



# Association of Independent Retirees (A.I.R.) Limited

ACN 102 164 385

.... Working for Australians in retirement

18 September 2013

The Hon Tony Abbott MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Prime Minister

I would like to take this opportunity, on behalf of Self-funded Retirees, to congratulate you on your appointment as Prime Minister.

One and a half million self-funded retirees make a massive contribution to Australia's economic wellbeing. They save the Government billions of dollars annually in age pensions foregone and in health costs, through private health insurance, by fully or partly funding their retirement. They invest hundreds of billions of dollars, whether privately or through superannuation, to drive the development of the Australian private business sector. Those over 65 contribute \$7billion (5%) of personal income tax paid to government each year. As baby boomers retire the contribution of self-funded retirees will increase even further.

Because self-funded retirees carry the investment risk, superannuation and private investment was a major factor protecting the Australian economy during the Global Financial Crisis. As a consequence, retiree assets were dramatically reduced.

Most self-funded retirees are almost totally dependent on their investment returns to maintain their independence from Government support. Their ability to continue to contribute to the economy depends on a vibrant Australian economy that provides a real interest rate return to investors and that embraces a strong, confident business sector with reliable returns.

Taxes and levies to fund Government initiatives and regulatory burdens erode the ability of self-funded retirees to maintain their independence. Non-transparent imposition of user-pays principles by Government in superannuation, such as the levy on Superstream and the Self-Managed Superannuation Fund Annual Supervisory Levy, should not be open slather for Government to impose unfair and inequitable fees and charges.

Large components of regulation in the drawdown phase of superannuation have proved worthless over two decades of experience but are a source of rich fee revenue to the superannuation industry at the expense of superannuation returns to individuals. The threat of interference with the key principle of non-taxing pension earnings proposed by the previous Government must be comprehensively rejected by your Government.



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Key issues for self-funded retirees lie in health and aged care. The undeniable fact is that as people age they require greater access to the health sector. Your Government's agreement to index the Commonwealth Seniors Health Card is welcomed. While most self-funded retirees have private health insurance to assist in covering their costs, unforeseen diseases and procedures can go well beyond ability to pay. Recent Government action to remove the taxation rebate on health costs does not appear to have taken this issue into account. We are encouraged by your willingness to negotiate an Aged Care Provider Agreement taking into account the Productivity Commission Caring for Older Australians report.

Self-funded retirees are heartened by your Government's commitment, expressed in the Liberal Party Policy Booklet: *"to a decent and respectful society that gives a 'fair go' to all and encourages people to thrive and get ahead"*.

We eagerly look forward to being given an opportunity to work with your Government and your new Minister's on the issues and concerns that continue to impact on the finances, lifestyle and erode the capacity to maintain an independent lifestyle for retirees who either partly or fully self fund their retirement.

Yours sincerely

Max Barton  
President