

## Coalition policy disappoints – joint AIST/ASFA/FSC statement

### Don't let down Australian workers Mr Abbott

The Association of Superannuation Funds of Australia (ASFA), the Australian Institute of Superannuation Trustees (AIST) and the Financial Services Council (FSC), today expressed disappointment with the Coalition's failure to release a substantive superannuation policy.

The bodies said that a failure to increase the Superannuation Guarantee (SG) to 12 percent, the failure to raise the concessional caps for individuals over 50 and the failure to provide a super tax contribution rebate for low-income earners would have a significant adverse impact on the future wellbeing of Australian workers.

ASFA CEO Pauline Vamos said that the majority of Australian voters are also superannuation fund members. They will be disappointed that the Coalition's only plan for superannuation is the promise of more reviews and delays.

"The Coalition's costings document highlights bottom line savings at the expense of Australian workers' retirement benefits. Early investment in superannuation provides huge benefits for individuals and the Australian economy as whole," said Ms Vamos.

The super bodies said the gradual increase of the SG to 12 percent would see super accounts boosted for average workers by \$110,000 and aggregate national retirement savings up by half a trillion dollars, the super bodies said.

AIST CEO Fiona Reynolds said that superannuation plays crucial roles across the economy including alleviating the long term challenges of an ageing society, enlarging the nation's savings pool and keeping Australia's financial sector well resourced with access to a ready made pool of capital. Superannuation played a central role in cushioning the economy from the worst effects of the global financial crisis.

FSC CEO John Brogden said that research commissioned by the FSC shows that current prospective level of retirement incomes in Australia is low by international standards with a massive \$695 billion gap between current retirement savings and what is needed to deliver the minimum adequate level of incomes in retirement. Ms Vamos said Australians take superannuation very seriously. Most Australians now look to superannuation to provide them with comfort and financial stability in retirement.



Results of recent polls reveal that almost 90 percent of working Australians believe that the Government made a good decision in increasing the SG from 9 to 12 percent. The results were especially stark amongst women on middle to low incomes who and younger people whose support for increasing the SG is almost universal.

The Association heads said that this matter was beyond politics. The ability to retire with a dignified standard of living is something that all Australians want and need.

**Further media enquiries:**

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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 2/3 of the Australian workforce.*