

20 May 2014

Older workers in Abbott and Hockey's firing line

Older workers are bearing the brunt of harsh, unfair and ill thought out policies that will erode the retirement security of low and middle income earners.

ACTU Assistant Secretary Tim Lyons said that Tony Abbott and Joe Hockey's policies for superannuation and the age pension will hurt low and middle income earners.

"Telling people that they need to keep working until they're 70 and at the same time quarantining their superannuation savings from them is deeply troubling," Mr Lyons said.

"Millions of Australians work in physically demanding jobs such as cleaners, nurses, builders labourers, childcare workers and gardeners and these people won't be able to keep doing that until they're 70.

"Now the Abbott Government is saying they can't access their super or the age pension until they're 70, what are these people going to do?

"Alongside the savage cuts to Medicare and welfare, these changes could see more ageing Australians thrown into poverty.

"That is no way to treat people that have spent a lifetime working and contributing to our nation.

"Our superannuation system was designed to ensure all Australians could have a decent standard of living in retirement, people rely upon it.

"We know that people are worried about security in retirement and these changes to super that are being floated are just another example of the Government demonstrating that they are completely out of touch with the reality of life for Australian workers."

Mr Lyons said that there are a range of measures the Government could implement to strengthen the superannuation system for workers and alleviate the burden on the budget.

"The Government should reduce the superannuation tax concessions that disproportionately benefit high income earners – alarmingly, the cost of these is enormous and rising much faster than the age pension.

"The Government should bring back the low income super contribution arrangements that help low income earners save for retirement.

"We also call on the Government to abandon their short sighted plan to delay increases in the superannuation guarantee. Increasing compulsory employer contributions to 12% would boost the savings of Australians offsetting the burden on the age pension.

"Unfortunately, those elements of the system that benefit ordinary people are the ones that the Government is attacking.

"We need to talk about fairness and equity, not just sustainability.

"Australians can't afford a Government that is undermining their future. They didn't vote for that."

Media contact: Carla De Campo 0410 579 575 and Eleni Hale 0418 793 885