

OPINION

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Super shifty way to raise a tidy stash

While workers struggle to make ends meet, they are losing a goodly percentage of their hard-earned to insurance and super they haven't asked for – and ultimately topping up the coffers of various unions



LIKE most uni students, my son works a variety of part-time jobs to support himself.

His main sources of income have been labouring on building sites, coaching rugby and working in bars, for around \$25 an hour. His employers also have had to pay 9.5 per cent of his wages as compulsory superannuation into the default funds associated with each industry, CBUS, HostPlus and NGS Super.

Because he doesn't earn much, his balance has been eaten away by fees, charges and premiums for life insurance he doesn't want and didn't ask for. He keeps receiving urgent letters from CBUS telling him his insurance cover will be cancelled because his balance is too low, and inviting him to make additional contributions.

"If we haven't received a Superannuation Guarantee Contribution in six months and your balance drops below \$1200 any Death and TPF cover will stop" CBUS warns.

Now, for a teenager, all this annoying bureaucracy effectively works as a tax on his meagre earnings. Compulsory superannuation makes him more expensive to hire, but provides him with zero benefit.

He has not seen a cent of the extra 9.5 per cent in wages his employers have paid. Whatever super hits his account is eroded by administration fees, charges and premiums, which are an average of 9 per cent impost on accounts with balances of \$1000, according to Treasury analysis.

If he wanted to switch funds, he'd be slugged with an exit fee of around \$70 – almost three hours work.

This theft from Australia's lowest paid workers has just enriched the industry super funds and the companies that provide the useless insurance.

Long overdue reforms in the latest Budget include making insurance

"opt-in" for workers aged under 25 and capping fees at 3 per cent for low-balance accounts.

Of course, the industry super funds are railing against the changes, which stand to take \$3 billion from their pockets and put it back into worker's pay cheques.

This is just one example of the opaque financial shenanigans of Australia's \$2.3 trillion superannuation industry, which will soon come under scrutiny in the financial services royal commission.

Just as the banks have been rumbled for rip-offs and poor governance so, too, will industry superfunds be exposed.

Most disturbing is the tens of millions of dollars that are being sucked from the retirement savings of

workers and funnelled by industry super funds into trade unions – \$60 million in the past decade, and expected to rise to \$22 million annually within the next. This money is used to fund political campaigns and self-serving lobbying operations. It is effectively a left-wing war chest for political activism.

What we are seeing is the emergence of Australia's first "SuperPac", the equivalent of an American political campaign slush fund, former Liberal Party acting director Andrew Bragg (pictured), will say in a speech to today's libertarian Friedman conference in Sydney.

"Secret industry fund payments to unions are as shady as banks and insurers charging dead people for financial advice" he says.

"With union membership at less

than 15 per cent of the workforce, most Australians have actively chosen not to support unions, yet almost all of us are supporting kickbacks to union campaigns through payments from industry super."

Because members have no idea where their money is going, Bragg has created a new searchable database, showing exactly how much each industry fund donates to each union.

Access to the database will be available exclusively to readers of *The Sunday Mail* for the next 24 hours at andrewbragg.com/supercheck.

Simply enter the name of your industry super fund to find the value of its union donation.

For instance, CBUS, the default superannuation fund for construction workers, has donated \$13 million to the militant Construction, Forestry, Mining and Energy Union (CFMEU) in the past decade.

So CBUS members have unwittingly helped pay the \$15 million in fines imposed by the courts on the CFMEU for proven breaches of industrial law.

They've helped pay the millions of dollars in legal fees clocked up by CFMEU boss John Setka to beat blackmail charges this month.

They've helped pay the \$11 million in donations the CFMEU has given to the Labor Party since 2000, and the \$1.1 million the union donated to left wing activist group GetUp! in 2010.

Bragg's database, compiled laboriously from mandatory disclosures to the Australian Electoral Commission, shows hospitality industry fund Host Plus has donated \$7.5 million to un-



Labor can't complain about a pickle of its own making

IT WAS Labor's Penny Wong who launched last year's round of citizenship roulette, in an effort to knock off then-deputy PM and Kiwi Barnaby Joyce.

If you remember, Wong's chief of staff Marcus Ganley contacted New Zealand Labour MP Chris Hipkins to ask about their citizenship rules. When Hipkins subsequently raised the matter in the NZ parliament, it sparked the probe into Joyce's citizenship, and led to his having to recontest New England.

So the hypocrisy from Wong was laughable as she raged last week against the timing of the Super-Saturday by-elections triggered by Labor's own dual citizenship incompetence.

Wong set the ball rolling, and now Labor is covered in merde, despite Bill Shorten's bald-faced assurances of superior vetting.

With four seats to recontest, Labor is furious that the July 28 date set by the Electoral Commission coincides with the ALP National Conference, which promises a politically lethal internal

showdown over border protection. Wong went so far as to attack electoral commissioner Tom Rogers in Senate Estimates last week, effectively accusing him of choosing the date to advantage the Coalition.

It was Labor's duplicity that necessitated these by-elections this year and now, instead of being remorseful, they have the gall to complain about the timing.

The AEC is under no obligation to take into account dates of party conferences and, in any case, there were no complaints during the Howard era when a by-election coincided with a Liberal Party national conference. What is Labor frightened of, anyway? Aren't party conferences an opportunity to showcase their wares?

Shorten let the cat out of the bag last week when his office released a doctored transcript of Linda Burney's Sky News interview, which deleted her calls for a "time limit" on the offshore detention of refugees.

Such brazenness is the mark of people who think they can get away with anything.

ions, mostly to the powerful left-wing United Voice. TWU Super has paid more than \$8 million, mainly to the TWU. Australian Super has paid almost \$5 million to unions, including United Voice.

Bragg says that the unions and industry superannuation lobby combine with GetUp! and environmental "charity" groups to form a powerful, well-funded activist cabal to advance

the interests of the broad political left, from campaigns against tax cuts or against conservative Liberal MPs in marginal seats.

Law-abiding, non-unionised workers who are automatically signed up to an industry union such as CBUS should at least be told how much of their hard-earned money is being donated to the trade union movement – and why.