

G & S Ellis Holdings Pty Ltd t/a G. S. Ellis Pastoral

Inquiry into inhibitors to employment for small businesses.

Background

We are a small viticultural based business employing up to 60 casual employees (approximately half local and half backpackers) during vintage which lasts for approximately 6 weeks. We also employ approximately 10 local casual employees for up to 3 months during for pruning.

Issue relating to superannuation

With the introduction by July 1 of the superannuation clearing house regulations it means a considerable amount of extra bookwork for small employers employing large numbers of casual employees. These are listed below:

- Each employee's superannuation details have to be registered twice – once with the clearing house and once with the employee's superannuation fund. Whilst the clearing house aids distribution to the various super funds many employees do not qualify for minimum wage requirement triggering a superannuation payment.
- Backpackers often do not have an Australian address as they are on the move. The default often used is the employers address meaning the employer receives all the correspondence for ever and a day for that employee as no forwarding address is left.
- Many overseas casual employees do not understand the superannuation principles due to language issues. This can take a considerable amount of the employers time in attempting to explain how the system works.
- The amount of superannuation paid into a seasonal casual employees account is often very small (less than \$50). Due to the issues outlined above the employee does not redeem this amount on leaving Australia and it is gradually frittered away on management fees not to mention the amount of paper, time and effort on the superannuation fund.

Solution/recommendation

Where a casual employee's term of employment is less than 6 months (seasonal workers) and they are not residents of Australia or Australian citizens then superannuation is paid directly into their accounts instead of having to register for superannuation. This can be detailed on their payslips for auditing purposes.