

2022-2023 Pre-Budget Submission

Industry Super Australia (ISA) is a research and advocacy body for Industry SuperFunds. ISA manages collective projects on behalf of a number of industry super funds with the objective of maximising the retirement savings of nearly five million industry super members.

ISA thanks the Assistant Treasurer, Minister for Housing, Minister for Homelessness, Social and Community Housing for the opportunity to make this Pre-Budget Submission for 2022-23.

Australia's \$3.4 trillion super system has put a dignified retirement within grasp for millions of Australians, while playing a growing role in the national economy.

As with any system, there is scope to improve it and address inefficiencies, improve equity and resolve glitches that put a drag on members' balances or leave people behind – especially those who can least afford it, like young mums and those on lower incomes.

Currently, too many women are at risk of retiring into poverty, while a quarter of the workforce are not getting all of the super they are entitled to. Recent reforms to tackle underperforming super funds, while important first steps, don't go far enough and leave too many members at risk of being stuck in an underperforming fund.

Members' retirement savings are built on the policy foundations of compulsion, preservation and universality. To continue to protect and grow members' savings and the system, these foundations must be maintained.

We attach [Policy Priorities: Putting members and their financial interests first](#), which sets out our views on these key issues and how policy can help protect and grow members' retirement savings, giving them more choice and control over how and when they retire. We ask that these be considered in regards to the 2022-23 Budget and superannuation priorities.

Policy priorities

The following ISA policy priorities are aimed at delivering more super to members by improving the super system:

- ▶ **Fix unpaid super** by mandating payment of super with wages, increasing the ATO's compliance activities, facilitate other actors to assist in recovery, include super in the National Employment Standards and extend the Fair Entitlements Guarantee to cover super in insolvency.
- ▶ **Tackle inequity in the super system** by mandating payment of super with the Commonwealth Parental Leave Pay scheme, review the distribution of tax concessions in the super system and increase the Low-Income Superannuation Tax Offset.

- ▶ **Improve the Your Future, Your Super reforms** by expanding the performance test to include 10 years of historical data and all fees and products and by banning workers from being stapled to funds that fail the performance test.
- ▶ **Protect the fundamentals of the super system** by maintaining the legislated increases to the Super Guarantee, rule out changes to principles of preservation and compulsion and legislate that the objective of super is to generate income to provide workers with a dignified life in retirement.

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