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PROPOSED SUPERANNUATION OBJECTIVE SHOULD BE REVISED OR SCRAPPED

The Australian Government's proposed objective that the superannuation system 'provide income in retirement to substitute or supplement the Age Pension' should be revised or scrapped, according to free market think tank the Institute of Public Affairs.

The Institute of Public Affairs today lodged a submission with the Treasury on the Exposure Draft of the proposed Superannuation (Objective) Bill 2016.

"In his May Budget Speech, the Treasurer said that 'becoming financially independent in retirement, free of welfare support, is one of life's great challenges and achievements,'" said Brett Hogan, Director of Research at the Institute of Public Affairs.

"Yet the Treasurer then proceeded to outline the government's proposed new tax increases and contributions limits, as well as the proposed new objective."

"It is of the gravest concern that maximising personal income in retirement is not deemed to be the primary, or even a subsidiary, objective of the superannuation system."

"Superannuation initiatives that are implemented under the auspices of the proposed primary objective are unlikely to help middle-income earners to significantly boost their income in retirement or to allow large numbers of Australians to move off the full or part Age Pension."

"Instead of proposing that the goal of the superannuation system is to merely take the place of or top up the Age Pension, an alternative would be: 'to ensure that as many Australians as possible take personal responsibility for funding their own retirement. The Age Pension provides a safety net for those who are unable to provide for themselves in retirement.'"

"Once the principle has been established that superannuation taxes can be increased to pay for government spending, that all major parties have voted for it, and that it doesn't even contradict the objectives of the system, then there will be no stopping future governments."

A copy of the submission is available [here](#).

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