

Stronger Super

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FOREWORD



By 2050, almost one in four Australians will have reached retirement age, compared to one in seven today. The gift of longer life means Australia is at a critical point in the development of its retirement savings system. We need to improve the operation of the superannuation system so it can deliver a comfortable and secure retirement for current and future generations of Australians.

On 29 May 2009, the Government commissioned the Super System Review (the Review), chaired by Jeremy Cooper, to make recommendations to ensure the superannuation system has a sharper focus on operating in members' best interests. The Review's final report was handed to the Government on 30 June 2010.

The Government's comprehensive response to the recommendations of the Review Panel will deliver better outcomes for members and their employers by:

- creating a new simple, low cost default superannuation product (MySuper);
- raising the bar for those managing our superannuation system, particularly for those managing default superannuation funds in which the majority of Australians invest;
- providing APRA, ASIC and the ATO with the tools they need to improve their oversight of superannuation; and
- making the processing of everyday transactions easier, cheaper and faster (SuperStream).

These 'Stronger Super' reforms will strengthen the economy by increasing Australians' superannuation savings and therefore, our national savings. More domestic savings will be available for investment in nation building projects, lessening Australia's need for foreign savings. In addition, by ensuring the superannuation system is more efficient, these reforms will also improve the productivity of the Australian economy.

This significant reform program complements the Government's historic commitment to increase the superannuation guarantee to 12 per cent. We cannot encourage Australians to save more for their retirement without providing certainty in terms of policy settings and without providing comfort that the retirement savings system is operating in their best interests.

I acknowledge the significant contribution of my Ministerial predecessors, Chris Bowen and Nick Sherry, and thank the Review Panel, its Secretariat and officials from APRA, ASIC, the ATO and the Australian Treasury for their hard work. I also thank those who made submissions to the Review and were involved in the consultations we undertook prior to finalising our response.

The Hon Bill Shorten MP
Assistant Treasurer and Minister for Financial Services and Superannuation