

MEDIA RELEASE

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Integrity at stake if Coalition party room doesn't stick to super reforms

The Council on the Ageing is calling on today's Coalition Party Room meeting to resoundingly reject pressure from some backbenchers to water down the Government's superannuation reforms.

Ian Yates, Chief Executive of Australia's leading seniors' organisation, COTA Australia said the fact that the Prime Minister and Treasurer are under pressure to reverse sound policy to make super fairer, based on a weak narrative about selected poor election results and fewer well-heeled supporters manning polling booths, would be laughable if it wasn't so serious.

"In fact a few Coalition dissenters giving air to the complaints of a privileged minority created space during the campaign for Labor to 'dog whistle' a so-called threat to super; while later banking the whole of the savings from the super reforms" Mr Yates said.

"Any negative impact at the polling booth was due to misinformation about how the policy affects the vast majority of voters. The fact is only those at the very top end will lose out, the vast majority in the middle won't be impacted, and those at the lower end will be better off.

Mr Yates said the Coalition now has an obligation to the majority of the electorate that voted it into office and supported a superannuation policy that finally puts an end to wasteful, unfair tax expenditure.

"The Coalition Party Room needs to stand strong on this in the interests of good social and economic policy, electoral integrity and Budget reform, otherwise they will send a message that they govern for the financial interests of the top few percent of wealthy Australians.

Mr Yates said there are fundamental equity issues here - superannuation tax breaks cost over \$25 billion in foregone revenue - over ten per cent of income tax - and growing fast. Middle and lower earners, the majority of whom are women, have to pay more in taxes – both now and in the future - to pay for super tax breaks that largely benefit high-income men.

"The notion that super tax breaks are some kind of reward for Liberal Party supporters' votes, donations and turning up to polling booths is macabre and disturbing" Mr Yates said

"The Government must stand firm on a policy that secures a better retirement income for vulnerable older Australians, adds billions to the Federal budget bottom line, better achieves the original purpose of super, and yet negatively impacts only a few percent of Australia's wealthiest people, for whom it was never intended in the first place.

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