

MEDIA RELEASE

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Super guarantee delay will mean \$128 billion less in savings for working Australians

The Financial Services Council has calculated that working Australians will have \$128 billion less in their superannuation savings by 2025 due to the delay of 12 per cent superannuation guarantee charge for seven years.

This follows the government's revised schedule for the SGC to enable the repeal of the Mining Resources Rent Tax.

John Brogden, CEO of the FSC said: "It is very disappointing that the government has again slowed the increase in the Superannuation Guarantee to 12 per cent."

"We are concerned it could exacerbate the nation's low savings rate and that costs will be passed on to future generations."

"Australia has a savings gap of \$727 billion. The delay of revised schedule would result in a widening of the gap as Australians will have \$128 billion less in superannuation contributions by 2025."

Superannuation is significantly reducing the pressure on the Federal Budget. This year it will save the government \$6 billion in Age Pension costs. If it continued to 12 per cent at the current schedule, this would be \$11 billion per annum by 2030.

"Australians are living longer and need to plan for their retirement with certainty."

"With increasing the financial pressures of an aging population, now is not the time to slow down on superannuation."

"Changes announced today will reduce the likelihood that people can retire comfortably and that the costs of an aging population will be passed on to the next generation."

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About the Financial Services Council

The Financial Services Council (FSC) represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, licensed trustee companies and public trustees. The Council has over 125 members who are responsible for investing more than \$2.3 trillion on behalf of 11 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the third largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.