



# Media Release

## Senator Mathias Cormann

### *Shadow Assistant Treasurer*

### *Shadow Minister for Financial Services and Superannuation*

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#### **Shorten's increase in compulsory super will cut take home pay**

Bill Shorten's latest statement on superannuation includes no new information and has again failed to make the policy case for Labor's proposed increase in compulsory super from 9 to 12 percent.

"Minister Shorten once again refused to explain why a three percent cut in take home pay for Australian families is a good thing at a time of increasing cost of living pressures," Shadow Minister for Financial Services and Superannuation Mathias Cormann said today.

"The Coalition supports Australia's three-pillar retirement income system with the age pension, compulsory superannuation guarantee payments and incentives for voluntary savings," he said.

"However, Labor's own Henry Tax Review specifically recommended against increasing compulsory super beyond the current 9 percent limit.

"The Henry Tax Review stressed that the burden of any further increase beyond the current 9 percent limit would impact *'most heavily on low and middle income earners'*.

"Mr Shorten has again failed to explain why Dr Ken Henry, now the Prime Minister's private adviser, got it wrong and why Labor thinks it has got it right with its push to reduce take home pay for low and middle income earners.

"Why should families with a mortgage not be allowed to use the extra income Bill Shorten wants to force into superannuation to pay off their mortgage faster or deal with increasing cost of living pressures.

"Labor is about increased compulsion.

"Since coming to office Labor has made it harder for Australians to plan for their retirement. In its first term Labor decided to halve concessional contributions caps after promising before the election not to.

"Bill Shorten continues to ignore important recommendations by the Cooper Review to improve corporate governance arrangements, transparency and competitiveness in the superannuation industry.

"It is time Bill Shorten started to make some hard decisions. It is time he started to drive the necessary reforms to corporate governance of superannuation funds. It is time that he started to ensure an open, transparent and competitive process when it comes to the selection of default superannuation funds under modern awards," Senator Cormann said.

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