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Media Release

Tasplan is Tasmania's largest multi-industry super fund with over 90,000 members, 9000 participating employers and \$600,000,000 of funds under management

Government Ends Super Reporting 19/01/05

From 1 January 2005, business will no longer be required to report on superannuation contributions to their employees.

The Federal Government has removed a requirement for employers to issue super reports on at least a quarterly basis. The decision arises out of a pre-election promise by the Liberal Party to cut red tape for small business.

According to General Manager of Tasplan Super, Neil Cassidy, the Government's decision may create as many problems as it was meant to solve.

Prime Minister John Howard described the requirement to report quarterly as "a major irritant to small businesses employing casuals and itinerant workers, most notably in the restaurant, catering and horticultural industries."

Whilst minimisation of Government regulation is important for small business in particular, the Government's decision will ironically affect worst those employees working in the very industries which will receive the greatest benefit from the removal of mandatory reporting.

Cassidy says that casual and itinerant workers are the very people who struggle most to keep tabs on their super.

The Prime Minister's attempt to reassure Australians by confirming that Super Funds would still be required to provide annual statements provides little comfort.

In a worst case scenario, it could now take some workers 15 months before learning that their super has been underpaid - or even not paid.

According to the Association of Super Funds of Australia (ASFA), about 10,000 employees a year report possible non-payment of super by their employer or former employer.

Cassidy believes that where people have not been employed by a business for a long time, it may be very difficult for them to claim unpaid contributions after more than a year.

The Agency responsible for enforcement of super contributions - the Australian Taxation Office - has demonstrated an inability to properly enforce superannuation laws

The chances of a young person putting together a case for underpayment or non payment after a long period of time and then getting the ATO to take up the case on their behalf are almost negligible.

A bolstering of the enforcement section of the ATO to help employees recover super not paid or underpaid may have gone some way to reducing the adverse impact of its decision to cut reporting on the community.

According to Cassidy, this latest move by the Government may lead to a further blow-out in the number of Australians who have lost or unclaimed super – over 2.5 million Australians have a share in Australia's LOST or unclaimed superannuation – estimated to be worth \$6.5 billion.

Cassidy believes that the impact of the Government's decision on a large proportion of the nation's workforce may be ameliorated by a number of factors ; -

- some employers will continue to report super on pay-slips
- many super funds issue mid year as well as end of year statements
- some super funds have an on-line service which allows members to keep track of contributions
- some employers may choose to continue to report quarterly
- members can contact super funds and request information about super contributions

However, casual and itinerant workers will be severely affected by the decision to end reporting and should look to other means to keep track of their super entitlements.

Cassidy has urged as many Tasmanian businesses as possible to maintain some form of reporting to employees to help combat the massive problem of lost and unclaimed super.