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Proposed super changes put banks ahead of workers

The changes to the superannuation system proposed by the Productivity Commission continue the Abbott/Turnbull/Morrison government's ideological commitment to putting banks and big business above the interests of working people.

The recommendation to remove superannuation from the IR system is completely unacceptable and shows the ideological fanaticism which underpins this report.

The proposed changes would block working people from being represented in the system which manages their money, while handing a huge amount of power to financial regulators which the ongoing Banking Royal Commission has demonstrated are grossly ineffective at shielding working people from banks which regularly put profit before their own customers.

The evidence in the report vindicates the union movement's position that the banks have no place in super due to their systemic under-performance.

Any system which is geared towards promoting the best performing funds would promote industry funds which have year after year outperformed all bank-owned funds, simply because they are run to enhance the retirement savings of their members, not the share price of the big banks.

The success and performance of not-for-profit industry funds has been largely due to their superior governance structure which sees unions as working peoples' representatives and employers as joint custodians of Australians' retirement savings.

Any attempt to dismantle this world-class model would inevitably damage the performance of these funds.

Quotes attributable to ACTU President Michele O'Neil:

"The proposed changes are all about giving more power to the big banks and have nothing to do with making sure more working people have a secure and comfortable retirement.

"The report shows what has been repeatedly proven, that industry funds out-perform funds which are run for the benefit of shareholders in the big banks.

"If the government was really concerned about ensuring that all workers had access to insurance and other products through super they would support the ALP amendments to the My Super bill currently before the parliament.

"The way forward for the superannuation system should involve expanding it to cover all workers and ensuring that all workers – especially women and young people – are getting their fair share, not giving hand-outs to bank-owned funds.

"Workers must always have representation in the system which handles their savings. If the banking royal commission has shown anything it's that we need more consumer oversight, not less.

"We need to change the rules so that everyone can enjoy the secure and comfortable retirement that the super system is meant to guarantee."

ENDS

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