift by a Liberal government. This government can't manage the economy well, at least not without taking these gifts away.

This week, on Sydney radio 2GB, Scott Morrison admitted as much. “This is a package that deals with fairness, sustainability, but above all it is also contributing to getting the budget back into balance.”

Above all. So there you have it. Taking money from retirees is essential because, above all, Turnbull and his team cannot do their jobs and cut back wasteful spending.

The Save our Super website lists the Treasurer's “12 tax-free superannuation promises”. They make for damning reading. It is hard to pick a favourite, but this one from a doorstep in May last year is as good as any: “The government has made it crystal clear that we have no interest in increasing taxes on superannuation either now or in the future ... unlike Labor, we are not coming after people's superannuation.”

Supporters of the changes point to people who have millions in super, and ask why their income should be tax exempt. First, these people have obtained the money lawfully; and, importantly, these people have done in good faith exactly what the government told them to do. Now they find themselves treated as tax dodgers.

Hammond says, “There are two basic principles of superannuation: trust and certainty.” He says a successful, fair superannuation system requires the

government to accept these two principles. Trust in the system is destroyed when ministers make and break promises. Certainty is broken when governments change longstanding rules, then penalise people who have planned their financial lives around those rules. For this reason, when rules are changed, the existing rules must be grandfathered for those who have relied on them.

Readers who wish to fight the Turnbull government over this issue can do the following:

- Contact your local member and complain. Give them a good telling off. It may not change anything but it may make you feel a bit better.
- Liberal Party members can resign, signal their intention to resign, refuse to donate and volunteer.
- Liberal Party and Nationals branches can contact the PM's office and request a copy of the draft superannuation bill. They then can call meetings to discuss the draft bill and write to the PM with changes before parliament resumes on August 30.
- Go to the Save Our Super website, register your support and attend future meetings.

It defies belief that a Coalition government would act so foolishly. The question is this: exactly who came up with this stupid idea? The hunt is on, a team of insiders is collecting evidence and the answer is expected in the near future.