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Coalition's decision not to repeal super rise provides much-needed certainty: AIST

The Australian Institute of Superannuation Trustees (AIST) today welcomed news that the Coalition has decided not to repeal superannuation increases if it wins the next election.

AIST CEO Fiona Reynolds said the decision would provide much-needed certainty for working Australians and employers and allow people to plan for their retirement with more confidence.

"This decision shows that the Coalition is in tune with the majority of the Australian public, including Coalition voters, who support lifting the Superannuation Guarantee (SG) from 9 to 12 per cent," Ms Reynolds said.

The move follows the introduction of the Super Guarantee Amendment bill into Parliament last week for the gradual increase in the SG, starting at 9.25% in 2013-14 and reaching 12% in 2019-20. It is estimated that the rise will give a 30-year old worker on an average wage around \$108,000 more in retirement.

Ms Reynolds said community surveys had consistently shown that the majority of Australians supported 12% superannuation contributions and recognized that 9% did not provide enough income in retirement for most people, particularly those on average incomes.

An AIST poll conducted by Essential Media in late October, found that 70% of all Australians support an increase in the super levy to 12%, with approval among Liberal and National Party voters at 69%,

The poll - of more than 1000 online respondents - also showed that public support for the mining tax had increased, with 61% of Australians (including one in two Coalition voters) supporting the tax, up from 56% in February this year when a similar poll was conducted.

It also found that only 14% of Australians feel their retirement savings are sufficient to maintain their current quality of life, with 54% describing their retirement savings as not sufficient to retire comfortably.

Ms Reynolds said lifting super contributions was particularly important as more Australians were expected to take their super as a pension rather than a lump sum, as had been common practice in the past.

"We are all living longer. An extra 3% of super will mean that Australians will not only live better in retirement, their savings will last the distance."

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AIST is the peak industry body for the \$450 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.