

Hockey shouted down in conversation about access to super for houses

Written by The Conversation

Joe Hockey is the sort of guy who often leaps before looking too hard.

This thought is particularly brought to mind by two completely different current manifestations of “Hockeyism”.

One is his thought balloon canvassing whether people should be able to access their super for house buying, job retraining and the like.

The other is his defamation case against Fairfax, which has seen him in the witness box this week.

After [launching his Intergenerational Report](#) last week, Hockey is anxious for a “conversation” with Australians.

In this context he’s raised the possibilities presented by a wider use of super. With people living longer, there’ll be more changes for them during their lives, and “we need to have a broader discussion ... about how [superannuation] can be used to help us have a decent quality of life throughout our whole lives”.

Asked whether young home buyers should be able to use their super savings, he said: “It is incredibly hard for young Australians to get into the first home market. We are prepared to look at a diverse range of proposals to help young Australians buy their first home, particularly given that in various parts of Australia, the property market is running quite hot.”

It was quickly obvious Hockey’s suggestion wasn’t going to get traction.

Tony Abbott said it was a “perfectly good and respectable idea” that he was happy to see debated (indeed he’d suggested its inclusion in the Liberals’ Fightback policy when he worked

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for John Hewson). But “at this stage, we don’t have any plans to introduce it”.

Critics point out that allowing people to dip into this money for housing would be against the whole notion of super as retirement income – which is aimed in the long run at having relatively fewer people going onto the pension. And anyway, it wouldn’t make housing more affordable.

John Daley, chief executive officer of the Grattan Institute, says that if the supply of housing wasn’t increased, such an initiative would just drive up demand and prices.

From within government ranks, Finance Minister Mathias Cormann argued that strongly last year.

Further, Daley says: “If you are giving people tax concessions to reduce dependence on the pension, there is no reason to give them an additional tax concession via superannuation to buy a house.”

David Murray, who chaired the government’s inquiry into the financial system, told Sky that “to divert money into housing at any stage during the build up of superannuation saving is not consistent with having a good retirement income system.”

Former assistant treasurer Arthur Sinodinos says issues of pensions and superannuation should be looked at together, perhaps in the context of taxation reform. The tax white paper would be the appropriate process, he said.

But he also warned that “proposals to dip into super for other uses must not be at the expense of money available to people for retirement. So it would have to have a claw-back mechanism if you went down that road.”

The seniors sector is not keen on the idea. Michael O’Neill, chief executive of National Seniors Australia says his organisation would need a “lot more convincing” that housing would be an

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appropriate use of super money. “In our view it’s about retirement income,” he says. “We’ve got a great model,” he added, seeing the Hockey idea as “a throwaway line”.

Predictably Paul Keating, who crafted the present compulsory super scheme, [was scathing](#) . Peter Costello was cutting in a nuanced fashion. “Every generation thinks it invented the wheel,” he told the ABC. “We went through all of this back in the mid ‘90s” when the idea was dismissed.

Tied up in court, the Treasurer was not available to bat back.

Hockey’s defamation action is over articles run last year in Fairfax papers under a major headline “Treasurer for sale”. They dealt with the North Sydney Forum, a body in his electorate that styles itself as “Business and Community Leaders supporting Joe Hockey MP”. The forum has corporate and individual members who, according to the website, “have the opportunity to participate in a regular program of events including boardroom lunches with Joe Hockey, focused on key policy areas”.

Hockey may or may not win his case in the end (if he doesn’t he will be up for a hefty legal bill).

But politically, was his decision to go down the defamation path a sound one?

Hockey portrayed himself as at arms length from the forum but was faced in the witness box with questions that challenged this.

The forum’s website is dominated by pictures of him. It says that “the NSF seeks to build the much needed financial resources to support Joe Hockey and the Liberal team heading into the future”. One box in its application section says “Sorry I am unable to join the North Sydney Forum but please accept my donation to assist Joe Hockey”.

Hockey said he received no money from the forum.

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He said that words suggesting the forum was to “support Joe Hockey” and people could donate instead of signing up were “misleading”. But he had not had them removed – he could not check every website that used his name, he said.

The timing of the hearing was coincidental but having fundraising in the spotlight is not particularly helpful to the Baird government during its election campaign.

Having the federal Treasurer away from his day job when work on its crucial second budget is underway is not the best look for the federal government. Abbott said it could be seen as “a bit of time in lieu” – the Treasurer had worked all weekend.

On the other hand, Hockey has one thing going for him in perceptions of his court appearance. People have as much dislike (perhaps more) for the media as they have for politicians.

Michelle Grattan does not work for, consult to, own shares in or receive funding from any company or organisation that would benefit from this article, and has no relevant affiliations.

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