



Media Release

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SHORTEN REWARDED DESPITE YEAR OF FAILURE

Bill Shorten has been rewarded despite a track record of failure and indecision in the financial services and superannuation portfolio over the past year and a bit.

Over the past fifteen months Bill Shorten has been the Minister for Discussion Papers, Reviews, Backflips and Indecision and the Minister for Kicking the Can down the Road.

The Prime Minister today has granted Bill Shorten his wish to be moved to greener pastures before his 72 Discussion Papers and 11 Reviews, Panels and Reports catch up with him any further.

Over the past year, Bill Shorten has:

- Failed to implement Labor's emphatic pre-election commitment to introduce competition into the default superannuation market;
- Failed to implement the Cooper Review recommendations to improve transparency and corporate governance standards in superannuation;
- Failed to implement any of the Ripoll Inquiry recommendations to improve the regulatory framework for financial products and services delivered more than two years ago;
- Made it harder for people to make voluntary contributions to superannuation by cutting back the co-contribution scheme and increasing taxes on voluntary super contributions;
- Failed to properly address the unfairness of excessive taxation for people who have inadvertently exceeded their concessional or non-concessional contribution caps.

Instead of acting in the public interest Bill Shorten has invariably been distracted by his desire to act as an agent for his friends in the union dominated industry super fund network.

That's why he has continued to protect the current closed shop anti-competitive arrangements for default super funds favouring union dominated industry super funds.

That's why he has refused to ensure independent directors on superannuation boards and better corporate governance standards in relation to the management of conflicts of interests.

That's why he wants to force clients of small business financial advisers to re-sign contracts on a regular basis, while making it easier for industry funds to charge hidden fees for advice people may not even access.

The FOFA change agenda was clearly hijacked by the Industry Super Funds Network, heavily delayed as a result to the point where a 1 July 2012 implementation date is no longer realistic.

Through his constant chopping and changing Bill Shorten has created significant unnecessary uncertainty over the past year, in particular for the financial services sector.

Instead of implementing the more balanced approach recommended by his Labor colleague Bernie Ripoll in his report, Bill Shorten pursued an ideological vested interest agenda.

He had to back down on a regular basis from his ill-considered forays.

For example, in April this year, egged on by the Industry Super Fund Network, Bill Shorten announced a ban of commissions on all individual and group risk insurance inside superannuation before dropping that plan within less than four months.

In August he announced retrospective annual fee disclosure – also out of nowhere. No doubt the government will have to back down from that as well.

For 24 hours last year he suggested imposing a GST on online overseas purchases below \$1,000, before 'clarifying' that was not actually government policy and commissioning yet another review.

That review reported last week. The result is another inquiry, another Committee but no change in policy.

As one of the faceless men Bill Shorten must have been promoted for his role in helping to execute Kevin Rudd and help make Julia Gillard Prime Minister. Because there is no way he would have been promoted on the basis of his performance over the past year.

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