



Media Release

Senator Mathias Cormann

Shadow Assistant Treasurer

Shadow Minister for Financial Services and Superannuation

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Shorten continues to put union mates first in superannuation

In this Budget Labor has continued to ignore its own pre-election policy and a Senate motion to bring more transparency and competition into the default superannuation fund market.

“The current process for selecting default superannuation funds under modern awards is anti-competitive. It is not objective, not evidence based and not transparent,” Shadow Minister for Financial Services and Superannuation Senator Mathias Cormann said.

“For almost three years we have had a closed shop, anti-competitive arrangement to select default superannuation funds with a significant bias towards union superannuation funds.

“This may be in the best interests of the union movement but it is not in the public interest.

“In the lead up to last year’s election Labor eventually recognised this was a problem and committed to refer the matter to the Productivity Commission to design a new process for selection and ongoing review of default superannuation funds under modern awards.

“However, its actions since the election have proved that Labor does not have any commitment to competition, openness and transparency in superannuation.

“When the matter was debated in the Senate in November 2010, Labor arrogantly voted against its own pre-election policy commitment.

“Since then, Minister Shorten has contemptuously ignored the motion passed in the Senate to give effect to Labor’s pre-election commitment and actually refer the matter to the Productivity Commission.

“And now Shorten has again missed the opportunity to use this Budget period to help provide Australians with appropriate choice and the benefits that will flow from increased competition for superannuation in modern awards.

“It is high time that Bill Shorten remembered that his primary obligation as a Minister is to act in the best interests of all Australians with superannuation – not in the best interests of his mates in union superannuation funds.

“Minister Shorten should not let his union bias get in the way of acting in the public interest,” Senator Cormann said.

MEDIA CONTACT:

Senator Cormann

0411 874 546