

Friday 15 February 2019

Amended super bills will strengthen system

Two of the government's superannuation bills passed the Senate last night with significant and positive amendments from the Greens and the ALP which address significant flaws in the original legislation.

The Treasury Laws Amendment (Protecting Your Superannuation Package) Bill 2018 will no longer strip insurance from a huge number of workers and also improves the account consolidation schedule by forcing the ATO to act within 28 days of receiving a transfer.

The Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures Number 1) Bill 2017 was a politically motivated attack on industry funds which would have put in place a two-tiered enforcement regime in industry funds faced much harsher penalties than bank-owned funds. It has been completely re-written to ensure that the new enforcement regime is consistent across all funds, whether industry or bank-owned.

It is unfortunate that the Morrison Government did not take the opportunity presented by these bills to enact the recommendations of the Banking Royal Commission that would apply harsh penalties for misconduct by banks and bank-owned funds.

The ACTU commends the Senate for stepping up where the government once again failed on banking regulation; increasing penalties, transparency and performance of superannuation funds – a move which will benefit all Australians and expose the persistent under-performance of for-profit retail funds.

Quotes attributable to ACTU Assistant Secretary Scott Connolly:

“The amendments to these bills do what the Morrison Government is incapable of doing – hold the big banks to account for misconduct and look out for the interests of working people.

“We congratulate the senate on taking a partisan, ideological attack on the super system and the high-performing industry funds and turning it into legislation which will improve outcomes for millions of Australians and create a system which applies equal scrutiny to all funds.

“All funds must offer appropriate insurance for their members, but many for-profit funds have offered bad deals for their members, and this must end. A future Labor Government must protect the right for members to have appropriate insurance and end rorting by retail funds.

“We call on the Morrison Government to show the modest amount of spine necessary to enact this extremely modest recommendation of the Banking Royal Commission and demonstrate that it is capable of putting the interests of working people ahead of the big banks.”

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