

Objective of super will protect integrity and sustainability of system

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The Australian Institute of Superannuation Trustees (AIST) has welcomed the Government's announcement of an objective of superannuation as outlined in the Federal Budget this week.

AIST CEO Tom Garcia said the objective – as recommended by the Financial System Inquiry – will help to protect the integrity and sustainability of the nation's retirement income system.

"The setting of an objective will create stability and certainty in the super system and guard against ad hoc tinkering," said Mr Garcia. "The next step will be to ensure we have a strong framework with which to measure how the system meets this objective, particularly in terms of adequacy and fairness."

Mr Garcia said the inclusion of a reference to the Age Pension in the objective was particularly important.

"The super system delivers different outcomes for different people," Mr Garcia said. "While some may be self-funded in retirement, others will use a combination of super and the Age Pension."

AIST has long called for the setting of an objective, with hopes it can help restore confidence in the super system.

"All proposed policies going forward should be road-tested against the objective," he said.

Note: The objective has been set as: "to provide income in retirement to substitute or supplement the Age Pension."

Further media enquiries:

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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.