

## Media Release 2011-2012 Federal Budget

Industry Super Network has welcomed the superannuation initiatives within the 2011-2012 Federal Budget.

ISN Chief Economist Dr Sacha Vidler noted that whilst the major focus of the budget is achieving future productivity gains to secure growth and a return to a sustainable budget position, important superannuation initiatives have been provided for.

Dr Vidler said:

"During a period of change in the superannuation industry, the budget makes provision for much needed industry reform. The budget also encourages infrastructure investment by superannuation funds. ISN welcomes these initiatives."

Changes to the tax treatment of losses in infrastructure development projects, combined with a significant boost to infrastructure funding will encourage superannuation funds to participate in these projects.

Dr Vidler welcomed the increased funding to the ATO, APRA and ASIC to commence the implementation of announced Stronger Super measures, including the enhanced regulation of self-managed funds; the extended use of Tax File Numbers within the super industry and the development of a web portal to allow super fund members to view their super account details online.

"ISN and the industry fund movement have been working constructively with the government and the rest of the industry to implement real change in the superannuation industry to ensure it works in the best interests of members. This budget provides funding, via an industry levy, for much needed changes" said Dr Vidler.

*Other superannuation related matters within the budget include;*

- Allowing those who have made excess concessional contributions of up to \$10,000 (not indexed) to refund the excess contribution from their super fund and attract the relevant marginal tax rate;
- The previously announced 3 month extension for CGT rollover relief;
- A further 12 month extension of the freeze on indexation of the income threshold above which the maximum super contribution begins to phase down;
- The removal of the CGT trading stock exception for super funds;
- A \$55 million compensation package for Trio fund members to be funded via an APRA industry levy.

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