

## MEDIA RELEASE

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# Unpaid super highlights Australia's unpreparedness for our ageing population

Leading seniors' advocacy body COTA Australia says the extent of unpaid superannuation revealed by the Senate Economics Committee Report is a disturbing indication of Australia's lack of readiness for its ageing population and requires urgent action from the federal government.

COTA Australia Chief Executive Ian Yates welcomed the recommendations of the Senate Economics Committee Inquiry into Superannuation Guarantee Non-Payment and called on the government to implement them quickly.

"The extent of unpaid superannuation is a disturbing insight into Australia's lack of preparedness for our rapidly ageing population," Mr Yates said.

"The Report highlights that the ATO has not taken a proactive role in enforcing superannuation guarantee obligations, compared for example, to the rigorous way the ATO enforces BAS statements. The Report rightly calls for a more proactive stance from the ATO.

"COTA Australia is calling on the Turnbull government to positively consider all the recommendations and promptly implement all or most of them.

"The Superannuation Guarantee system is vital. It's a critical component of Australia's retirement income policy and it clearly isn't working as it should.

"The integrity of the Superannuation Guarantee is at stake if strong measures are not taken as a result of this report to ensure that non-complying employers are penalised; that collection of payments is monitored in real time; that employees are assisted to ensure their entitlements; and that loopholes are closed tightly.

"COTA Australia particularly welcomes the Committee's recommendation that the \$450 monthly income threshold for superannuation guarantee eligibility be removed.

"This is a structural anomaly that is no longer relevant in an era of electronic wage payments and an employment market in which many people have more than one job that pays less than this. It's possible for their overall wages are higher than the threshold but still receive no Superannuation Guarantee. This has to stop!

"Make no mistake, we're talking about superannuation non-payment as unpaid wages. These are unpaid wages that will adversely impact older Australians quality of life in retirement, and cost the federal government more in age pension payments. As Australia's population ages rapidly we need the government to act now," Mr Yates said.

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