



Media Release

Senator Mathias Cormann

Shadow Assistant Treasurer

Shadow Minister for Financial Services and Superannuation

10/1028/MC

28 October 2010

Broken superannuation promise driven by union bias?

Superannuation Minister Bill Shorten needs to put his union bias to one side and start acting in the public interest on superannuation.

In Senate question time today the government refused to recommit to an unequivocal pre-election promise to ensure competition between default super funds under Modern Awards.

Labor's superannuation policy released on 1 August 2010 included the commitment that a re-elected Labor government would:

*"Request the Productivity Commission to design a process for the selection and ongoing review of the superannuation funds to be included in modern awards or enterprise agreements as **default funds**."*

According to the policy, Labor wanted the Productivity Commission to design a process that is *"based on objective criteria and evidence ... so the selection of eligible default funds is transparent and competitive"*.

This was a good policy. Implementing this policy would help ensure that employees across Australia covered by default super funds would get the best possible value for money.

We support it and Minister Shorten should have long acted on it. Instead he is running away from it at a hundred miles an hour.

In his statement on super in Parliament earlier this week, he faithfully went through all the other superannuation election promises developed by his predecessor – except for this one. Why?

Before the election the government agreed that the current process to select default super funds is not transparent or competitive.

That is an unacceptable situation and the government promised a process to fix it.

The Minister should come out today and clarify his position.

Will he refer this issue to the Productivity Commission, if so when?

Or will he let his union bias get in the way of acting in the public interest?

MEDIA CONTACT:

Senator Cormann
Slade Brockman

0411 874 546
0427 261 980