Dr John Harriott

29/03/2023

**Philanthropy Inquiry**
Productivity Commission

Dear Sir/Madam,

I wish to make a submission regarding the above.

**Situation:** fourteen years ago I made a bequest to a university providing funds to establish a chair in mental health, along with research funds. A gift to the community of WA.I have no dependants or descendants.
University and general inflation has seen this increase to six million dollars.
**Action:** feeding the funds of the university under 'shared care' arrangements would not work. Their investment strategy is poor, so I searched for a low tax environment to cope with inflation.

**Subsequent decision**: I was advised to follow a superannuation pathway, with a balanced fund. At this time Australians were being strongly encouraged to embrace superannuation, so I did just that.

I have always followed the rules,at one stage paying 15% entry tax. At 77yrs,I no longer contribute.

Originally my ABP paid no tax,but since that time, only the income from $1.6 mill can be tax free,the remainder now in accumulation stage, which is taxed at 15%.
It is now proposed that income on amounts above $3m be taxed at 30%, which will reduce the funds bequeathed to the university. It is though government wishes to control the people more than they should.
A case of legislative risk.

It is a case of 'government see money, government want money' even though the government will not provide this chair for the university, and to aggravate the situation these laws are made retrospective.
There are a number of obstacles to attempting to create a sum to bequest to a charity, along with a government wanting to be 'Big Daddy' and encourage dependence on the state, though itself not meeting community obligations (the chair).

This may be a rare case of 'collateral damage' but there may be others in a similar situation.
It shows how flexible planning needs to be,and how there was no ideal way for me to reach my target.

Yours faithfully,

John Harriott