

Future of Work
Superannuation and Retirement Incomes
Policy
ACTU CONGRESS 2003

Principles

1. Congress is committed to a retirement income system based on:
 - (a) the retention of the current age pension, including its level and eligibility; and
 - (b) the development of superannuation to the point where, together with the age pension, it delivers workers a retirement income equating to at least two thirds of their gross pre-retirement income.

Adequacy

2. Congress is concerned at clear evidence that the 9% SG is insufficient to fund an adequate retirement income for average workers.
3. Congress also notes the particularly poor retirement income prospects of workers who have not had access to superannuation for the whole of their working lives, together with women, casuals and part-time workers.
4. The issue of providing adequate retirement incomes can be addressed in a number of ways. Congress advocates the following as a minimum:
 - (a) increasing minimum contributions to a goal of 15%, which could be achieved through one or more of bargaining, legislation or changes to the taxation of superannuation;
 - (b) reducing the contribution tax;
 - (c) restructuring superannuation taxes to provide greater equity;

- (d) extending the entitlement of SG to all workers, irrespective of age or minimum earnings, possibly through changes to award provisions;
 - (e) fully disclosing all fees and charges, together with a ban on entry and exit fees and commissions charged on SG contributions; and
 - (f) equal treatment of same sex couples in the allocation of superannuation benefits.
5. Congress adopts, as an objective, the achievement of a minimum of 10% contributions over the next three years, achieved through bargaining.
 6. Congress completely rejects those Federal Government proposals which it is claimed will assist in achieving adequacy, but which are aimed at assisting those on the highest incomes and transforming superannuation into a mere tax shelter, such as reducing the surcharge and establishing children's accounts.
 7. Congress is opposed to any attempt to increase the preservation age to claim superannuation benefits, and pledges to initiate a vigorous campaign of workers and the community if the Federal Government decides to do so.

Superannuation Funds

8. Congress confirms its longstanding support of industry funds, as offering the best combination of good returns, low fees and effective service to workers and their families.
9. Congress calls for the following measures to ensure that the industry funds are able to operate in a fair environment:
 - (a) recognition that awards and certified agreements provide collective choice of fund, and should not be legislatively overridden;
 - (b) legislation to prevent commission-driven financial planners from directing employees and employers to the most expensive superannuation products; and
 - (c) full disclosure and control of fees and charges.
10. Congress believes that the connection with Members Equity is of great value to superannuation fund members, and expresses its support for the development of ME as a provider of a full range of financial services to funds and their members.

Investment

11. Australian superannuation assets are approximately \$500 billion, most of which represents the capital accumulation of employees.
12. Congress believes that there needs to be greater recognition that superannuation is a long-term investment, which should not be promoted as a source of short-term returns.
13. Congress calls for a debate focussing on the benefits which would be gained for workers with a shift in superannuation investment towards economic and social infrastructure and companies offering real growth over the long-term.
14. Congress would welcome the development of opportunities for fund investment in social infrastructure, such as public rental housing, which could address areas of need while ensuring a reasonable return for workers' retirement savings.
15. Consideration should be given to requiring that a proportion of government or employer contributions over 9% be allocated to a National Development Fund, which would operate as a source of funding for physical and social infrastructure, providing governments with lower cost access to funds than the PPP model, while ensuring that superannuation fund members receive a reasonable and stable return.
16. Congress also notes the growing evidence that company performance is assisted by good governance practices, and by adherence to appropriate labour, social and environmental standards.

Development of a Coalition to Achieve Adequate, Secure and Equitable Retirement Incomes

17. Congress authorises the Executive to convene a conference, together with other relevant groups such as ACOSS, pensioner groups, political parties and superannuation funds. The objective of the conference would be to examine the issues raised in this policy and develop a coalition to work for a more just and equitable retirement for all Australians.