

CALL FOR SUPER ACTION

MEDIA RELEASE

28 April 2004

LEADERS JOINT CALL FOR SUPER ACTION

Thirteen prominent organisations representing a broad cross section of Australia have joined together today in a 'Call for Super Action' to increase superannuation savings, concerned that Australia is under-prepared with the current policies to provide adequate retirement incomes for the growing numbers of aged Australians.

The coalition of organisations call upon all sides of politics has been facilitated by independent chairman Dr David Knox of PricewaterhouseCoopers. Between them, the 13 organisations represent employers and trade unions, major business, finance, and industry groups, and the accounting and actuarial professions.

"It is well known that our population is ageing, and that the number of aged Australians will dramatically increase in the future. But the current policies are inadequate and further strategies are needed to address this fundamental issue – and time is running out," said Dr David Knox.

"The organisations that have put their names to this document believe it is critical that strategies and incentives to provide for the financially secure retirement of average Australians are established now, and not left for future generations. By then, it will be too late," Dr Knox said.

The Call for Super Action proposes the following concrete policies that can improve the living standards of retired Australians:

- Broad acknowledgement and acceptance of the Senate Select Committee's finding that the goal for an adequate level of retirement income should be around 65% of pre-retirement income;
- Removal of the 15% super contributions tax, thereby increasing the level of superannuation benefits for all Australians;
- Extending the super co-contribution incentive to those earning up to \$60,000, thereby providing stronger incentives to save for the longer term;
- Improving the feasibility of integrating work and retirement during a phased retirement period, by enabling anyone under age 70 to be able to turn the income stream from an allocated pension on or off, with no work test applying.

"Some of these proposals build on recent welcome announcements by both the Government and Opposition. Indeed, this is an area of ongoing policy development and this Call for Super Action was modified during its 8-month gestation period in light of the recent announcements. Nevertheless it is important to understand that more measures are needed if we are to provide adequate retirement incomes," Dr Knox said.

CALL FOR SUPER ACTION

Members of the coalition are:

ABA (Australian Bankers Association);	www.bankers.asn.au
ACTU (Australian Council of Trade Unions);	www.actu.asn.au
AIG (Australian Industry Group);	www.aigroup.asn.au
AIST (Australian Institute of Superannuation Trustees);	www.aist.asn.au
ASFA (The Association of Superannuation Funds of Australia);	www.superannuation.asn.au
CEDA (Committee for Economic Development in Australia);	www.ceda.com.au (tbc)
CPAA (Certified Practising Accountants of Australia);	www.cpaaustralia.com.au
FPA (Financial Planning Association of Australia);	www.fpa.asn.au
IAAust (Institute of Actuaries of Australia);	www.actuaries.asn.au
ICAA (Institute of Chartered Accountants in Australia);	www.icaa.org.au
IFF (Industry Funds Forum);	www.industryfunds.org.au
IFSA (The Investment and Financial Services Association);	www.ifsa.com.au
SIA (Securities Institute of Australia).	www.securities.edu.au/members

The full document 'Call for Super Action' can be viewed on the above Websites.

Contact:

Dr David Knox, Independent Chair, Call for Super Action on 0408 380 168 or 03 8603 3919.