



4 April 2012

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

Dear Sir,

Productivity Commission Inquiry – Default Superannuation in Modern Awards

The Master Plumbers' and Mechanical Services Association (Master Plumbers) is a registered national employer organisation providing representation and other services to a broad range of members in the plumbing and mechanical services sectors. The principal activities of the Association are to provide business services, industry representation, training and advice on industrial relations and employment to the membership. Our members represent a powerful and reputable group to lobby government in support of various plumbing, business and environmental recommendations.

Many of our members are in the construction sector which by its very nature is cyclical and project based. This means that they need a super fund such as Cbus which has an industry wide presence. This means that the administrative burden is minimised for workers moving from one employer to another and that they do not end up with a number of different super funds.

It is also important that any scheme has a simple process to join initially and to re-connect with as an employee is moving from job-to-job.

Our members which are mainly small to medium enterprises do not have the resources or time to investigate the relative merits of different superannuation funds. Any change to the current process that places the responsibility for the choice of a default superannuation fund on our members is not supported.

Our members rely on the fact that the default fund choices available to them have been considered and are accepted by industry representatives and that the industry is represented on the Board.

Our members believe the existing industry based default fund has served the industry well, that it meets the needs of the industry and the wishes of employers and employees.

The investment performance and insurance cover offered meets the needs of my staff and I believe Industry funds such as Cbus in particular, are demonstrating that they meet a high standard.

I would want to be assured that any default fund that is available has demonstrated that it performs adequately and that the Association's members can identify as being relevant to their business and industry.

Yours faithfully,

Ken Gardner
CEO

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