

Rest Super Submission to the Economic Reform Roundtable Consultation, July 2025

Rest is one of Australia's largest superannuation funds, with more than two million members – or around one-in-seven working Australians – and around \$99 billion in assets under management.¹ We represent around one million members under the age of 30, who are decades from retirement. Rest proudly represents more than one million women, including more than one in every four young women aged 18-25 in Australia. Many of our members work in part-time or casual jobs and have lower balances by the time they reach retirement.

Rest welcomes the opportunity to provide views to the Government in its consultation on the work of the Economic Reform Roundtable, to unlock new ideas and build consensus around economic reforms and productivity. As Australia faces climate change, an ageing population and a severe housing shortage, without policy action younger Australians will bear the greatest cost of these challenges. As a super fund with a significant number of younger members and lower-income earners, Rest strongly supports policy change to address intergenerational inequity and improve productivity. Higher productivity supports workers' wages², raises living standards and improves the economy and society into which our members retire. In this submission, Rest has focused on priorities relevant to us as a member-based super fund and a large institutional investor on behalf of our over two million members.

As a member of both the Super Members Council of Australia (SMC) and the Association of Superannuation Funds of Australia (ASFA), Rest expresses our support for the submissions put forward by SMC and ASFA. As noted by ASFA, Australia's super system is a strategic enabler of modern productivity³. We agree with ASFA that stable super policy settings help support super's role in the Australian economy, provides funds like Rest with greater confidence when undertaking long-term investment decisions and reduces the risk to investment returns⁴.

Rest's recommendations

Rest's overarching recommendation is for the Government to assess proposals received for changing settings in the tax and transfers system by:

1. Using evidence-based modelling of long-term economic growth and impact on Australians' personal financial situations, including climate scenarios; and
2. Prioritising the issue of intergenerational equity.

Increasing investment in Australia's future economy

- **Reform the superannuation performance test** to cater for emerging areas including the energy transition, decarbonisation, affordable housing, and possibly other emerging local industries (e.g. AI businesses and venture capital), to ensure the test helps **drive productivity and efficient capital flows**. This is an essential reform to encourage investment in economy-enhancing local businesses and infrastructure.
- **Ensure that any future reform to the regulation of private markets does not unduly hinder participation in private markets by super fund investors.**
- **Adopt a 2035 Nationally Determined Contribution (NDC) aligned with the highest level of ambition.** This should be supported by robust sectoral decarbonisation plans to support the Net Zero transition.

Cutting unnecessary red tape and building system efficiencies

- **Improve planning and zoning systems for large-scale housing projects** (including quicker decisions, higher certainty of planning outcomes and density/floor space bonuses) and increasing land-availability pipelines for housing projects, while maintaining an important focus on ensuring housing projects are sustainable and energy efficient.
- **Review and standardise definitions relating to social and affordable housing**, to provide a comparable and level-playing field for investors across jurisdictions. This should include a national definition of essential workers, which includes retail workers, who are eligible for affordable housing.

¹ As at 30 June 2025.

² ASFA (2025). The Impact and Opportunity of Superannuation on Australia's Productivity. Estimates that for a worker on average full-time wages today, the boost to productivity is equivalent to around \$2,500 per year.

³ As above. Page 5.

⁴ As above. Page 16.

- **Conduct robust analysis of planning and approval times for renewable energy projects**, to determine where key pressure points are located and determine ways to address those points⁵.
- **Change ASIC's RG 97 to remove stamp duty as a reportable transaction cost**, noting the inclusion of stamp duty can impact the attractiveness of certain investments (such as residential housing and infrastructure) relative to other asset classes, and is a requirement not present in other jurisdictions. Stamp duty should be treated like other taxes, rather than as an investment cost.
- **Remove the prohibition on making contributions to existing account-based pensions** to simplify the system, provide flexibility and choice for retirees to manage their retirement income streams, reduce the need for multiple superannuation accounts and enhance later-life workforce participation. In addition, the **Work Bonus payments threshold should be increased** to ensure retirees can work more if needed to supplement their retirement income without impacting pension entitlements, which is particularly important for the growing cohort of retirees who are not homeowners.
- **Legislate the Tranche 2 DBFO reforms as soon as possible**, which provide a pathway for funds to increase the scope and reach of financial advice, while maintaining strong consumer protections.
- **Commence a joint ASIC/APRA process that seeks industry proposals for regulatory efficiency, modernisation and simplification improvements** across the range of superannuation regulation. This could support removing duplicative and redundant regulations and modernising regulations for the digital age, without compromising the safety and integrity of the system. There is also an opportunity for greater transparency in how ASIC and APRA are engaging with each other on an ongoing basis to limit duplication.
- **Improve tax settings where Australian super funds face material competitive disadvantage** as investors (including CGT rollover relief where the beneficial ownership remains unchanged).
- **Consider a data-sharing framework between government agencies and super funds**, to improve data quality, member service and efficiency, while addressing systems, privacy and security.
- **Ensure AI risks (including social and labour risks, and energy demand) are appropriately managed, while ensuring Australia can realise the significant productivity benefits of AI.**

Building economic resilience

- **Monitor how Future Made in Australia support is incentivising investment** in emerging industries and crowding in institutional investment to those industries.
- **Consider further opportunities for Government and Specialist Investment Vehicles to crowd in institutional capital**, including superannuation funds, to invest in the energy transition.

Increasing the rewards from investment and work, and removing coverage gaps in super

- **Legislate to extend the super guarantee to all under 18s**, including those working less than 30 hours per week, engaging in detailed consultation with business including regarding phased implementation.
- **Increase the Low-Income Superannuation Tax Offset (LISTO)**, including aligning LISTO amounts to the top of the second tax bracket and super guarantee rate increases, which is necessary to give low-income workers a fairer deal on super tax concessions and ensure they are not paying more tax on their super than on their take-home wages.
- **Develop a 'Superannuation Carer Credit'**, which could significantly assist in reducing Australia's gender super gap. A carer credit should be broad, covering various forms of caring responsibilities (including parental responsibilities, caring for those with disability and caring for older Australians).
- **Co-develop a holistic strategy to guide efforts to close the gap for First Nations peoples in retirement outcomes; a 'First Nations Retirement Strategy'**, which would consider, at a structural and system-wide level, reforms to close the gap and improve the experience for First Nations peoples across the pillars of the retirement system (e.g. through recognising kinship structures for death benefit nomination arrangements).

⁵ Including as part of the following review: Productivity Commission (2025). *Investing in cheaper, cleaner energy and the net zero transformation*.