

ALP Additional Comments

Labor senators endorse the Committee report but believe that additional emphasis must be placed on the priorities for policy changes.

The groups facing inadequate retirement incomes must be the focus of initiatives to boost superannuation savings. These groups are essentially: women, the self-employed, those over 40 (who have only had 10 years of Superannuation Guarantee contributions at less than 9 per cent) and middle income earners.

Labor has already proposed policy options that would largely assist these groups including:

- Reducing the contributions tax by either 2 per cent for all members or 3.5 per cent for those aged 40 years and over;
- Capping fees and charges at 1.2 per cent or appropriate dollar amount to reduce the reduction in end benefits;
- Providing full compensation for funds lost due to theft or fraud.

Labor senators do not agree that cutting the Liberal Government's superannuation surcharge tax, which would only benefit approximately 5 per cent of the working population (those who earn surchargeable income of \$90,527 or more a year) at a cost of \$370 million over 3 years is appropriate at this time.

Labor proposals are far fairer and would have a much bigger impact on the retirement savings of all Australians, particularly those at greatest risk of not having an adequate income in retirement.

Senator the Hon Nick Sherry

Senator Geoffrey Buckland

Senator Penny Wong

