



# Media Release

## Senator Mathias Cormann

### *Shadow Assistant Treasurer*

### *Shadow Minister for Financial Services and Superannuation*

---

10/1026/MC

26 October 2010

### **Shorten super statement short on detail and substance**

Bill Shorten's first statement as the new Minister for Superannuation is short on detail and does not contain any new information.

He faithfully restated various commitments already made by his predecessor, including the push for an increase in the superannuation guarantee from 9% to 12%.

Yet he failed to explain why a 3% cut in take home pay for working families is the best way forward and lacked the courage to explain how he is going to ensure competition in the default fund market.

The Henry Review spent more than a year considering the best way to boost retirement savings.

Having done all that hard work they decided against recommending an increase in the super guarantee levy from 9% to 12%.

Specifically, the Henry Review pointed out that the burden of any superannuation guarantee increase *'is likely to fall most heavily on low to middle income earners'*.

What information does the government have to demonstrate that Henry was wrong and Labor's 3% cut in take home pay for working families is right?

Why are they keeping any modelling and other assessment they did on this secret?

Labor has had a very bad record on superannuation over the past three years.

After a series of ill-considered changes to our superannuation system, voluntary superannuation contributions collapsed under Labor's watch.

Today Minister Shorten failed to be open and transparent about the impact of Labor's proposed super guarantee increase on working families.

The Minister shied away from outlining necessary reforms to improve corporate governance of superannuation funds and to ensure competition in the default fund market.

Where are the reforms for example to ensure mandatory disclosure of conflicts of interest, to require independent directors on superannuation fund boards, disclosure of director remuneration and directors of super funds to sit on a single fund and not hold multi-directorships.

Why is the Minister not prepared to do what needs to be done to ensure competition among default super funds under modern awards delivers the best possible value to superannuants?

#### **MEDIA CONTACT:**

Senator Cormann

0411 874 546