

Coalition super proposal would worsen women's financial security, says ACTU

The ACTU warns that the Coalition's proposed amendments to the government's legislation on superannuation for Commonwealth Paid Parental Leave will worsen working women's financial security and widen the already significant gender gap in superannuation savings.

Under the Coalition's proposal, workers, mainly women, would see their future retirement savings slashed by the cashing out of super on Commonwealth Paid Parental Leave through taking a lump-sum or extra leave.

Unions have long campaigned for superannuation to be paid on Paid Parental Leave to improve women's workforce participation and retirement incomes.

Women with children face an average 55 per cent drop in earnings in their first five years of parenthood.

No superannuation on Commonwealth Paid Parental Leave costs Australians tens of thousands of dollars in their retirement due to the absence of compounding interest on retirement savings when parents take time off work to care for their children.

Australian women retire with an average of 25 per cent less superannuation than men.

The Albanese Government's plan to pay 12 per cent superannuation on Commonwealth Paid Parental Leave from 1 July 2025 will help rectify this historic inequity. Under the Coalition's proposed amendment, new parents would be forced to choose between security and dignity in retirement and support for their newborn child.

Quotes attributable to ACTU President Michele O'Neil:

"Adding super to Commonwealth Paid Parental Leave is a critical step in ensuring that Australian women can be free from poverty and live with dignity in retirement.

"It is unacceptable that women, on average, retire with 25 per cent less in superannuation than men. Denying the payment of super on Commonwealth Paid Parental Leave will only widen this gap and condemn more working women to poverty in retirement.

"Yet again, the Coalition are showing they don't care about working women and their financial security. Their proposal would cost Australian women tens of thousands of dollars when they need it most.

"Unions want better support for working women both now and for their retirement. The Coalition are opposing both, because they don't believe that women deserve either. You can't pretend to care about working women when your party opposes higher wages and higher superannuation.

"No one should be forced to choose between supporting their babies now and their own financial security in retirement. Unions know we can and should do both."

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