

## ISA Media Release

### Unpaid super scandal hits Bendigo workers

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More than 700,000 workers in Victoria have had close to \$1.4 billion in super stolen from them by dodgy employers, with Bendigo workers among those hardest-hit, as the unpaid super epidemic goes from bad to worse.

New Industry Super Australia (ISA) analysis of tax office data from 2016/17 by ex-treasury official Phil Gallagher has revealed the extent of the theft, where employers withhold super payments to prop up their own books, robbing workers of their rightful entitlements.

In Victoria, 710,450 people are missing out on a total of \$1.38 billion – the equivalent of \$1,946 in super payments each year.

This is nearly 31 per cent of employees eligible for the super guarantee, making Victoria the fourth worst state for unpaid super.

Bendigo is one of the hotspots for unpaid super in Victoria with 17,160 of people being robbed of an average of \$1,829 in super each year.

This makes Bendigo the ninth worst in Victoria for unpaid super.

Within Bendigo the top five postcodes that have been worst hit are:

- Bendigo and other areas in 3550
- Arnold and other areas in 3551
- Big Hill and other areas in 3555
- California Gully and other areas in 3556
- Barfold and other areas in 3444

Nationally, the report shows since the first ISA analysis of ATO data in 2013/14, the number of workers short-changed super has climbed by 90,000 to a total of 2.85 million Australians being ripped off \$5.94 billion in super entitlements.

Young, low income workers are most likely to be affected, with ISA's analysis showing:

- Almost one in two young adults earning under \$30,000 per annum are underpaid superannuation;
- More than 43 per cent of labourers, machinery operators and drivers have collectively missed out on more than \$800 million making it to their super accounts in 2016/17; and
- Combining these risk factors reveals 75 percent of Australians short-changed their super contributions are aged under 35, or earn under \$30,000 or are in blue collar jobs.

Industry Super Australia Chief Executive Bernie Dean called on local candidates and Members of Parliament to act on what can only be described as systematic exploitation.

“This should be a wake-up call for local candidates and members. This is daylight robbery and it cannot continue,” Mr Dean said.

“Allowing employers to continue robbing workers in Bendigo of their super entitlement means these workers are going to end up worse off at retirement.

“While most employers do the right thing, unless we see action from the major parties this election, those dodgy employers are going to continue taking advantage of lax laws, a weak regulator and insufficient penalties to rip off these hardworking Australians.”

Mr Dean said there was a simple fix the major parties could commit to this election that would solve the problem.

“The easiest way to end this exploitation and ensure workers in Bendigo are paid their super is to simply legislate that all employers must deposit money into a workers super account at the same time as they deposit their salary into their bank account.”

The full report by Industry Super Australia into this latest data can be accessed at <https://www.industrysuper.com/assets/Uploads/d62c256bec/Super-Scandal-Unpaid-super-guarantee-in-2016-17-FINAL.pdf>

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