

1 November 2011

Majority of Australians support 12% super and mining tax as legislation heads to Parliament

More than two thirds of Australians support an increase in the compulsory super rate from 9 to 12%, while support for the mining tax has grown since February this year, according to a new poll commissioned by the **Australian Institute of Superannuation Trustees (AIST)**.

The poll, conducted by Essential Media in late October and released today, shows that 70% of all Australians support an increase in the super levy to 12%, with approval among Liberal and National Party voters at 69%, despite the Coalition opposing the increase.

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.

AIST CEO Fiona Reynolds said AIST had written to members of the Coalition, the Greens and the Independents, encouraging them to support the legislation on the super increase - part of the minerals resource rent package - which is expected to be introduced to Parliament this week.

“This is an historic piece of legislation that is going to have a very significant impact on generations of Australians,” said Ms Reynolds. “It deserves the support of all Parliamentarians, not only because most individuals want it, but because it will help build our national savings and ensure that future generations are not crippled under the tax burden required to support our rapidly ageing population”.

Under the proposed legislation, the superannuation guarantee (SG) will be lifted from the current 9 to 12% over a six year phase-in period beginning in 2013/14. 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 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”.

A recent AIST paper, *12 per cent: What's it worth?*, showed lifting the SG from 9 to 12% boosted the average income replacement ratio in retirement from 50% to as much as 70% over a working lifetime, the rate which is generally considered to be necessary for a comfortable standard of living.

The paper – prepared for AIST by the Australian Centre for Financial Studies – also found that while mature workers (those aged 50 and over) had less time before retirement to benefit from the increased contributions, lifting super to 12% was still significant, delivering an expected increase in retirement savings of around 25%.

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 two-thirds of the Australian workforce.