

Monday 7 July 2014

## Unpaid Super a Billion Dollar problem, says ACTU

The ACTU today said that it was the proper role of superannuation funds and of Unions to chase employers who were failing in their legal responsibilities to pay their worker's superannuation. As the Royal Commission has started to look at superannuation, there is a danger of missing the real issue: that superannuation payments are workers entitlements and failing to pay them is a form of theft.

ACTU Assistant Secretary Tim Lyons said unpaid superannuation was a huge problem for many hundreds of thousands of workers, and that Unions were all too familiar with the stress of workers having to chase their employer for their entitlements.

"Our view is that all superannuation funds have a responsibility to fund members to ensure that superannuation, both compulsory and salary sacrifice contributions are paid in full by employers," Mr Lyons said.

"You would have to seriously question the actions of a fund that didn't take proper steps to ensure members get their money, but we understand this is common in the for-profit superannuation sector.

"Non-payment of superannuation is a form of wage theft, and Unions also have a vital role in ensuring that it doesn't happen.

"Every day union officers and delegates are chasing unpaid and underpaid wages, and entitlements like super. Chasing unpaid entitlements has been an important part of our job for a hundred years, and it's one our members expect us to do thoroughly and professionally.

"Sadly, many workers would not be surprised to hear evidence today that some employers need to be chased to ensure wages and super are paid on time and in full.

"Superannuation is a critical part of workers entitlements, but too many rogue employers sometimes try to get away with not paying. Unions have always been critical of the performance in this area of the ATO, which also has power to investigate non-payment of super. It is under resourced to perform this role, and as the Government doesn't keep the money it never seems to be a priority. Even still, between 2009 and 2013 the ATO recovered \$1.3 billion in unpaid super. Our experience on the ground is that this is a tiny part of a much bigger problem.

"Bad employers not paying super make it harder for those businesses that do the right thing to compete. In our experience a failure to pay super is also a "canary in the mine". It is often the alarm bell that a business is in trouble, and could collapse owing workers their entitlements and trade creditors their money too. That's why a prompt and robust system to ensure payment is needed.

"It's ironic that we have an investigation into attempts to secure workers superannuation at the same time as the Government has made huge funding cuts to the ATO and to the financial regulator ASIC, and refused a further inquiry into financial planning scandals."

**Media contact: Carla De Campo, 0410 579 575**