

**Business
Coalition for
Tax
Reform**

Level 40, 242 Exhibition Street
Melbourne Vic 3000
Telephone (03) 8664 8065
Facsimile: (03) 9634 6410

20 April 2009

The Hon Wayne Swan MP
Treasurer
PO Box 6022
Parliament House
Canberra ACT 2600

Dear Treasurer

TAX TREATMENT OF SUPERANNUATION

The Business Coalition for Tax Reform (BCTR) is a forum that brings together the views of the business community on tax reform issues. BCTR members share a desire to develop a unified business approach to building a better taxation system that enhances both international and domestic business competitiveness and fairness, and which assists in creating a business climate that is conducive to investment, growth, job creation and private saving.

The BCTR promotes 10 principles for Australia's taxation system. One of the principles is that the tax treatment for savings should be consistent with an overall savings policy that encourages the sustainability of strong, ongoing growth.

The BCTR calls on the Government to resist significant changes to the tax treatment of superannuation in the 2009 Federal Budget.

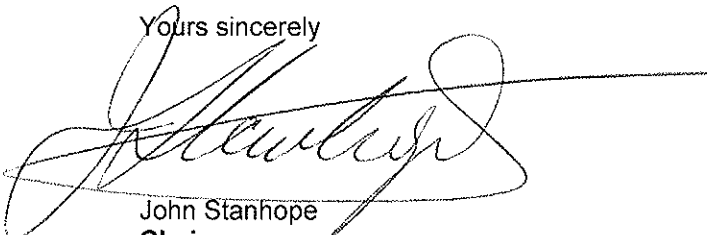
The Federal Budget is clearly under pressure due to the global financial crisis. The crisis has, however, highlighted the critical role that private savings play in generating sustainable economic growth.

The superannuation system boosts Australia's savings rate by providing incentives for long-term saving. In today's fragile financial environment it is important that Australians continue to have confidence in the tax treatment of their superannuation savings.

The Government has embarked on a tax reform process which is considering the appropriate tax system for Australia over the next 20 years. The Australia's Future Tax System – Consultation Paper notes that Australia's tax system is already among the most progressive, targeted and redistributive of the OECD (page 113). Changes to the tax treatment of superannuation should be considered in this context.

In the event you have any questions regarding the matters canvassed in this letter please do not hesitate to contact me on 03 8664 8066.

Yours sincerely



John Stanhope
Chairman
Business Coalition for Tax Reform