

24 July 2015

Tax White Paper Task Force  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Email: [bettertax@treasury.gov.au](mailto:bettertax@treasury.gov.au)

## **Re: UniSuper Management submission on Tax White Paper**

On behalf of the Management of UniSuper, I'm pleased to make this submission in response to the extended consultation with its focus on comprehensive retirement income streams.

UniSuper is a strong believer that new retirement income products are required to address the needs of an ageing population. Over the past 18 months, we have made a number of submissions to the Financial System Inquiry, arguing that superannuation funds should have more flexibility to develop new products, such as deferred pensions / annuities and collective defined contribution (CDC) schemes. We also made a submission to Treasury's Review of retirement income stream regulation, highlighting aspects of the Superannuation Industry (Supervision) Regulations that could be changed to offer funds this flexibility.

## **The retirement phase of superannuation**

We expect that the market for retirement income products will change significantly over the medium to longer term, with an increase in the use of risk-pooling for both new and legacy products. While changes will occur to address factors such as a maturing industry, member needs for longevity insurance and more certainty about retirement income, the market also will be significantly influenced by regulatory incentives such as those likely to result from the Financial System Inquiry's Recommendation 11 for a Comprehensive Income Product for Retirement (CIPR).

**Fund:** UniSuper  
ABN 91 385 943 850

**Trustee:** UniSuper Limited  
ABN 54 006 027 121

**Administrator**  
UniSuper Management Pty Ltd  
ABN 91 006 961 799  
Australian Financial Services  
Licence No. 235907

**Helpline**  
1800 331 685

**Head Office**  
Level 35, 385 Bourke Street  
Melbourne VIC 3000  
Facsimile 03 9910 6141  
[www.unisuper.com.au](http://www.unisuper.com.au)

With an increased use of risk pooling, we believe there is an increased need for stability of the tax policy settings. This particularly applies to taxes on superannuation contributions and superannuation fund earnings. If these taxes were to change with similar frequency to changes to other taxes (for example the personal income tax schedule which changes from year-to-year), effective risk pooling and design of retirement benefits would become almost impossible.

The design of retirement income products also depends on complex superannuation and social security laws. Consequently, tax policy changes will need to be considered along with social security changes (e.g. income and assets test treatment of retirement income streams) as well as key changes to the SIS Regulations (see our submission on the Review of retirement income stream regulation pp 3-4).

We would be happy to expand upon any of the comments made in our submissions or to answer any questions you may have. Please contact Benedict Davies, Manager, Government & Industry Policy, on 03 8831 6670 or [benedict.davies@unisuper.com.au](mailto:benedict.davies@unisuper.com.au) should you wish to discuss our submissions further.

Yours faithfully

A handwritten signature in black ink, reading "Kevin O'Sullivan". The signature is fluid and cursive, with the first name "Kevin" and last name "O'Sullivan" clearly distinguishable.

Kevin O'Sullivan  
Chief Executive Officer  
UniSuper

Encl.