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Proposed roting of superannuation will reduce housing affordability and decimate retirement savings

The campaign by a group of liberal backbenchers to force workers to use their superannuation to fund house deposits would be a disaster for working people, according to a report Published this morning by Industry Super Australia.

ISA has found that forcing first home buyers to raid their super savings could see median prices in the five biggest Australian cities increase by between 8 and 16 per cent.

If a 30-year-old withdrew \$20,000 from their super today for a house, they can expect to retire with roughly \$80,000 less in today's dollars.

This proposed policy comes at a time when the average Australian is likely to run out of superannuation savings 10 years before they die.

During the pandemic the Government forced workers to fund their own crisis response which lead to more than 700,000 people emptying their retirement savings.

Quotes attributable to ACTU Assistant Secretary Scott Connolly:

“Forcing workers to compete for a home with their super would be bad for aspiring homeowners, retirees and taxpayers – this is part of a mindless ideological attack on the superannuation system by some in the Morrison Government.

“The proposal would make housing even less affordable for working people while draining their retirement savings.

“If this happened the only winners would be big banks and property developers.

“Workers should not have to chose between a home or retirement – a choice the chief proponents of the policy did not have to make. Politicians receive 15.4 per cent super on top of their six figure incomes, for them to propose such a policy demonstrates how out of touch they are.

“The Government should tackle the causes of unaffordable housing – insufficient supply and low wage growth. It should invest in public housing, close tax incentives for property investors and fix low wage growth, rather than force young people to empty their super to compete against each other in the property market.

“Women retire with roughly half as much superannuation as men, this would only expand the gender retirement gap.

“The Government repeatedly uses other people's super to solve their problems. First through their COVID response, which lead to 700,000 people having nothing for retirement, to distract from stagnant wage growth, and now on housing unaffordability.”

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