

06/02/2017

Senate Standing Committees on Economics  
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Dear Sir/Madam

**Re: AUSTRALIASUPER SUBMISSION TO THE SENATE INQUIRY INTO THE  
IMPACT OF NON-PAYMENT OF THE SUPERANNUATION GUARANTEE**

AustralianSuper welcomes the opportunity to make a submission to the above inquiry.

**About AustralianSuper**

AustralianSuper is Australia's largest single superannuation fund and is run only to benefit members. We don't pay commissions to anyone to recommend us, nor do we pay dividends to shareholders. The fund has over 2.1 million members and manages over \$100 billion of members' assets. Our sole focus is to provide the best possible retirement outcomes for members.

**Issue of Unpaid Superannuation**

In the context of Australia's compulsory superannuation system, not paying superannuation on behalf of employees is unacceptable. Whilst there remains only a small proportion of employers that fail to comply with superannuation obligations, the impact on individual superannuation balances and government revenues is significant.

According to recent reports commissioned by the ISA and CBUS, the effect of employers not meeting their superannuation obligations is that around 2.4 million Australian workers miss out on some or all of their Superannuation Guarantee entitlements. This research also shows that the issue of unpaid superannuation is most likely impacting some of AustralianSuper's most vulnerable members – young, low income workers, those working in industries with high levels of casualisation and sham contracting.

In the event that this issue is not addressed, unpaid superannuation will amount to billions of lost earnings for workers by 2024.

### **Assistance for Members**

Superannuation funds do not currently have clear powers to ensure employer compliance with superannuation obligations. However, AustralianSuper has taken steps to support members to detect if they are not receiving superannuation entitlements to their account as early as possible.

Currently it is very difficult for workers to know if their superannuation entitlement has been paid by their employer because employees cannot rely on their payslip to confirm that superannuation has actually been paid into their account. In addition to making sure members know what their entitlements are and why super is important, AustralianSuper is encouraging members to be proactive and regularly check their account to ensure that a contribution has actually been made. Central to this initiative is AustralianSuper's mobile application which makes it easy for members to check contributions and proactively notifies users when superannuation has been paid into their account.

### **Suggested Policy Responses**

AustralianSuper is supportive of decisive policy action to reduce the amount of unpaid super owed to members. Addressing this issue comprehensively will require responses and policy changes from multiple stakeholders. AustralianSuper supports the policy suggestions articulated in the report '*Overdue: Time for Action on Unpaid Super*' prepared by ISA and CBUS.

If you have any questions of us or would like further information please do not hesitate to contact me on \_\_\_\_\_ in the first instance.

Yours sincerely

Louise du Pre-Alba  
Head of Policy