



TASPLAN

Your Choice for Super

Tasplan Ref: NC-1847-P Vamos

Incorporating  
**BACSS** **TRANSECURE**

9 June, 2009

Ms Pauline Vamos  
CEO  
ASFA  
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Dear Pauline

Australia's income retirement policy is under enormous pressure due to an ageing population, falling birth rates, negative household saving ratio and rising household debt.

It is widely recognised that superannuation is an integral pillar in our income retirement policy, however, confidence in the superannuation system has been severely eroded due to the Global Financial Crisis.

With the handing down of the Federal Budget on 12 May 2009 the stability of the superannuation landscape has been further eroded as it was announced that there will be some substantial changes to superannuation taxation, in particular, halving the limits on Concessional Contributions at 1 July 2009.

Such changes ensure more uncertainty for a system that has endured constant change over many years.

From 1 July 2007, people were given a five year window of opportunity to accumulate above average superannuation balances in saving for retirement only to have the 'rug' pulled out from under them without recourse.

Statistics show that salary sacrifice payments into superannuation are on the rise and that members of superannuation funds are utilising opportunities to grow their nest egg for retirement.

The majority of superannuation members would not have planned to make maximum concessional contributions in year one but planned to progressively increase contributions over the remaining years to 30 June 2012.

Because this opportunity has been closed mid-term, these monies will be lost to the superannuation system placing more reliance on government assistance in retirement.

Communicating the changes to members continues to be a key challenge for superannuation funds and trying to convince them that superannuation is an effective way to provide for retirement income will become more difficult.

Suffice to say, the provision of adequate and sustainable retirement incomes for all Australian retirees has again been undermined by regressive policy decisions.

Yours sincerely,

Neil F. Cassidy  
General Manager

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