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

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

Unions Tasmania is the peak body representing 50,000 union members across Tasmania. We have 26 affiliated unions and speak on behalf of workers in all industries, across the public and private sectors.

We are writing to you in support of the Australian Council of Trade Unions (ACTU) submission to the above inquiry. We are deeply concerned that the proposed legislation will have an adverse impact on the operation of Industry Super in Australia.

Unions Tasmania is a sponsoring organisation of Tasplan and our affiliate members have a vested interest in the success of this fund and indeed, all industry superannuation funds.

In recent years, Tasplan has been through a significant period of change. Tasplan has merged with two other Tasmanian funds – Quadrant and the Retirement Benefits Fund (RBF) – to build a larger and stronger industry fund. Tasplan has grown from 106,000 members to 165,000 members and gone from managing \$3.6 billion to \$7.6 billion in funds under management. The change was well managed by the experienced Board and Unions Tasmania board members played key roles in assisting to guide this process.

Tasmanians have jobs because of Tasplan. Tasplan itself now employs approximately 150 locals but, not only this, they are bucking the trend of many financial services businesses who centralise in capital cities by increasing jobs in regional Tasmania. Tasplan has opened a brand-new office in Devonport in North West Tasmania, additional member services consultants in Launceston and has relocated their new, larger Hobart office.

Tasplan invests in Tasmania and currently holds stakes in several prominent Hobart properties. Tasplan also took part in capital raising for the successful local agribusiness, TasFoods Limited (ASX: TFL) by investing \$5 million in June 2016. TasFoods Limited employs around 180 Tasmanians. It also invests in infrastructure for Tasmania's airports.

Australians do not lack confidence in their superannuation system and, with success stories like Tasplan, Australians can rightly feel proud that our system is considered one of the best in the world. It is our Industry Funds which ensure this reputation.

Unions Tasmania believes in principles of transparency and welcomes transparency in the corporate world, however; it should be fair across all sectors and this legislation is anything but fair. It would place higher levels of regulation on Industry Funds than exist for retail banks.

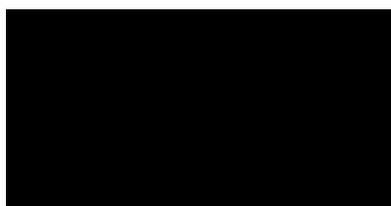
There is simply no case for this legislation. There has been no case made for the need to change Industry Fund board composition and this attack on highly successful industry superannuation funds that deliver for their members is unwarranted.

Industry Fund governance was reviewed by former Reserve Bank Governor of Australia, Bernie Fraser, in 2017 (*Board Governance of Not for Profit Superannuation Funds*). Mr Fraser examined in detail the outperformance of not for profit funds and concluded the model is not broken and has consistently outperformed the retail funds.

It is also worth noting that superannuation are worker's retirement savings. Representatives of workers sit on boards because they should rightly have an equal say in how their money is invested.

Unions Tasmania thanks the Committee for considering our submission and welcomes the opportunity to comment further.

Yours Sincerely,



Jessica Munday
Secretary
Unions Tasmania