

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates 2012

15 – 17 February 2012

**Question:**               **AET 1225**

**Topic:**                   **Anticompetitive Arrangements – Superannuation System**

**Hansard Page:**       **15 Feb 2012, pg 133**

**Senator CORMANN asked:**

Senator CORMANN: I am certainly interested in your perspective to the extent you can assist the committee about the impact of the current, on the face of it, anticompetitive arrangements on employers, on employees, and of course in terms of the service quality and value for money that consumers—superannuants—are able to draw from the superannuation system.

The Productivity Commission has recently been provided, finally, with some terms of reference by the government to conduct a review into default superannuation funds under modern awards. Is that something that you would make a submission to, as the ACCC, to deal with the evident competition issues?

Mr Gregson: We sometimes provide contributions to various committees or reviews, including Productivity Commission reviews. They do need to be closely aligned to the matters that we have got an interest in. I really think we need to take some of these issues on notice, if you do not mind.

Senator CORMANN: Okay. Could you provide us, on notice, with your assessment of the competition impact of the current default superannuation market structure on employers, on employees, and with a particular focus on employers and employees having mandatory funds imposed on them which may have poor service quality or be inefficient. If you can consider that on notice, I would be very appreciative. Thank you.

**Answer:**

Please refer to the response to AET 1244.

The ACCC is responsible for enforcing compliance with the *Competition and Consumer Act 2010* (CCA) which incorporates the Australian Consumer Law.

The superannuation industry operates under a highly prescriptive legislative framework and the default fund system operates within that framework. The issues raised are not matters that arise under the CCA.