



## Senate Economics References Committee

10 April 2017

Senator the Hon Stephen Parry  
President of the Senate  
Parliament House  
Canberra ACT 2600

Dear Mr President

### **Inquiry into the impact of non-payment of the Superannuation Guarantee**

Pursuant to Senate standing order 38(7), I present to you an interim report of the Economics References Committee's inquiry into the impact of non-payment of the Superannuation Guarantee.

On 1 December 2016, the Senate referred the matter of the impact of non-payment of the Superannuation Guarantee to the Senate Economics References Committee for inquiry and report by 22 March 2017.

The terms of reference for the inquiry were:

The impact of non-payment of the Superannuation Guarantee (SG), with particular reference to:

- a. the economic impact on:
  - i. workers, their superannuation balances, and retirement incomes,
  - ii. competitive neutrality among employers, and
  - iii. government revenue, including forgone superannuation contributions, earnings taxes, and SG charge penalties, over both the forward estimates and the medium term;
- b. the accuracy and adequacy of:
  - i. information and data collected by the Australian Taxation Office (ATO), the Australian Prudential Regulation Authority and the Australian Securities and Investments Commission on SG non-payment,
  - ii. information and data collected by other agencies, such as the Fair Work Ombudsman, on SG non-payment, and
  - iii. any legislative, privacy, or other reporting barriers preventing the collection of accurate information and data on SG non-payment;
- c. the role and effectiveness of:
  - i. the ATO monitoring, investigations, and recovery of unpaid SG, including technology and data collection to predict and prevent non-payment,
  - ii. resources and coordination between government agencies and other stakeholders to prevent non-payment,
  - iii. legislation and penalties to ensure timely and fair payment of SG,
  - iv. superannuation funds in detecting and recovering unpaid SG,
  - v. employment and contracting arrangements, including remedies to recoup SG in the event of company insolvency and collapse, including last resort employee entitlement schemes, and

- vi. measures to improve compliance with the payment of SG;
- d. the appropriateness of responses by:
  - i. the ATO receiving complaints and ‘tip-offs’ about SG non-payment,
  - ii. members of Parliament asked to assist and support constituents who have been impacted by SG non-payment, and
  - iii. accountants, auditors, creditors and financial institutions who become aware of SG non-payment; and
- e. any other related matters.

### **Conduct of the inquiry**

The committee advertised the inquiry on its website, and wrote to relevant organisations to invite submissions. Sixty-nine submissions were received, and the committee held three public hearings; 25 January 2017 in Melbourne, 3 March 2017 in Canberra, and 14 March 2017 in Melbourne.

### **Reporting**

On 20 March 2017, the Senate granted an extension to the committee to report by 29 March 2017.

On 27 March 2017, the committee was granted a further extension to report by 12 April 2017.

The committee is preparing a comprehensive report to address the terms of reference.

In order to allow committee members sufficient time to consider the draft report, the committee has agreed to present this interim report with the intention of tabling its final report on 2 May 2017.

Yours sincerely

**Senator Chris Ketter**  
Chair