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To: Senate Select Committee on Superannuation

Attention: Chairman, Senator John Watson

From: Graeme Stage, Corporate Services Manager

Date: 29 August 2002

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Header)

SUBJECT: Submission to the Committee on the Superannuation (Government Co-Contribution for Low Income Earners) Bill 2002

John,

Thank you for your response this morning.

Council and several employees are questioning the proposed application of the superannuation cocontribution of up to \$1,000 to specific classes of persons. For example, superannuation contributions are not made on behalf of council's casual employees. Of course, there are several employees who have non-working spouses/partners.

As I understand the proposed legislation, it would mean that to be eligible for the co-contribution, amongst other things, a person must satisfy the "work test". Casual employees and non-working spouses/partners (there may be other groups) would not meet the criteria proposed under the legislation.

This has the potential to discriminate against these classes of persons, particularly, when they live outside the urban mainstream and find it even more difficult to find work, and certainly work that would have the hours and remuneration to satisfy the "work test" requirements.

I understand that the intention of the legislation is to provide a mechanism to support the Federal Government's initiatives to encourage superannuation contributions and ultimately, greater financial self-sufficiency. Retention of the "work test" in the legislation would seem contrary to this initiative and certainly most harsh on persons residing in rural areas.

Thank you for considering this submission.

Grane

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