

Transport Workers' Union of Australia

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National Secretary
Tony Sheldon

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

28 September 2017

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 Transport Workers' Union of Australia (TWU) 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.

The TWU is a sponsoring organisation of TWUSUPER and our members have a vested interest in the success of TWUSUPER and indeed, all Industry Super Funds.

The TWU has members employed because Industry Super Funds have invested in projects like the expansion of the Adelaide Airport. 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 the TWU welcomes transparency in the corporate world, this should be fair and across all sectors.

NSW State Secretary
Richard Olsen

Vic/Tas State Secretary
John Berger

Qld State Secretary
Peter Biagini

WA State Secretary
Tim Dawson

SA/NT State Secretary
Ian Smith

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 TWU 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 Governor 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.

The TWU welcomes the opportunity to comment further.

Yours Sincerely,

A solid black rectangular box used to redact the signature of Tony Sheldon.

Tony Sheldon
National Secretary