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## **Australian workers and the nation have much to gain from 12% super**

**The Australian Institute of Superannuation Trustees (AIST) – the peak representative body for the \$450 billion not-for-profit super sector** - today described the decision by the Australian Chamber of Commerce and Industry to oppose the lifting of the compulsory superannuation rate to 12% as disappointing.

**AIST CEO Fiona Reynolds** said employers had nothing to fear from compulsory super contributions moving to 12%, while workers and the nation had everything to gain.

Ms Reynolds noted that consumer polls had consistently shown that the vast majority of Australians – which doubtless included many employers – supported lifting compulsory superannuation to 12%.

“It’s not just the super industry that is saying we need 12%. Numerous independent surveys have shown that most Australians are concerned that 9 per cent super will not be enough to provide them with an adequate income in retirement,” she said.

Ms Reynolds said employers also needed to recognise that increasing the SG to 12% had benefits other than improving the retirement outcomes of all Australians and addressing the challenge of Australia’s rapidly ageing population.

“Super strengthens our economy and boosts our national savings pool. The fact that we now have \$1.3 trillion in our super system is one of the main reasons why Australia weathered the global financial crisis better than most other countries.”

Ms Reynolds said an estimated 25% per cent of employers already paid SG in excess of 9% - some as high as 15%. As such, many employers would not have to adjust their contribution rate.

She also noted that the proposed seven year timetable for lifting the SG to 12% by 2019 – whereby the first two years of increases were just 0.25 per cent – gave business and employees plenty of time to adjust.

“History shows that businesses thrived and real wages increased during the last period of compulsory super increases. This time round, the proposed increase from 9 to 12% is a lot smaller and more gradual,” she said.

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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.***