

Wednesday, 4 April 2018

AIST calls on the Government to confirm its support for lifting super to 12%

The Australian Institute of Superannuation Trustees (AIST) has called on the Government to confirm its commitment to increasing the compulsory super rate to 12 per cent.

Speaking at today's AFR Banking & Wealth Summit in Sydney, the Financial Services Minister, Kelly O'Dwyer, questioned the need to compel "an ever increasing amount of wage to be sacrificed into superannuation," claiming that it had a "detrimental" impact on an individual's wage.

AIST CEO Ms Eva Scheerlinck said it was worrying that the Government appeared to be backing away from its legislated timetable for increasing the Superannuation Guarantee (SG) from 9.5 per cent to 12 per cent by 2025-2026.

Ms Scheerlinck noted that the current timetable for the SG increases represented a significant delay of several years on previous timetables supported by former Labor Governments.

"Leaving the super rate at 9.5 per cent would not deliver an adequate retirement income for most working Australians," Ms Scheerlinck said. "Lifting super to 12 per cent addresses the challenges of Australians living longer in retirement and ensures that our retirement income system is sustainable in the face of a rapidly ageing population."

Ms Scheerlinck said there was no evidence to support claims that increasing super leads to lower wage growth.

"Many low-income earners receive the minimum wage which is set by the Fair Work Commission Expert Panel. There is no evidence the employers of these individuals have lifted wages in response to delays in the SG timetable," Ms Scheerlinck said.

Ms Scheerlinck added that halting the SG timetable would leave future generations of taxpayers vulnerable to burgeoning age pension costs.

"Australia's compulsory retirement savings system is the envy of other countries, who are now battling to support unfunded pensions," said Ms Scheerlinck. "Lifting the super rate to 12 per cent is about taking the responsible steps now for the long-term benefit of Australia."

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AIST is the peak body for the \$1.2 trillion profit-to-member superannuation sector which includes industry, corporate and public sector funds.

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