

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, the Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No.2) Bill 2017 and the Superannuation Laws Amendment (Strengthening Trustee Arrangements) Bill 2017

Thank you for the opportunity to make a submission about these important matters.

The AMWU recommends that the legislation be rejected by the Senate. We reject the assumptions that underpin the proposed legislation and believe that the legislation will harm the Australian superannuation system and reduce the retirement incomes of millions of Australians.

The AMWU supports the submission of the ACTU and wish to make the following contribution.

Benefit of Industry Super Fund model

Superannuation is vital to the retirement savings of AMWU members and their families. That's why the AMWU is proud to have provided directors to a number of Industry Super Funds since their inception. AMWU members and workers in our industries rely on their representatives to ensure that their money is invested wisely and grown sustainably so that they can enjoy a comfortable retirement.

The record of Industry Super Funds stands for itself. Year after year, in good times and in tough times, the returns they've been able to deliver for their members has outstripped the for-profit funds run by the big banks and financial institutions over the short, medium and long term. More details about the scale of this difference can be found in the ACTU submission.

Our members in Industry Super Funds aren't just numbers to us, they are flesh and blood people who work hard and hope for a comfortable retirement. They are members of our union whose living standards we at the AMWU are dedicated to improving.

The employee representatives on Industry Super Fund boards have a connection to the needs of working people and with the members of our funds that so-called 'independent' directors never will. This is not a weakness of Industry Super Funds, despite what the government believes. It is a great source of strength and an integral part of the success of Industry Super Funds since their inception.

It is our firm view that the proposed changes to Industry Super Funds will result in poorer outcomes for millions of Australian workers.

These changes are driven by a government hell-bent on destroying high performing Industry Super Funds, so that they can hand their customers over to the poorly performing for-profit funds.

A solution in search of a problem

Australia, led by its Industry Super Funds, has a world beating superannuation system. To sacrifice these high performing, low-fee superannuation funds on the alter of free market neoliberal ideology is pure madness and it will hurt millions of Australian workers that choose these funds.

The AMWU has long supported improved transparency, particularly in the banking and finance sector. However, it is not the Industry Super Funds have not been the source of scandal after scandal - it's the banks.

Industry Super Funds have led the way with our high standards of governance and innovative approach to investment. This legislation is not, and has never been, about improving governance or investment outcomes for members. This is about attacking the working men and women of Australia and their elected representatives.

Superannuation is about delivering a comfortable retirement to men and women who have worked hard their whole lives. It is not about delivering rivers of gold for banks to use to pad their inflated executive salaries and obscene bonuses.

It is inconceivable to the big end of town that workers and their representatives could build a high performing superannuation scheme that isn't build on profit and greed, but here we are, with decades of evidence to support our case.

Superannuation is an industrial right

We believe that workers should have a say in where their money is invested and have someone looking after it that has their best interests at heart.

Superannuation has been recognised as a workplace right since its inception and that remains true today. As a matter of principle, workers should continue to have the power to bargain collectively to protect their rights and entitlements. This legislation seeks to strip workers of rights that they have used constructively to build our world class superannuation scheme and hand those rights to employers.

With this legislation, the government is clearly determined to undermine one of the cornerstones of Australia's strong and growing superannuation system. Do not let them do it.

Thank you again for the opportunity to share our view on this important legislation. The AMWU would welcome to opportunity to comment further.

Kind Regards,

Paul Bastian
AMWU NATIONAL SECRETARY