



Electrical Trades Union of Australia

Proud to be Union

28 September 2017

Committee Secretary
Senate Economics Legislation Committee PO Box 6100
Parliament House Canberra ACT 2600

By email: economics.sen@aph.gov.au

Dear Secretary,

Inquiry into the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No.1) Bill 2017 and Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017

The Electrical Trades Union of Australia (ETU) is writing in support of the ACTU submission to the above inquiry. We believe that the legislation proposed will have an adverse impact in the operation of Industry Super in Australia.

ETU is a sponsoring organisation of a range of industry superannuation funds nationally including Energy Super and CBUS and our members have a vested interest in the success of these funds, and indeed, all Industry Super Funds.

ETU has members employed because Industry Super Funds have invested in many projects around Australia. We all have a stake in the viability and continuing success of superannuation in Australia.

We believe that there is no case for this legislation, and that it has been designed to attack Industry Funds as a not-for-profit, all benefits to members retirement savings vehicles.

There is no case that Australians lack confidence in our superannuation system. Our system is considered to be one of the best in the world, and it is Industry Funds which ensure that. Industry Super funds deliver excellent returns and have the best outcomes for members.

This legislation would place higher levels of regulation on Industry Super funds than exist for banks. While ETU welcomes transparency in the corporate world, this should be fair and across all sectors.

We believe that there is transparency and accountability for fund activity and performance and that current regulators already hold Trustees to high standards, and enforce those standards diligently.

The ETU also believes that no case has been made to alter the composition of boards. Industry Fund governance is already of a high standard. As noted in former Reserve Bank of Australia Bernie Fraser's review of Board Governance of Not for Profit Superannuation Funds (2017).

Mr Fraser examined in depth the outperformance of Not for Profit Funds, concluding that the not-for-profit model “is not broken” and has consistently and significantly outperformed retail funds.

Most importantly, superannuation is a worker’s retirement savings. Representatives of those workers are on the boards because workers should have an equal say in how their money is invested.

ETU welcomes the opportunity to comment further.

Yours Sincerely,

A black rectangular box redacting the signature of Michael Wright.

Michael Wright
Acting Divisional Secretary