



# TAX FORUM

4-5 October 2011

## STATEMENT OF REFORM PRIORITIES

### PARTICIPANT NAME AND POSITION

The Hon Susan Ryan AO, Age Discrimination Commissioner

### ORGANISATION

Australian Human Rights Commission

### STATEMENT OF PRIORITIES

Around two or three pages, please. Please address both of these issues:

1. What are your priority reform directions for the tax and transfer system?
  - A review of age caps in superannuation, workers compensation, income maintenance insurance and travel insurance with a view to abolishing or liberalising any cap where the public policy rationale no longer achieves its objective or where the effect of the cap runs counter to current policy of encouraging retention of older workers and facilitating the rehiring of older workers.
  - In superannuation, the \$450 threshold for the payment of the Superannuation Guarantee (SG) should be abolished. Casual workers working many hours for different employers are barred by this threshold from receiving any SG. This bar effects more female than male workers as women form the majority of the casual workforce. It also affects young casuals such as students.
  - Tax arrangements to encourage the transition from full time work to part time work and then to retirement should be reviewed. Current arrangements, while generous in some respects, are not readily understood and do not benefit all older workers for whom staged transition would be a preference.
  - Paid Parental Leave payments should include 9% SG as should Carers payments and Disability benefits.
  - The government co-contribution to superannuation policy should be extended and redesigned to allow for a government contribution without members co-contribution to be made into the super accounts of employees earning less than the minimum wage over the 10 years before retirement.
  - The policy of increasing the SG from 9% to 12% should be implemented.



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2. How are your proposals financed over the short and longer term?

- An increasing proportion of retirees achieving financial independence or having a lesser need to draw on the age pension.
- An increase in tax revenue from workers staying longer in the paid workforce.
- A reduction in public outlays on health services would result from the improved physical and mental health of older workers staying longer in the workforce.
- The cost of an increase in the SG would be met substantially by employers. Tax lost through revenue foregone through superannuation tax concessions would be minor.

## LIST OF ATTACHMENTS

Feel free to attach supporting papers if you wish. Please list them here.