



Speech by

KAREN STRUTHERS

MEMBER FOR ALGESTER

Hansard 4 April 2001

HOWARD-COSTELLO GOVERNMENT

Ms STRUTHERS (Algeria—ALP) (7.15 p.m.): Families and businesses are struggling in the face of rising prices for goods and services and rising fuel prices under the mean-spirited policies of the Howard-Costello government. Their mean-spirited decisions are also evident in superannuation policy. I am aware that many mature age people—Stan Myers from my local area is one example—are finding themselves displaced from the work force. Stan and many others are struggling to keep their heads above water. They are unable to gain early access to part of their superannuation funds to re-establish themselves in new work or retrain. Many are forced to seek support through our very good state government employment programs.

In 1997 the Howard government tightened the financial hardship criteria in the superannuation industry regulations, making it almost impossible for people to gain early access to part of their superannuation. I am well aware of the importance of a substantial superannuation pool to encourage self-reliance and financial security in retirement, but it does not make good economic sense to withhold a lifeline from people in their middle years. Failure to provide the superannuation lifeline can result in many thousands of people being forced to rely on government benefits well before retirement.

Between the financial years 1992-93 and 1994-95 under a federal Labor government, an average of 35,000 people applied to use this lifeline and were granted it. Between July 1997 and June 2000 under the mean-spirited Howard-Costello government, 37,500 applications for early release were lodged, but only 13,961 were granted in that full three-year period.

There is good economic sense in the proposal for a lifelong saving system put forward by ACOSS, the Australian Council of Social Services, and I commend ACOSS for the high standard of their policy work. The ACOSS proposal is that at least two-thirds of both compulsory and voluntary savings held within approved lifelong savings accounts be preserved until retirement. The following restrictions would apply to the amount and timing of withdrawals, including things like a \$10,000 limit and allowing only one withdrawal per single year. There are many good things in their policy. Additional funds could be withdrawn only on retirement or under hardship and disability rules.

My message to the Howard government is: listen to the needs of people and ease their pain now; free up the superannuation access guidelines and give people such as Stan Myers a dignified go at a new start in life.
