



212 Liverpool Street  
HOBART 7000  
ABN 55 482 384 108

SECRETARY  
Jessica Munday

TELEPHONE  
[REDACTED]

EMAIL  
admin@unionstas.com.au

## **Treasury Laws Amendment (Recovering Unpaid Superannuation) Bill 2019**

1. Unions Tasmania has a long and proud history of advocating for working people in Tasmania. Initially established as the Trades and Labor Council of Hobart in 1883, and now operating as Unions Tasmania, there is no other Tasmanian peak body dedicated to giving a voice to working people. For over 135 years, Unions Tasmania has been advocating for the improvement of wages, superannuation, rights at work and safety for working Tasmanians and their families.
2. Unions Tasmania is comprised of 24 affiliate unions with approximately 50,000 members. We represent members across all industries, in the private and public sector.
3. Unions Tasmania opposes the Treasury Laws Amendment (Recovering Unpaid Superannuation) Bill 2019. The Bill allows employers who have been underpaying workers, potentially for decades, to escape without penalty at a time when wage and superannuation theft have reached crisis point in Australia. This Bill sends a message to employers that they can disregard Australia's superannuation laws without consequence at a time when the Federal Government should be increasing penalties for failing to pay workers their legal entitlements in wages or superannuation.
4. We note that the Australian Council of Trade Unions (ACTU) has made a submission into this legislation. We would like to express our support for all of the arguments advanced by the ACTU.
5. Unions Tasmania is regularly contacted by Tasmanian workers who have had their wages or superannuation, or both stolen by their employer. We note that workers who have been victims of wage theft are frequently young, vulnerable or migrant workers. Only major exploitation makes the headlines, but many more cases go unreported. When a worker is the victim of wage theft, they are consequently the victim of superannuation theft as well.
6. Workers who have worked hard during their lives should be able to retire with dignity and a decent standard of living. Critical to this outcome is the payment of correct superannuation contributions by employers.



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7. Non-payment of superannuation entitlements creates real hardship for workers later in life. Given superannuation's compounding nature, even a few fortnights of unpaid super contributions can have a big impact on a worker's account balance and ultimately their income in retirement. Workers who retire with low superannuation balances are forced to rely more heavily on the Age Pension.
8. The Superannuation Guarantee has been in place since 1992. Employers cannot claim ignorance of the legal requirements to pay super and, even if they did, ignorance is no defence at law.
9. Industry Super Australia (ISA) recently analysed Australian Taxation Office data from 2015-2016 on unpaid superannuation in Tasmania. The findings were startling:
  - 57,400 Tasmanians were short-changed \$102 million in superannuation entitlements in 2015-16;
  - The number of Tasmanians missing out on their super entitlements had increased by 5,250 workers since the last analysis of the data in 2013-14;
  - The average amount of each superannuation underpayment was \$1,175 per person;
  - The daily cost to Tasmanian workers is \$278,450.<sup>1</sup>
10. In the face of such significant superannuation theft, and in the interests of justice for workers whose retirement has been adversely impacted by employers not making super contributions, there is no justification for this Bill. The Government should be on the side of working people who have worked their careers to provide for a good retirement. The Bill should be opposed.

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<sup>1</sup> Unpaid Super Across Tasmania: Getting Worse While Nothing Is Done, Industry Super Australia, available at <https://www.industrysuper.com/media/unpaid-super-in-tasmania-getting-worse-while-nothing-is-done/>