



Media Release

Senator Mathias Cormann

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Senate forces Shorten's hand on super competition

The Gillard government has failed to stop Senate moves to bring transparency and competition into the default superannuation fund market.

Supporting a Coalition motion, the Senate today asked the Productivity Commission to design a process for the selection and ongoing review of default superannuation funds under modern awards.

"The current process is anti-competitive, it is not objective, not evidence based and not transparent," Shadow Minister for Superannuation said.

"The Labor Party eventually recognised this problem in the lead-up to the last election.

"Yet today Labor voted against a motion asking the Senate to endorse its own pre-election policy to get the Productivity Commission to sort this out.

"If we're serious about maximising retirement incomes for employees covered by default super funds we need to ensure there is an objective, transparent and competitive process to select them," he said.

"We have now had two years of 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.

"The Minister may want to protect this closed-shop, anti-competitive arrangement for as long as he possibly can.

"However the Senate today decided that it was time to act and to force the Minister's hand.

"It is high time that Minister Shorten remembered his obligation to act in the best interests of working families with superannuation and not just in the best interests of union superannuation funds.

Minister Shorten should not let his union bias get in the way of acting in the public interest.

"Australians deserve the benefit which would flow from robust competition between all superannuation funds," Senator Cormann said.

The Productivity Commission report will have to be tabled in the Senate by 31 May 2011.

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