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SUPERANNUATION CHANGES A WELCOME START BUT POLICY DIRECTION STILL WRONG

Amendments to the Australian Government's proposed superannuation reforms are a welcome start but the total package is still pointing in the wrong direction, according to free market think tank the Institute of Public Affairs.

"The Turnbull Government should be congratulated for dumping its retrospective and unworkable \$500,000 lifetime non-concessional contributions cap," said Brett Hogan, Director of Research at the Institute of Public Affairs.

"However, limits on what can be transferred into a retirement account remain, as does the proposed objective that superannuation exists only to 'substitute or supplement the Age Pension.'

"Overall, the Turnbull Government's superannuation policy remains ill thought out, and built on a platform of higher taxes."

"From the outset, the major problem with this package was that it was based on how to gain extra revenue for government, not on how to design a superannuation system that will maximise the retirement income of all Australians."

Earlier this week the Institute of Public Affairs released a [new report](#), *Strangling the Goose with the Golden Egg*, which highlighted how the proposed changes would condemn middle-income Australians to the equivalent of an Age Pension.

"Instead of citing 'fairness' to criticise people who attempt to provide for themselves, policy makers should acknowledge that private funds put aside for retirement represent deferred consumption. Flat and low taxes on superannuation contributions and earnings is actually good public policy." Mr Hogan said.

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