



16 April, 2012

Attn: Yvette Goss
Administration Manager
Productivity Commission Inquiry into Default Superannuation Funds
Email: default.super@pc.gov.au

Dear Commissioners,

**Re: Default Superannuation Funds in Modern Awards
ACTU Submission to the Productivity Commission**

I write in support of the ACTU's submission (5 April, 2012) to the PC's Inquiry into default superannuation funds in modern awards. The AMWU endorses and adopts the ACTU's submission. We particularly note their statement that "*The recent review of Australia's superannuation system, led by Jeremy Cooper, recognised that reform must start from the recognition that abstract appeals to promoting 'competition' and 'choice' have limited relevance to a large proportion of the market for superannuation.*"¹

Superannuation is not an abstract concept. It is an industrial issue; originally sought and achieved by unions to assist their members have decent lives in retirement following decades of work. The profit to members' industry funds have no real or perceived conflict of interest in delivering maximum benefits to members. Retail funds have a plurality of interest to support, including those of share holders. The retirement incomes of workers should not be placed in competition with, for example, shareholder's returns.

I also note and support the principle established by previous decisions of Fair Work Australia regarding the level of connectedness Superannuation Funds are required to have to the industry covered by modern awards. The principle established by the Full bench of FWA is that funds must demonstrate a presence in and connectedness to the industry of the modern award in which they seek default status and not simply have been named, or allege to have been named as default funds in pre modern awards.²

Yours sincerely,

PAUL BASTIAN /
ACTING NATIONAL SECRETARY

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¹ ACTU Submission into PC Inquiry into default Superannuation Funds in Modern Awards, 5 April, 2012.

² See the rejection by FWA of applications by Westsheme ([2010] FWAFB 12) and Statewide Super ([2010] FWAFB 494, 28 January, 2010 to become named default funds in modern awards.