

7 September 2016

Statement from Alex Malley, chief executive of CPA Australia

We note today's release of exposure draft legislation relating to superannuation reform.

The move to enshrine the purpose of superannuation is welcome and it is pleasing that our recommendation to include a Statement of Compatibility in the purpose of superannuation legislation has been taken up by the Government.

We believe it is important that any future legislation or regulation relating to superannuation must demonstrate how it is compatible with the stated primary objective: to provide income in retirement to substitute or supplement the Age Pension.

The consultation process to develop this piece of draft legislation was effective and has led to a positive outcome.

The components of the superannuation reform package released today contain the least controversial components of the changes announced in the May budget. They are fairness measures and in many cases are well overdue.

They are also measures that do not contribute to improving the budget bottom line.

Of concern is the lack of detail forthcoming on the other seven measures announced on budget night – the controversial reforms that will pay for these fairness measures. If the other reforms don't pass or have to be significantly modified we could potentially find ourselves in an even worse fiscal position. This is a strange approach to budget repair.

The Treasurer has advised that these measures will be brought forth in the coming weeks and months due to the complexity involved in drafting the legislation.

Legislation on superannuation reform is not inherently any more complex than any other kind of legislation.

What makes this complex is the lack of agreement within the Government on exactly what they are planning to legislate.

The public consultation process runs for nine days which contrasts with the four months the Government has spent negotiating with its own backbench in an attempt to get consensus on the detail of the other reforms. This is the reason we still have no firm timeline on when we will see the detail, because the detail is yet to be agreed.

-ENDS-

Media contact: Karen Hellwig on 0407 332 447 or media@cpaaustralia.com.au