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Proposal to strip workers of super

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MORE than a million low-paid workers could be stripped of employer-funded superannuation under a radical proposal in a report commissioned by the Howard Government on how to slash "red tape" for business.

Three weeks ago the regulation taskforce - chaired by Productivity Commission chief Gary Banks - laid out its blueprint for cutting "excessive and costly regulation".

It proposed sweeping changes to laws and regulations governing businesses - including a push to change the rules on employer-funded superannuation payments.

Under existing rules, employers must pay super contributions (9 per cent of a worker's wage) for any employee who earns more than \$450 a month.

But the taskforce recommended that only workers who earn more than \$800 a month should be eligible for super payments made by the boss.

The **Australian Council of Trade Unions** claims the move would shut over a million Australian workers out of retirement savings. **ACTU** president **Sharan Burrow** urged Treasurer Peter Costello to rule out adopting the recommendation immediately.

"This is another blatant attempt by the business community to increase profits at the expense of low-income families and in particular many working women," she said.

Ms Burrow said the policy would contradict the Howard Government's mantra that it wanted to lift Australia's retirement savings.

Unions calculate that the ban on super payments for the low-paid means 50 per cent of workers earning less than \$200 a week in their main job are not paid super. They estimate that more than 800,000 Australian workers currently miss out on super.

A spokesman for Mr Costello was not available for comment.

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