



Media Release

NECA opposes super guarantee increases funded solely by employers

The National and Electrical Communications Association (NECA) opposes proposals by a number of commentators to increase the superannuation guarantee from the current level of nine percent if the burden to fund the increase falls solely on employers.

The debate about the adequacy of superannuation savings is a worthy one but it should not be assumed that employers should fund an increase in the superannuation guarantee. NECA National chief executive officer, Mr James Tinslay said, "Employers already bear a large burden of retirement funding by way of the existing nine percent contributions they make under the superannuation guarantee legislation as well as through contributing around 40 percent of general tax revenues that are used in turn to pay for pensions," he said.

Superannuation and retirement saving policy is a critical issue for an ageing population and many reports and enquiries have taken place during previous years about adequacy of retirement savings. As part of the broader community, industry has a responsibility to contribute to the debate.

"Rather than further increasing the burden on employers, there are other valid alternatives that should be explored including government co-contribution, the co-contribution of employers with employee contributions and mandatory employee contributions," Mr Tinslay said.

"Research by the University of Melbourne has suggested that each one percent increase in employer obligation could come at a cost of approximately 57,000 jobs. No sensible policy to fund superannuation should come at a cost to jobs," Mr Tinslay added.

"Those calling for employers to address Australia's retirement savings challenge alone need to properly assess the real downsides and contemplate a more load sharing deal for the community," he said.

NECA is the peak body representing the interests of electrical and communications contractors Australia-wide. With offices in every state, NECA employs specialists in management, industrial relations, human resources, technology, occupational health and safety, and education and training to provide its 5,000 members with representation, support and advice on a range of topics. For further information go to www.neca.asn.au.

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