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Sent: Friday, November 3, 2023 1:13 PM
To: Payday Super <paydaysuper@TREASURY.GOV.AU>
Subject: Payday Super Proposal

CONFIDENTIAL

I prefer that my name is not published with this submission.

The proposal announced in the 2023-24 budget which will require employers to pay employees superannuation guarantee entitlements on the same day as they pay salary and wages has issues and problems, mainly for small business owners, but also for all business and employees. The issues I would like to bring to your attention are:

1. Many employees are on a weekly or fortnightly pay cycle. One of the problems with starting new employees is getting the correct superannuation fund details. This is more of a problem with small business employers – they need the employee to start and it may take a week or 2 to get the correct super fund details. Its not right to delay the start of employment, nor is it right to delay the payment of the salary or wages. Am aware of the possibility of lodging an enquiry for stapled super, but for new employees, either from overseas or straight from school, who don't have a superfund account, it is preferable that the employee opens the super fund of their choice. The default super fund option (where the employer is required to have a default super fund) is not administratively feasible for small businesses.
2. Moving from super payments every 3 months to payday super will put a huge cash flow burden on employers; particularly small business employers.
3. The current superannuation system where super payments go through clearing houses is not efficient. It could take from a few days to more than a week for super payments to get to the super fund account. Payday super does not fix that. The super funds need to adopt the system like the banks (like Osko payments) where payments made are immediately credited to the super fund account, otherwise the problem is not solved. No benefit if the employer pays on the same day as the salary and wages are paid, and the super funds take days or weeks to credit the account.

Thank you for the opportunity to make a submission

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Oaktree Accounting