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AIST calls on Opposition to outline its superannuation policy

The **Australian Institute of Superannuation Trustees (AIST)** today called on the Coalition to outline its superannuation policy in the wake of the party's rejection of the Government's proposal to increase the superannuation levy from 9 to 12 per cent.

AIST CEO Fiona Reynolds said it was time for the Coalition to explain how it planned to tackle the funding challenges of Australia's ageing population without increasing the rate of compulsory super.

"It's not good enough for the Coalition to simply quote selected comments from the Henry Tax Review, when Dr Henry himself warned that the Review should be considered in its entirety," said Ms Reynolds.

"If the Coalition really believes compulsory super should stay at the current 9 percent level then it needs to explain how it plans to ensure the average Australian worker will be able to retire with dignity and how future generations of taxpayers will be able to fund the needs of our rapidly ageing population".

"If the Coalition has the solution to these demographic challenges, then let's hear it," she added.

Ms Reynolds said AIST's modelling had shown that the vast majority of taxpayers would have less super and experience a drop in take-home pay under the Henry Review recommendations, compared to the Government's super reform package, which included a super rebate for low-income earners. Other reasons why AIST was opposed to the Henry recommendations included the need for complex data matching requirements on behalf the Australian Tax Office, she said.

"We only have to look to Greece or Spain to see countries that haven't got their retirement policy settings right," said Ms Reynolds. "Raising the Superannuation levy is about creating a sustainable retirement incomes system that will meet the demographic challenges facing Australia" said Ms Reynolds.

Ms Reynolds added that employer groups had nothing to fear about the SG rising to 12%, noting that businesses and employment prospects were not unduly affected by past SG increases which were far greater and less gradual.

"The first 0.25 per cent rise – which isn't scheduled to take effect until 2013 - is equivalent to less than \$3 a week – the price of a cup of coffee - for the average wage earner," said Ms Reynolds. "It's hard to argue that such a rise will be a huge impost on either wage costs or take-home pay, particularly when real wages are expected to have increased by more than six per cent by 2013-14."

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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.