

23 March 2012

Default Superannuation in Modern Awards  
Productivity Commission  
LB2 Collins Street East  
MELBOURNE VIC 8003

## Productivity Commission Inquiry Default Superannuation in Modern Awards

Clubs Victoria has been established for over 95 years. Its primary purpose is to deliver a range of services and representation to licensed clubs in Victoria. Clubs Victoria seeks to create an environment for long-term sustainability, as well as strengthen industry conditions for the benefit of those working within the Victorian club industry and the local communities they support.

Clubs Victoria is the voice of Victoria's network of not-for-profit licensed clubs which provide the community with its social, sporting and cultural infrastructure. Clubs Victoria works exclusively for clubs and our sole charter is the promotion and protection of our members. We are dedicated to ensure that we maintain a network of viable clubs throughout the state. Like our member clubs, Clubs Victoria is also a not-for-profit organisation and is governed by an elected Council. We are also a registered body under the Fair Work Australia and as such have registration and reporting requirements under that Act. This is an additional governance requirement as we also operate under the requirements of the Victorian Department of consumer Affairs and its Incorporated Associations Act.

Clubs Victoria's member clubs are predominately small employers and it is voluntary for clubs to join. We work extensively with small to medium sized clubs to ensure their viability and deal with practical issues facing clubs. Employment Relations is a major issue for our members and they seek advice on most staff matters almost on a daily basis. We provide them education and tools to manage all of their staff matters. We can advise you the choice of default superannuation fund and issues relating to superannuation are the topic of regular discussion. We also provide information through a network of experts who can provide independent advice to clubs about matters that concern them.

Clubs Victoria has worked closely with HOSTPLUS for a number of years. We believe HOSTPLUS' not for profit structure complements our not for profit structure; and, the fact, HOSTPLUS has operations built to cater for the unique intricacies of our industry and the staff we employ is a major benefit to our members.

Hostplus' investment record and industry aligned value proposition makes it easy for our members to utilise them as their default fund; and, importantly, it allows our members staff to get on with the everyday operations of their clubs.

The vast majority of employees in our industry are employed under the conditions found in the Award and generally do not nominate a superannuation fund. Our members rely heavily on the

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arrangements contained in awards as it helps them reduce administration cost and time associated with, the at times complex, dealing with staff.

We strongly disagree with the notion that would place the choice of a default superannuation fund at the feet of our members and is not supported by Clubs Victoria. Our members do not have the administrative resources or time to investigate the relative merits of different superannuation funds.

Clubs Victoria supports a system that ensures a limited number of good performing well managed funds are named in awards.

Should you require further information please do not hesitate in contacting the writer.

Yours sincerely

**RICHARD EVANS**  
Executive Director