

Emphasis on fairness and sustainability is a welcome contribution to superannuation tax debate

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Labor's announcement of a new super tax policy is an important contribution to the Tax Review and broader national debate on superannuation, **The Australian Institute of Superannuation Trustees** said today.

AIST CEO Tom Garcia said AIST welcomed Labor's emphasis on improving the fairness and sustainability of Australia's super system and its recognition of the need to better target tax concessions.

"Labor's new policy is certainly in the direction we need to head. It addresses some of the key issues around fairness and sustainability and it's good to see that pensioners and the majority of working Australians would not be adversely affected by any of the proposed changes," Mr Garcia said.

However Mr Garcia said AIST would be thoroughly examining Labor's proposal - along with other ideas - as part of its response to the Government's Tax Review (due on June 1) before committing to any policy change.

"We will be assessing and testing a range of tax policies for their impact with regards to equity, sustainability, gender bias, adequacy and how easily any changes can be implemented," he said.

Mr Garcia said any changes made to super needed to be considered in the context of overall government assistance to retirement and the rules affecting other areas of investment.

"We also need to consider that any changes made to the taxation of super should ideally reduce the complexity of the system. It's not enough for a policy change to work on paper - it must also work for fund administrators and back-office systems," Mr Garcia said.

Mr Garcia said that any proposed changes would need to be communicated effectively to the public and ideally gain bipartisan support.

"Arguably, this will be an even greater challenge for the Government, the Opposition - and the super industry - than coming up with any new policies."

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AIST is the peak industry body for the \$650 billion not-for-profit super sector which includes industry, corporate and public sector funds.