



Tasmanian Unions

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Media Release: Tasmanian workers to be hit hard under voluntary superannuation proposals

New data from Industry Super Australia (ISA) shows that Tasmanians would be hit hard both with new taxes and in their retirement if a proposal to allow workers on low incomes to opt out of compulsory superannuation was to go ahead.

The proposal, touted by Liberal Senator Andrew Bragg, would allow workers who earn under \$50,000 opting out of super and instead receiving that money intended for super as wages. But new analysis released by ISA today shows that proposal would not only deplete worker's retirement incomes but see them slugged an extra \$101 million dollars in extra tax too.

"Unions are completely opposed to voluntary superannuation. Firstly, we're skeptical that workers would actually receive extra in their pocket but, more worrying, is that it's asking workers on low incomes to make an impossible choice – take a much needed pay rise now or a decent standard of living in their retirement. Workers can and should have both decent pay now and dignity in retirement," said Unions Tasmania Secretary, Jessica Munday.

Unions are also worried that this proposal comes at the same time as other Liberal Government members have cast doubt on the need to increase the Superannuation Guarantee, currently at 9.5% but forecast to rise to 12% by 2025, and the Government has instituted a Retirement Incomes Review which includes a panel member who supports the voluntary superannuation proposal.

"The Morrison Liberal Government needs to stop trying to raid the retirement incomes of workers. They need to act on our record low wage growth now but not by attacking superannuation. Australia's superannuation system is globally recognised one of the best in the world. The compulsory nature of superannuation in Australia, its universality and an adequate rate of contributions are central to the system's success. Unions will always fight for those principles on behalf of workers," said Ms Munday.

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