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Sent: Wednesday, October 25, 2023 7:57 PM
To: Payday Super <paydaysuper@TREASURY.GOV.AU>
Subject: Survey Response to Securing Australians' Superannuation Budget 2023-24 Consultation Paper

Dear Ms Hau

Thank you for the opportunity to respond to questions in your Securing Australians' Superannuation Budget 2023-24 Consultation Paper.

Questions 1 and 2

The Office of the Inspector of Custodial Services is a stand-alone State government department with only 20 employees. This means that we can only afford to pay our bill, including superannuation fortnightly. We use MYOB for our financial management system to pay superannuation and we use the Ceridian Payroll system, which is an Oracle employee HR kiosk and payroll system to pay fortnightly salaries to staff. It is not always the case that we pay payroll and invoice in the same fortnight. Quite often we pay our invoices in one week and pay our payroll in the following week.

For this reason, we would have great difficulties in complying with the Commonwealth Government's proposal to pay superannuation within one or two days of paying our payroll. We ideally require a fortnight after payroll has occurred to honour our superannuation obligations.

Question 5

The standard due date to pay superannuation is before the 28th day after a quarter. This is an ideal standard due date in my opinion. This is because, on occasions, we have difficulties with our new employees, who can take time to send through their superannuation fund details. On occasions, due to no one else's fault, the superannuation fund details can be wrong, due to a fund merger. When such events occur, we naturally require a full quarter to obtain fund details and back pay for outstanding super funds owing. This means that we avoid penalties for late payments.

Question 18

Administratively, we can only manage fortnightly payments, which is an incentive to pay regularly.

Question 19 and Q35

I think it would be good to set a time frame for non-compliant employers where regular noncompliance occurs and apply penalties if defaults occur two or three times in a row. For example, by the 28th day after the quarter for two to three quarters. As an agency we would not always make the deadlines due to either an employee not providing the correct details or a super fund not registering the employee in time. We have paid the charges and penalties, but I have always believed it is unfair because on 99% of occasions we are paying on time and the 1% of the time we are waiting on third parties. Please note that this has only occurred twice in 20 years.

Grace periods of two quarters would be reasonable for an occasional offender.

My closing comments are that if a 'due date' model applies it would increase administering arrangements exponentially. It could also be very controversial for the government of the day like robot debt. So, I understand the issue of nonpayment but careful navigation and an abundance of caution should be exercised.

For your consideration.

Derek Summers
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Office of the Inspector of Custodial Services

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