

## Joint Committee on Corporations and Financial Services

### QUESTION ON NOTICE Date of hearing: 01 March 2023

**Outcome: Workplace Relations**

**Department of Employment and Workplace Relations Question No. IQ23-000020**

Senator Paul Scarr on 01 March 2023, Proof Hansard page 46

#### ***Projected Cost of Super Entitlements to the Taxpayer***

##### **Question**

Ms Mathews: I think ultimately that one is a matter for government—what it's appropriate for taxpayers to fund. The FEG is a taxpayer funded scheme. It would be a question for government. Clearly there is a recovery program in place. Nevertheless the cost would be substantial if superannuation were added to the FEG scheme.

Senator SCARR: Do you have any data about the cost? Obviously they don't fall within your bailiwick at the moment, but because of the associated data you have with respect to unpaid wages et cetera, do you have any visibility of the amount we're talking about?

Ms Mathews: There are anecdotal figures, but I'm hesitant to rely on them. So I think we'd prefer to take that on notice and see if we can provide you with something more current.

Senator SCARR: If you could, that would be very useful. I'm just having a look here in terms of potential reform issues.

##### **Answer**

The cost of extending the Fair Entitlements Guarantee to cover unpaid superannuation entitlements would be dependent on policy design but would likely be substantial. Relevant factors that would affect cost include the entitlements that would be covered, any caps on amounts that could be claimed, any time limits for making a claim and whether existing unpaid entitlements would be covered.

Current costing estimates are not available.

Extending the Fair Entitlements Guarantee to cover unpaid superannuation would likely have cross-portfolio impacts, including interactions with the existing Superannuation Guarantee regime administered by the Australian Taxation Office.