

31 January 2013

### Coalition decision to ditch super measure will see 3.5 million worse off in retirement

The Coalition's decision not to support the Government's low income super rebate would see an estimated 3.5 million Australians worse off in retirement, **the Australian Institute of Superannuation Trustees (AIST)** said today.

**AIST CEO Fiona Reynolds** said it was very disappointing that the Coalition was not supporting the measure, which was aimed squarely at boosting the retirement savings of those most in need.

"While the Coalition has been quick to criticise floated changes to super taxation concessions to very high income earners, they have no such concern for the lowest paid workers and their comfort in retirement".

The low income super contribution – which came into effect on 1 July last year - delivers up to \$500 a year extra in super for individuals earning \$37,000 or less. It is estimated that 3.5 million Australians (60 per cent being women) will benefit from measure, collectively to the tune of \$830 million in 2012/13.

Ms Reynolds said the low income super contribution was an important equity measure. Prior to its introduction by the Gillard Government, the low paid received no tax benefit from contributing to super.

"Importantly, individuals do not need to make any extra contributions to benefit from this measure," Ms Reynolds said. "It is of great value - not only to many full-time workers - but also to part-timers and women who take career breaks to raise children."

Commenting on the Coalition's policy commitment to not making any 'negative' changes to superannuation in its first term if elected to Government, Ms Reynolds said she hoped this meant the Coalition would be supportive of the many positive super initiatives and reforms of recent times.

"We hope that the Coalition's commitment to not making any negative changes to super includes supporting the Future of Financial Advice Reforms, the productivity recommendations for default funds and maintaining the equal representative trustee system for not for profit funds as all these measures benefit working Australians," Ms Reynolds said.

#### Further media enquiries:

**AIST CEO Fiona Reynolds: 0408 336 116; Media Manager Janet de Silva: 0448 000 499**

***AIST is the peak industry body for the \$500 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.***