



## **AUSTRALIAN COUNCIL ON THE AGEING**

ABN 55 008 483 574

9 August 2006

General Manager  
Superannuation, Retirement and Savings Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir

### **Re - A Plan to Simplify and Streamline Superannuation May 2006**

The position of the Council on the Ageing has and continues to be that incentive to invest and equity of outcome from superannuation requires debate about the entire framework of retirement income. COTA's specific policy has been that input and accumulation taxes should be abolished, while continuing to tax superannuation when spent.

However, COTA is aware that the Federal Government has said it will only consult on the detail of its proposed changes, rather than the basic framework. COTA has, therefore, addressed the proposed changes to superannuation within that context.

We recognise that the proposed changes are likely to provide greater incentive for people to invest in their retirement income, and will improve the income position of some people currently drawing on their superannuation. Among this group, however, are people who chose to structure their superannuation on the basis of the benefits arising from the current tax rules rather than in a manner most suited to their particular and long term situation.

COTA seeks, therefore, the inclusion in the proposed changes of the capacity for superannuants to unbundle existing arrangements in order to best meet their individual needs. In this way, people who have made decisions about superannuation under the existing rules will not be disadvantaged relative to those who will structure their finances under the proposed plan.

Yours sincerely

**Jim Giles**  
**Chair**  
**National Policy Council**