

15 March 2024

Senate Economics Legislation Committee

Inquiry into Superannuation (Objective) Bill 2023 [Provisions]

Response to further Questions on Notice

Dear Secretariat

Question 1 - How much money did your organisation receive from super funds in the last year, and how much do you expect to receive in the next 12 months?

As advised multiple times in the Committee, the information requested is publicly disclosed. Our organisation discloses the amount of money we receive from superannuation funds to the Australian Electoral Commission (AEC) annually. To assist you in navigating this information, the AEC's website can be found at the following URL: <https://transparency.aec.gov.au/>.

As is stated on this website, the funding is both sponsorship and director fees and amounts to \$742,091. All payments between the ACTU and industry superannuation funds are public information and freely available.

Payment for directors' fees is a normal compensation for the high-quality work and time required by directors for their role and is often confused with payments for services rendered. ACTU employees do not keep these fees personally, they elect the ACTU to receive payments to partially compensate for the time taken out of their full-time roles at the ACTU.

The services we provide for members of superannuation funds are of excellent value. We conduct marketing and promotion at events and forums where working people and union members discuss their workplace rights, as well as the promotion of superannuation funds and fund services to assist members to make informed choices and to engage with their superannuation savings. This clearly aligns with members' interests not only to join and remain in high quality superannuation funds, but in the funds' interest in growing to reduce costs for members and attain the benefits of scale.

We remain the largest member organisation in the country with greater membership than any AFL or NRL club. We have more engagement with working people in their workplaces than any organisation in the country, and via marketing channels. We possess unique and extensive expertise in distributing information to working people about their rights and are trusted by millions of workers as a source of advice and support in their working and retirement lives.

We are extremely selective about our sponsorships and only enter into sponsorship agreements which deliver benefits to working people. This amplifies their value, yet they come at a marketing cost far less than other activities and sponsorships. We believe they are of excellent value for funds. The alignment of values between the union movement and profit-to-member superannuation funds means that these sponsorships are strong commercial partnerships that provide union members with information they want to receive, which improves their working and retirement lives.

Australian unions engage with millions of working Australians through our profile and advocacy, education programs, conferences, workplace activations, all forms of media and events. The sponsorship fees we receive are modest for an organisation which provides exposure to millions of Australians and particularly modest when compared to corporate sponsorships. Under any metric, a fund seeking to grow their members and Funds under Management (FUM) - and thereby increase their investment returns and reduce the fees they charge their members - would be irrational to ignore the largest membership organisation of working people in the country.

Our sponsorship contracts are rigorously assessed by superannuation funds and regularly reviewed to ensure that they are always delivering for members' best financial interests. The Financial Services Royal Commission specifically examined partnership agreements between funds and unions and found they were fairly justified under the best interests framework. This stands in stark contrast to the behaviour found by the Financial Services Council's members who stole from the dead, profited off bogus advice and duped people into draining their life savings into parasitic products. Unlike corporations, banks and for-profit-superannuation providers, the ACTU and industry superannuation funds are proudly not-for-profit as our sole focus is delivering for our members.

Unions receive this money as to employer organisations because superannuation is inherently tied to work and engaging with the principal contributors to the system to ensure growth of the funds is clearly in members' best interests.

Arrangements with funds over the next 12 months are subject to the delivery of services, whether ACTU employees hold board positions, and are subject to rigorous assessment and will only be offered to superannuation funds which return all profits to members to ensure that the agreements continue to support the best financial interests of members. If funding eventuates, it will be disclosed.

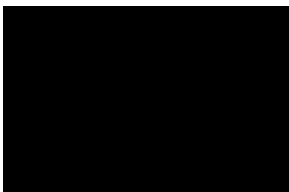
To assist you in future, the website again is: <https://transparency.aec.gov.au/>.

Question 2 - Are you aware that in 1992 the Select Committee on Superannuation agreed that certain witnesses should disclose information on fees, commissions and charges, with the Chair at the time saying:

Should the information not be forthcoming, the Committee will use its powers under Senate Standing Orders, Senate Parliamentary Privilege Resolutions of 25 February 1988, and the Parliamentary Privileges Act 1987 to obtain the information for the purposes of its inquiry.' (p. 3359).

Thank you for this information.

Yours sincerely



Joseph Mitchell
Assistant Secretary