asfa the voice of super

16 April 2024

Senator Jess Walsh
Chair of the Economics Legislation Committee
Senate
Parliament House
Canberra ACT 2600

Via email: senator.walsh@aph.gov.au

Dear Chair,

On behalf of the Association of Superannuation Funds of Australia (ASFA), I write to provide the Committee with further information relevant to the upcoming hearing into the *Treasury Laws Amendment (Better targeted Superannuation Concessions and Other Measures) Bill 2023 and a related bill [Provisions]* on 18 April. Due to submissions being closed, we hope this letter can be distributed to members of the Committee for the interest of Senators.

It is important to take into account the characteristics of those who will be most impacted by the proposed changes to superannuation tax concessions for balances over $3 million. This information is relevant to the capacity of those who will be required to pay and the superannuation funds they are in.

ASFA agrees with Treasury estimates that approximately 80,000 people will be impacted when the changes come into effect. Of that figure:

- Approximately 77,400, or 93 per cent of all affected individuals, have a total superannuation balance between $3 million and $10 million. The remaining 7 per cent of affected individuals have balances between $10 million and $50 million.
- Approximately 100 individuals, or less than 1 per cent of those affected, have balances in excess of $50 million. Approximately 65 per cent of affected individuals are in the retirement phase, with the remaining 35 per cent of individuals still in the accumulation phase.

Further to this, ATO sample file data indicates that as at June 2021:

- Around 60 per cent of those who will be impacted were male and around 85 per cent were aged 60 and over.
- Around 35 per cent had taxable income of $200,000 plus, with 35 per cent having taxable incomes of less than $30,000 a year. Around 5 per cent had zero taxable income.
- Around one-third had an investment property, with around one-third of those with an investment property negatively geared.
- Approximately 3 per cent of those likely to be affected by the tax have direct or indirect primary production income. Though only a portion of that 3 per cent would have a farm or other primary production property held within an SMSF.
- Around 50 per cent of those likely to be impacted live in Sydney and Melbourne, including a number of those who derive a primary production income.

- Around 7 per cent of those likely to be impacted live in rural areas. Though only some of those are involved in primary production, with many having retired from the labour force.

We hope this information is helpful to the Committee. ASFA would welcome the opportunity to answer any further questions during the Hearing on 18 April.

Sincerely

[redacted]

Mary Delahunty
Chief Executive Officer