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Superannuation increase means more Australians will be secure in retirement, say unions

Unions today strongly welcomed the Labor Government's introduction of legislation to increase superannuation to 12%, hailing it as a reform that would provide real benefits to Australians for decades to come.

This is an historic reform that builds on our world-class system of superannuation – one of the Australian labour movement's greatest achievements, said ACTU President Ged Kearney.

"Millions of Australians will enjoy a higher standard of living in retirement as a result of the increase in superannuation to 12%," Ms Kearney said.

"These reforms will mean a great deal to working people and the economy for decades to come."

With the increase in superannuation to 12% forming part of a package that includes the Mineral Resources Rent Tax (MRRT), changes to company tax, and investment in new community infrastructure, Australia will be not only fairer, but stronger, Ms Kearney said.

"Given the challenge of an ageing population and research showing the current level of 9% super is not enough to secure a comfortable retirement, it is vital the Government's mining tax, infrastructure and super package is supported by all Parliamentarians," she said.

"Working Australians and their unions are calling on the Independents and the Greens to support the Government's package in the face of the Coalition's blanket refusal to act in the national interest.

"Lifting compulsory superannuation to 12% will make a big difference to the quality of people's retirement. It will mean a \$500 billion boost to workers' retirement savings by 2035, with:

- An 18 year old worker \$205,000 better off in retirement;
- A 30 year old worker \$108,000 better off;
- A 40 year old worker getting \$56,000 extra in retirement.

"Australians already enjoy one of the best retirement income systems in the world thanks to the efforts of the labour movement in establishing it 20 years ago.

"Increasing national super to 12% and other Government moves to curb financial advice commissions, cut taxes on super and reduce fees by the commercial super funds will make super even stronger and deliver more financial security as the population ages.

"Women on lower incomes will be particularly better off. The changes will boost the superannuation of 2.1 million women earning less than \$37,000 by \$550 million in 2012-13 alone and deliver a 30 year old woman on average wages an extra \$108,000 – or \$2,900 each year of her retirement," Ms Kearney said.

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