



26<sup>th</sup> October 2016

Superannuation Productivity Commission

Locked Bag 2, Collins Street East  
Melbourne Vic 8003

**RE: Submission to Productivity Commission Issues Paper**

Community Clubs Victoria is an industry association representing the needs of Victorian community clubs of all shapes and sizes. We listen to club needs and understand the need for prompt and informed action.

Our members vary from small volunteer-based sporting clubs through to very large clubs with multi-million dollar turnovers. All of our members have one thing in common – like us, they are not-for-profit entities designed to provide facilities, support and entertainment for their communities.

CCV assists its members with a variety of support services including:

- Industrial relations support
- Dispute resolution
- Governance issues
- Liquor licensing
- Government relations
- Trade referrals advice
- Responsible Gambling compliance
- Advocacy

For employees within our industry, superannuation is a fairly low priority. Employees generally do not have the understanding required to make complicated decisions regarding their superannuation

From an employer perspective, superannuation is not their core business and as such they do not have the required expertise or in some cases the appropriate resourcing to select their default superannuation fund. For these reasons, we support the current process which is both transparent and serving our industry well.

The current process still offers up choice in many cases at an employee level, but importantly, takes the onus off employers in making sure that the funds that can be considered as workplace defaults are of sufficient quality.

In saying this, as a representative body of our industry it is our understanding that employers do not want to be removed entirely from the decision-making process as they see superannuation as deferred wages, and a way of rewarding their employees for their working endeavours.

We see the current process within the industrial relations system giving our employers and their employees the ability to continue engagement with their default superannuation provider with both confidence and minimal impact on the administration of their businesses.

We believe any changes to the current model should take into account the success of the current system, in particular for the club industry, the following factors should be considered:

- Employees in our industry have benefitted from a long-standing default fund for our industry. The major hospitality industry default fund in Victoria, HOSTPLUS, continues to deliver quality investment returns as well as low fees and an offering that is tailored to our industry
- Employees have the option to select a fund other than the default fund, but in most cases elect to go with their default fund
- The needs of employers in our industry are met by the current default arrangements, they have a confidence in the system and it is serving the needs of their employees
- Further changes to existing arrangements would impact employers, given they would have to make changes to their internal processes including payroll systems. This would place an unnecessary additional burden on our employers given the current system isn't broken.
- Our industry has its own intricacies including casual and part time employment. The needs of our employers and employees are different to those of other industries. A solid understanding and solid focus on our industry is important in delivery of positive outcomes and must be considered in any model moving forward.
- The role of insurance within superannuation is also important to our employers and their staff. The ability of a fund like Hostplus to cater to the specific needs of our industry is critical and should be considered closely in this process of reviewing the default model.

**Leon Wiegard OAM**

President Community Clubs Victoria