



NEWS RELEASE

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HENRY REVIEW DECISIONS WELCOME BUT TOO SLOW

The federal government's announcements on superannuation changes in response to the Henry Tax Review are welcome but too limited in some areas and will come into effect too slowly says Australia's leading seniors organisation.

COTA Australia Chief Executive Ian Yates said the increase in the superannuation guarantee levy to 12% is an important step to ensuring more people in future will have adequate retirement incomes.

However COTA would prefer to see the increase brought in faster, commencing with the 2010/11 financial year so the 12% rate is achieved earlier than 2020 - a decade away.

The introduction of a low income earners contribution is an important step in assisting lower income earners have an improved retirement income and reducing total reliance on government income support payments. Again, implementation of this earlier than July 2012 would have been welcome.

The continuation beyond 2012 of the \$50,000 superannuation contribution cap for workers over 50 with super worth less than \$500,000 will also assist with building self reliance in retirement

COTA is disappointed that the age for Superannuation Guarantee contributions has been raised from 70 to 75 years rather than abolished completely as the Henry Review recommended and that the age limit for personal contributions to superannuation has also not been abolished, even though it was recommended by the review.

These age limits are arbitrary and discriminate against older workers as it means there is not equal pay for equal work. We urge the government to reconsider this.

COTA welcomes the government's statement that it will not implement a number of the AFTS recommendations including inclusion of the family home in means tests; reducing the indexation of the age pension; hitting pensioner concessions on utilities; introducing a bequests tax; and asking the states to charge market rents for public housing.

COTA would have liked to see a more comprehensive response, particularly around the AFTS recommendations for the transfer system. We look forward to working with the Government as it develops the next phase of its reform agenda

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