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# Media release

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## Call for Treasury to release super modelling

The Australia Institute today called for the release of Treasury modelling on the relative cost of the age pension and tax concessions for superannuation over the coming decade.

Speaking today at the National Press Club Executive Director Dr Richard Denniss said that until the Treasury releases this modelling neither the government nor the opposition can have a meaningful debate about the sustainability of their promises.

“Tax concessions for superannuation are the new black hole for the federal budget. Even the industry admits that we are spending $32 billion on tax concessions for super to save $7 billion on the age pension. The simple mathematics of superannuation appears to have been lost under its legislative complexity,” said Dr Denniss.

“It is time that the projected cost of tax concessions for superannuation and the projected cost of the age pension were both clearly spelt out in the Treasury's Intergenerational Report.

“Treasury Secretary Martin Parkinson has previously questioned the sustainability of the scheme, so why not release the projections so we can see whether superannuation tax concessions really will pay for themselves or not?”

The combined cost of the age pension and tax concessions for superannuation has risen from $25 billion in 2000-01, to $65 billion in 2011-12 to a projected $89 billion in 2015-16. The superannuation industry argues that the cost of the tax concessions will be funded by reductions in the cost of the age pension.

“If the government, the opposition and the superannuation industry really believe that the rising cost of tax concessions for super will be offset by reductions in the cost of the age pension then they should be willing to agree on a cap for the combined cost of the two,” said Dr Denniss.

“I call today on all supporters of the current tax concession arrangements to support a cap on the combined cost of these measures of $75 billion, equivalent to 5 per cent of GDP. If the combined cost to the budget of these two retirement income measures goes above that threshold we should admit it is time rein in the generous tax concessions to the wealthiest 10 per cent of Australians.

“Regardless of the short term politics whoever governs Australia in the future will ultimately have to confront the budgetary and equity consequences of handing tens of billions of dollars each year to Australia's wealthiest citizens,” concluded Dr Denniss.

*See overleaf for a “super reality check”.*

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