



Media Release

Senator Mathias Cormann

Shadow Assistant Treasurer

Shadow Minister for Financial Services and Superannuation

10/1028/AC

16 December 2010

Super changes need to strengthen efficiency, transparency and competition

The Coalition will support any changes making our superannuation system more efficient, transparent and competitive and which deliver better value to superannuants across Australia.

"An efficient, transparent and competitive superannuation industry is critically important to maximise retirement incomes for all superannuants," Shadow Assistant Treasurer Mathias Cormann said.

"In particular, sensible changes to streamline super fund operations and to strengthen corporate governance arrangements should be progressed by government as a matter of priority," he said.

"The efficiencies from the SuperStream proposals certainly have the potential to deliver real savings over time, which should benefit superannuants.

"It is disappointing that the government has opposed outright or ignored many of the sensible recommendations to improve superannuation fund governance arrangements.

"Why would the government not support the Cooper Review recommendation to require independent directors on superannuation boards? Or the recommendation that directors of super funds should sit on a single fund board and not hold multi-directorships?

"We're also disappointed that Minister Shorten has again failed to take action now, to address the lack of competition among default super funds under modern awards. Why wait until 2013?

"This unnecessary delay in taking action further locks in the current anti-competitive arrangements to the detriment of superannuants across Australia. The Minister needs to put his union bias to one side and start acting in the public interest on this.

"The Senate has already sent the design of a more transparent and competitive process for the selection and ongoing review of default superannuation funds to the Productivity Commission.

"The Productivity Commission is due to report to the Senate by 31 May 2011 and the government should commit to implement the process it will recommend as soon as it becomes available.

"We will thoroughly review the government's response over the coming weeks and consult extensively with industry bodies, superannuation funds and members before reaching a final position.

"Superannuation is complex and getting the details of reform right will be crucial. Many of these reforms will require new regulations or legislation, to which the Coalition will apply appropriate and rigorous scrutiny," Senator Cormann said.

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