

Thursday March 24, 2011

Government's step forward on mining tax reforms is vital for 12% super

The Australian Institute of Superannuation Trustees (AIST) today welcomed the Government's acceptance of recommendations from the Resource Tax Implementation Group on the Mineral Resource Rent Tax as a key step towards Australians receiving a better deal in retirement.

AIST CEO Fiona Reynolds said the MRRT would ensure that all Australians receive a fair share of the mineral boom while at the same time help future-proof the nation against the escalating costs of a rapidly ageing population. It would also deliver a benefit to employers through a corporate tax cut and provide much-needed investment in infrastructure.

"The Government's move to implement the mining tax is a vital step towards lifting the compulsory super rate from nine to 12 per cent, which independent polling consistently shows is supported by the vast majority of Australians," said Ms Reynolds.

According to AIST's latest estimates, the average super balance is \$70,000 which Ms Reynolds noted will leave many Australians well short of what is needed for a comfortable retirement. It is estimated that lifting the SG to 12 per cent will provide an extra \$108,000 (in today's dollars) in retirement savings for a 30 year old worker on average income.

Ms Reynolds reiterated AIST's call for the Independents and the Coalition to support for Labor's proposal to increase the SG to 12 per cent from 2013/14 to 2019/20 - expected to be debated later this year in the spring session of Parliament.

"It's time for all politicians to get behind 12 per cent. This is a once-in-a-generation opportunity to ensure that our retirement system delivers on its promise to provide an adequate income for all retired Australians," Ms Reynolds said.

Further media enquiries:

AIST CEO Fiona Reynolds: 0408 336 116

AIST Media Manager Janet de Silva: 0448 000 499

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.