



## **MEDIA RELEASE**

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### **ELECTION OVER BUT WHERE TO NOW WITH SUPER?**

The election has been fought and won by the Coalition, but the Institute of Public Accountants (IPA) is urging the Government to refrain from some of the policy changes to superannuation that were announced in the May 2016 Federal Budget.

“Successive governments have encouraged citizens to provide for their own retirement but retrospective policy changes have made many people feel anxious,” said IPA chief executive officer, Andrew Conway.

“The lifetime cap of \$500,000 on non-concessional contributions backdated to 1 July 2007 and the cap of \$1.6 million on pension-phase balances have significantly shifted the goalposts.

“Justifying these changes on the basis it only impacts a small portion of the population does not justify backdating their impact.

“The impact on people’s long term financial savings to fund 30 years of retirement defeats the purpose of what superannuation was meant to address.

“Governments should take superannuation out of the budgetary cycle and not 'tinker' with people’s self-sustainable retirement plans.

“Once the mandated purpose for superannuation is determined and agreed upon, the Government should then look towards making changes for the long term instead of using superannuation to plug a hole in the budget deficit. The IPA continues to urge the Government to address structural problems with the budget through holistic tax reform.

“Wealth creation strategies outside of superannuation used to fund retirement should also be considered as part of a broader review of retirement incomes policy,” said Mr Conway.

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#### **About the Institute of Public Accountants**

The IPA, formed in 1923, is one of Australia’s three legally recognised professional accounting bodies. In late 2014, the IPA acquired the Institute of Financial Accountants in the UK and formed the IPA Group, with more than with more than 35,000 members and students in over 65 countries. The IPA is a member of the International Federation of Accountants, the Accounting Professional and Ethical Standards Board and the Confederation of Asian and Pacific Accountants. The IPA was recognised in 2012 as Australia’s most innovative accounting organisation and listed in the top 20 in the 2012 *BRW* Most Innovative Companies List.