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17 March 2021

Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

By email: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

**Re: Treasury Laws Amendment (Your Future, Your Super) Bill 2021**

The Australian Services Union (ASU) welcomes the opportunity to make a submission on the *Treasury Laws Amendment (Your Future, Your Super) Bill 2021 ('the Bill')*.

The ASU is one of Australia's largest unions, representing approximately 135,000 members. The ASU has members in many industries and occupations including: social and community services, local government, state government, transport, aviation, energy, water and the private sector.

The retirement outcomes for our members has been a key focus for the ASU over many years. We were there for the fight to get universal superannuation, we have campaigned for improved Superannuation Guarantee levels and our representatives have participated on industry fund superannuation boards to improve investment returns.

In particular, we have campaigned for better retirement outcomes for women and provided policy solutions to close the gender retirement pay gap which still leaves far too many women retiring in poverty. These include eliminating the \$450 minimum threshold for compulsory employer contributions; legislating to pay superannuation on every dollar earned; paying a superannuation contribution at the prevailing SGC rate for the government's paid parental leave scheme and on any carer or family payments; keeping to the legislated increase to the superannuation contribution guarantee to 12%; and keeping superannuation universal for all working Australians.

Universal superannuation is a vital part of a system designed to give Australians a decent standard of living in retirement. However, we are concerned the proposed Bill will undermine this principle and leave workers worse off in retirement.

Whilst we support the notion of superannuation following a worker throughout their lives and the avoidance of multiple super accounts we are concerned that 'stapling' a member to a high-fee fund or underperforming fund would leave members worse off over the long-term.

If 'stapling' occurs before underperforming funds are excluded by the new legislation, members will be stapled to these funds for life. It is imperative that measures to substantially address underperforming funds are introduced prior to any stapling occurring.

One measure that should be taken is the proposal by Industry Super Australia that would see superannuation being stapled to the member, rather than the member to a fund.

The proposed legislation also favours for-profit funds, due to the fact that performance benchmarking is based on net investment return rather than net returns to members and administration fees are excluded from benchmark proposals. We believe performance benchmarking should be expanded to include administration fees and the comparison method should be based on what actually ends up in members' accounts.

Legislation should also ensure that members not only remain in high-performing funds, but also in funds that are able to provide them with the appropriate features and services such as appropriate insurance cover for their occupation. Workers who change into high-risk careers may remain in their current stapled fund and will not have appropriate insurance for their high-risk occupation.

Despite Commissioner Hayne recommending no changes be made to the best interests duty test, the proposed legislation tightens rules around members' best interests with core expenditure items not coming under the microscope of the duty test. One of these items is that dividend payments to shareholders will not be required to pass the new test. The exclusion of dividend payments being required to comply with the new test is extremely unfair and will favour for-profit funds.

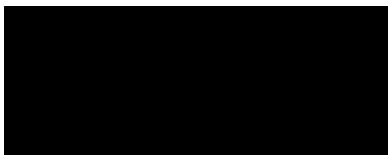
We are also concerned about the new unlimited power for the Minister that could allow the government to unilaterally prohibit an investment or payment and would allow the Minister to dictate what is in a member's best financial interest. We do not believe it is in members' best interests to give a Minister so much power.

We also wish to indicate our support for the recommendations made by the ACTU in their comprehensive submission to this inquiry.

Finally, the Bill leaves much of the policy issues to be decided later by regulation, which makes it very difficult for the Senate to evaluate the potential implications of this legislation. Given the enormous impact these changes will have on the financial security of Australian's in retirement, it is important they are transparent and be subject to full and proper parliamentary scrutiny.

Australia's universal superannuation system is the difference between poverty and a decent retirement for most Australians. Superannuation and the decisions that are made today will have a far-reaching impact on what retirement looks like for all hard-working Australians. The ASU wishes to see our superannuation system improved, not attacked and does not wish to see Australia's superannuation system deteriorate any further. We call on the Senate to reject the Bill.

Yours faithfully



Emeline Gaske  
**ASSISTANT NATIONAL SECRETARY**