



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**BILLS**

**Superannuation Legislation Amendment (Trustee  
Obligations and Prudential Standards) Bill 2012**

**Second Reading**

**SPEECH**

**Wednesday, 23 May 2012**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Wednesday, 23 May 2012  
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**Questioner**  
**Speaker** Bishop, Bronwyn, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Mrs BRONWYN BISHOP** (Mackellar) (10:32): I rise on this occasion to speak on this bill, the Superannuation Legislation Amendment (Trustee Obligations and Prudential Standards) Bill 2012, to follow up the excellent speeches, particularly that given by the member for Bradfield, regarding the concerns that people have about trade union members being appointed by their trade unions to serve on the board of superannuation industry funds. Particular attention was paid by several members to one Mr Wally Curran. We are very much indebted to Mr Hedley Thomas from the *Australian* and his report of 18 May, and also to Mr David Crowe of the *Financial Review*, for both dealing with the question of what occurred with the meatworkers union, a union of relatively low-paid union members—which does seem to be a track record in this parliament, where lowly paid members are sustaining a very high lifestyle of senior union operatives.

In this case, Mr Curran was on the board of the superannuation fund for the meatworkers union and they had a total of \$350 million invested, which meant that individual members of that union only had a super fund worth about \$18,000. What occurred is that over the years Mr Curran took tens of thousands of undisclosed dollars from one Austcorp, a company to which that superannuation fund then lent \$30 million. Mr Hedley Thomas, in two excellent articles, outlines what a risky venture it was. The article said:

The meatworkers' superannuation fund was one of the biggest losers after Austcorp's failure because most of the \$30m invested could not be recovered.

Indeed, their total assets are said now to be something like \$50,000 and are pieces of artwork. The creditors are likely to get less than half of one cent in the dollar.

Mr Curran, in the usual way that trade members seem to act when they have been caught out, said he had done nothing improper. He had taken tens of thousands of dollars from this Austcorp corporation, and then lent it \$30 million out of a total of the \$350 million they had invested. These are lowly paid meat workers, who had their money lent to risky ventures. These articles go on to say:

... while the payments were not disclosed to the 30,000-strong membership of the superannuation fund, the board was—

apparently—

aware of the arrangement.

There was another person identified in the article, a Mr Jon Addison, who said yesterday there was nothing untoward in him or Mr Curran receiving payments from Austcorp—the corporation to which they paid the \$30 million by way of loans. And they have lost the lot.

We then go to this bill itself. We are, again, obliged to Mr David Crowe of the *Financial Review*, who writes about yet another trade union heavy who is now a member of parliament and who is now the minister concerned. He writes that the proposals for dealing with recalcitrant trade union members of the trust of the superannuation fund go as follows:

The proposed measures would also require directors to face renewal every three years, acting on concerns that some trustees, nominated by unions or employer groups, can sit on the same funds for decades without facing a vote.

Yet the new rules may not impose tough sanctions on trustees who fail to disclose their conflicts, relying instead on the persuasion of the regulator to rectify a situation after it has been identified.

Trustees will be asked to reveal any payments they receive on a conflicts register held by the super fund, the new rules state. A breach of the rules, such as the failure to disclose remuneration or shareholdings, would not lead APRA to levy a fine or other penalty on a trustee. Instead, the regulator would instruct the trustee to meet the original obligations. If the instructions were ignored, APRA could seek fines or other penalties.

In other words, there would be a slap over the wrist from a minister with a heavy background in the trade union movement. He is now the minister in charge of superannuation and is looking after his union mates sitting as trustees on superannuation.

The DEPUTY SPEAKER ( Mr KJ Thomson ): I remind the member for Mackellar that she has been in this place long enough to know standing order 90, which says that imputations of improper motives to a member and personal reflections on members are highly disorderly.

**Mrs BRONWYN BISHOP:** Mr Deputy Speaker, I am sorry if you think saying someone is a trade union heavy is a reflection on them.

The DEPUTY SPEAKER: The member knows that that is not what I was referring to. The member will return to the bill.

**Mrs BRONWYN BISHOP:** The article goes on:

Severe cases could lead the regulator to ask the Commonwealth Director of Public Prosecutions to consider charges.

The ACTU said the arrangements reported at the meat industry fund were "highly unusual"—

'Highly unusual'! Isn't that interesting. The meat workers, 30,000 of them, lost \$30 million, and it is 'highly unusual'—

but would be stamped out under the new governance regime.

But it will not be. The important thing we have to see here is that there seems to be one rule for people who are engaged in industry funds with trade union appointees and another rule for people engaged in retail funds. I think that the need to have far greater scrutiny of trade unions is starting to manifest itself. The Labor Party and the government like to tell us that the HSU is a single rotten apple in the barrel. But it is not. We have seen what has gone on with the HSU because of the FWA report. We have seen what has happened with Mr Wally Curran and the meatworkers union, and for this we are grateful to some journalists who are usually attacked by the Australian Labor Party and the government because they write for the *Australian*. And then there were the actions, which were never pursued either, of Mr Bruce Wilson of the AWU. So the suggestion that the HSU is a single rotten apple in the barrel is just not true. There are clearly systemic problems, and we are going to have to have far more penetrating legislation to try to clean up the mess.