

Dipping into super to buy a home threatens retirement income security

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The Australian Institute of Superannuation Trustees (AIST) today warned against the dangers of using superannuation to tackle the nation's housing affordability challenges.

Commenting on recent calls to allow first home buyers to access their superannuation as a housing deposit, **AIST CEO Tom Garcia** said while the superannuation industry shared concerns about housing affordability for the young, superannuation was not the solution or the silver bullet.

"The purpose of superannuation is to enable all Australians to have enough money for a dignified retirement. It is a key plank of the nation's retirement incomes policy and should never be used for any other purpose than helping people save for their retirement," Mr Garcia said.

Mr Garcia said the growth of the nation's superannuation savings pool played a vital role in tackling the future funding challenges of Australia's ageing population and reducing reliance on the Age Pension.

"Removing even relatively small amounts of savings from the superannuation system would see many more Australians reliant on the Age Pension and significantly worse off in retirement," Mr Garcia said. "Critically, they would miss out on the benefits of compounding interest and portfolio diversification."

Mr Garcia urged the Financial System Inquiry in its final report to call for bipartisan support to enshrine the key objectives of superannuation.

"Even when the superannuation contribution rate eventually reaches 12%, most young Australians will need every cent of their superannuation to achieve adequate levels of income in retirement."

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AIST is the peak industry body for the \$600 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.