



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Tax and Superannuation Laws Amendment
(2014 Measures No. 1) Bill 2014**

Second Reading

SPEECH

Tuesday, 4 March 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Tuesday, 4 March 2014
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Questioner
Speaker Ciobo, Steven, MP

Source House
Proof No
Responder
Question No.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (19:31): I thank those members who have contributed to this debate on the Tax and Superannuation Laws Amendment (2014 Measures No. 1) Bill 2014. Schedule 1 to this bill introduces civil and criminal sanctions for a person who promotes a scheme that has resulted in, or is likely to result in, the illegal early release of superannuation benefits. Illegal early release schemes are generally promoted to people as a means of accessing their superannuation benefits before they are eligible to do so. There are currently no specific penalties for promoters of illegal early release schemes who are not themselves trustees of a regulated superannuation fund, as promoters often enlist other parties to act as the trustee of a superannuation fund used in an illegal early release scheme. The penalties in the existing superannuation law are limited in their ability to discourage such schemes. The amendments made by this schedule give the Commissioner of Taxation the ability to seek penalties for all promoters of illegal early release schemes, regardless of whether or not they are a trustee of a superannuation fund. Introducing these penalties will act as a deterrent to promoters of such schemes and will help to strengthen the integrity of our superannuation system.

Schedule 2 to this bill amends the Superannuation Industry (Supervision) Act 1993 to introduce administrative directions and penalties for contraventions relating to self-managed superannuation funds. These include the power to give rectification directions and education directions and to impose administrative penalties. Administrative directions and penalties for trustees will form part of the range of options available to the commissioner to respond to noncompliance with superannuation laws.

Schedule 3 to this bill will phase out the net medical expenses tax offset. There will be transitional arrangements for those currently claiming the offset. From 1 July 2013 those taxpayers who claimed the offset for the 2012-13 income year will continue to be eligible for the offset for the 2013-14 year if they have eligible out-of-pocket expenses above the relevant thresholds. Similarly, those who claim the offset in 2013-14 will continue to be eligible to claim the offset in 2014-15. The net medical expenses tax offset will also continue to be available for taxpayers for out-of-pocket medical expenses related to disability aids, attendant care or aged-care expenses until 1 July 2019.

Schedule 4 adds three organisations to the list of named deductible gift recipients in division 30 of the Income Tax Assessment Act 1997. Taxpayers can claim an income tax deduction for gifts to organisations that are DGRs; DGR status assists these bodies attract public support. The new DGRs listed are the National Arboretum Canberra Fund, the Bali Peace Park Association Inc. and the Prince's Charities Australia Ltd. In addition, the name of the Sir William Tyree Foundation of the Australian Industry Group is being changed to the Sir William Tyree Foundation.

The government does not support the amendment moved by the opposition. The amendment moved by the opposition is quite fascinating. It has absolutely no relevance to the bill that is before the House. It is nothing more than a broadscale amendment moved by the opposition to give them something to talk about in this debate, because the debate is otherwise noncontroversial. I was quite astounded to hear some of the contributions that were made, not by members on this side, who I thought were eloquent, but rather by members on the opposite side who, alas, I cannot say were quite so eloquent. In particular, the contribution of the member for Bendigo was quite extraordinary. I know that the member for Bendigo is a relatively new member of this House, but to hear her come up with such choice phrases—I wrote one down—as 'no such word as sustainable' in relation to the NDIS is really extraordinary. Is it beyond the reach of the Labor Party to grasp the concept that when it comes to providing social welfare and entitlements to Australians there need to be boundaries. I can understand why the member for Bendigo was preselected, if she has that sort of approach. Perhaps I should not be shocked, because it would seem in many respects to be entirely consistent with Labor's approach in government.

When Labor was last occupying the Treasury bench it clearly had no concept of the word 'sustainable'. That underscores in many respects why the legacy of the Labor government is \$123 billion worth of budget deficits

over the forward estimates and a debt trajectory that would have seen us reach \$667 billion of peak debt had there not been policy changes, which is the very reason why we were elected at the last election. The Australian people said to the Australian Labor Party that they want sustainability. I think Labor needs to get the message. The Australian people do not want the approach that failed them, the approach that was adopted by the Australian Labor with respect to not just the NDIS but a raft of other policies. Labor's approach said, 'We don't care how much money we have to borrow on behalf of Australian taxpayers. We don't care how much money we borrow and how many generations it will take to pay the debt back. We just want to live in a way where we can issue out the largesse and Australians can live comfortably and not worry about that tricky little thing called sustainability.' Let me make clear to the member for Bendigo: sustainability is a pretty important thing.

When I hear the member for Bendigo waxing lyrical about how it is going to cost the constituents of her electorate \$4.5 million on the basis of some speculation in the media and of her back-of-the-envelope calculations, I ask myself: where was all the faux concern when the Labor Party introduced the world's biggest carbon tax?

I guarantee that the cost to constituents in Bendigo is a lot more than \$4.5 million. I have no doubt that the world's biggest carbon tax has a magnitude of 10 or even 100 times that when taking into account the human costs—costs to businesses in Bendigo, costs to families in Bendigo, costs to singles in Bendigo and costs to pensioners in Bendigo—because the people who are paying the most, the people who feel the carbon tax the most, are those who are in the lowest income quartile. These people in many respects could be termed as energy poor. They are the ones who are paying obscene prices and obscene proportions of their income to service the carbon tax paid by the electricity producers under Labor's scheme. There were no comments from the member for Bendigo about that—she just turned a blind eye to the fact that the constituents in Bendigo are paying for Labor's carbon tax hand over fist. That is the reason why we, on this side of the House, bristle a little bit when we hear members of the Labor Party waxing lyrical about media speculation when the lived experience for people in the electorate of Bendigo is that they are paying through the nose to service Labor's carbon tax.

If Labor want to move ridiculous amendments, as they have with this bill, then they should realise that the Australian people can see straight through the Labor Party's approach, the politics that they apply and the political games that they play. Based on my lived experience in my electorate and based on the election result, the Australian people are sick of Labor's approach, sick of the kind of games that we saw with this amendment and sick of the kind of contribution that was made by the relatively new member for Bendigo.

The bill is uncontroversial in that it is a savings measure. It incorporates a number of savings measures that the Australian Labor Party put forward and the coalition has built upon, as part of our fiscal repair job—a repair job that is going to take decades; a repair job that is going to see generations of Australians indebted as a consequence of Labor's spending spree over the last six years. The most extraordinary thing with respect to these savings is that Labor continues in the Senate to remain opposed to some of their very own announced savings such as the research and development tax changes, the higher education savings and the savings from changing the childcare rebate—all announced by Labor but now opposed by Labor. It just goes to underscore how bankrupt the opposition has become when it comes to matters of principle. That notwithstanding, I commend the bill to the House as being a step in the right direction to make sure the fiscal repair job continues and I am grateful especially to coalition contributors to this debate.

The DEPUTY SPEAKER (Mr Craig Kelly): The question is that the amendment be agreed to.

Question negatived.

Original question agreed to.

Bill read a second time.