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Government refuses to commit to super increase

The Morrison Government has today continued its refusal to support the legislated increase in the superannuation guarantee to 12 per cent, dismissed the massive gender gap in super and offered home owners – a shrinking group of comparatively wealthy retirees – a false choice between their home and a secure retirement.

In an appalling abdication of responsibility the responsible Minister Jane Hume described the gender gap in superannuation balances – currently 47 per cent - which results in huge numbers of women retiring into poverty as “logical”, and assured the public that without any action it would close over time.

The Government’s response to the Retirement Income Review also gave no commitment to complying with the legislated increase in the superannuation guarantee, instead claiming, as conservative governments have for decades, that increasing the guarantee would lead to a drop in wage growth. Wage growth is currently at the lowest point on record despite the Abbott and Howard Government’s previous freezes.

The ACTU calls on the Morrison government to support the already legislated superannuation increase from 9.5% to 10% in 2021.

As the ACTU’s report released this morning finds, many workers will be forced to work well into their 70s if the legislated increase in superannuation is cut by the Federal Government.

Quotes attributable to ACTU President Michele O’Neil:

“It is shocking that this Government sees a super system where women retire with 47 per cent less superannuation than men and 70 per cent of women have estimated super balances under \$150,000 as ‘effective, sound and sustainable’.

“The Government is clearly aware of what needs to be done to provide a secure retirement but refuses to do what’s needed, instead continuing to attack the system which it opposes on an ideological level.

“7 years with no increase in the guarantee have coincided with 7 years of record low wage growth.

“Leveraging the value of your home – if you are lucky enough to own one – is not a replacement for a functioning superannuation system.

“If the Morrison government is serious about supporting Australians in retirement it must support the increase in the superannuation guarantee to 12 per cent.”

“This will avoid forcing many Australians into back-breaking and mentally exhausting jobs like aged care, disability, cleaning and construction well into their 70s.”

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