

Rudd Labor gets lesson from London

Steven Scott

Left-wing UK Labour MP Jon Cruddas has warned his Australian Labor counterparts not to forget the party's core supporters, including its trade union base, while the Rudd government forges its new policy agenda.

Dr Cruddas yesterday addressed about 50 ALP caucus members on his views on the current political malaise gripping the British Labour Party, warning that disengagement with the union movement played a significant part in the Brown government's "grim" electoral prospects.

While he insisted he could not draw direct comparisons between the political situations in the two countries, Dr Cruddas said there were lessons to be learned from former British prime minister Tony Blair's divisive approach to unions.

"Tony Blair spent years defining himself against his party and specifically the trade union movement so he could cement his own relationship with the broader middle England," Dr Cruddas said.

"That was a dangerous strategy because when the storm clouds gathered you need to keep close to your traditional friends as well as those you've newly attracted to the party. It's a difficult trade-off for a



Jon Cruddas in Canberra yesterday . . . traditional friends count. Photo: ANDREW MEARES

Labour leader." The British MP, who is visiting Australia as a guest of the Chifley Research Centre and left-wing think tank Catalyst Australia, has met several ministers in private, in addition to his speeches to larger gatherings.

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His comments come as the Rudd government faces the first signs of dissent from backbenchers and unions angry about the slow pace of workplace reform, including the plan to retain the building industry regulator until 2010.

The Electrical Trades Union

southern states branch will today call on other unions to block future preselection for Labor candidates who do not support a push to scrap the Australian Building and Construction Commission.

Dr Cruddas, who last year ran a failed attempt to become deputy leader of his party, is an outspoken critic of the Blairite "Third Way", which has some see reflected in Mr Rudd's claim to occupy the "reforming centre" of politics.

But he also had praise for the new Australian government: "We were too media obsessed [in 1997]. There seems to be a lot more systematic policy work [in Australia] that bodes well for the government," he said.

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Seniors suggest later start to age pension

Steven Scott

The chairman of the largest seniors lobby group has suggested the government might have to lift the pension eligibility age to 75 as part of a plan to cope with the soaring costs of an ageing population.

National Seniors Australia chairman Everaldo Compton said the higher pension threshold might be necessary because the government could not afford the burden on its budget from a forthcoming surge in baby-boomer retirees.

Mr Compton, who is 76, said any lift in threshold should be gradual and in line with increased life expectancy.

"This nation has to face the fact that we cannot economically sustain a retirement age of 65," Mr Compton said. "I believe the longer you work, the longer you live. The quicker that you retire, the quicker you get into a geriatric hospital."

He acknowledged his comments would not be popular with most of his constituency. And he received an immediate rebuke from the Combined Pensioners and Superannuants Association: policy coordinator Charmaine Crowe said the plan would result in people "working till their deathbeds".

Mr Compton also said there was much the government should do to encourage older people to remain in

the workforce, including removing age limits on superannuation contributions and worker compensation payouts and 15 per cent employer payments into super.

National Seniors Australia yesterday released a paper containing a number of proposals for the government to prepare for the increased pressure on its budget from a wave of baby-boomer retirees.

The proposal, which has implications for the government's planned overhaul of pensions, would involve a cultural shift in workplaces to address what Mr Compton said was a bias among many employers against hiring older staff.

Options include improved health care and respite assistance for carers. But the paper also suggests a series of longer-term strategies such as a "retirement incomes policy that provides encouragement and support for individuals to be financially independent" and measures to "encourage people in their choice to work beyond the traditional retirement age".

The group wants an immediate lift in the single rate of the age pension by \$30 a week to give short-term relief to struggling pensioners.

Prime Minister Kevin Rudd yesterday batted off calls for increases to the pension, but he conceded there was a serious challenge in funding basic retirement incomes.