



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

BILLS

**Superannuation Legislation Amendment
(Reform of Self Managed Superannuation Funds
Supervisory Levy Arrangements) Bill 2013**

Second Reading

SPEECH

Thursday, 21 March 2013

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Thursday, 21 March 2013
Page 3011
Questioner
Speaker Neumann, Shayne, MP

Source House
Proof No
Responder
Question No.

Mr NEUMANN (Blair) (10:11): I speak in support of the Superannuation Legislation Amendment (Reform of Self Managed Superannuation Funds Supervisory Levy Arrangements) Bill 2013. I hope those people listening will recall probably the penultimate paragraph of the member for Dunkley's speech, where he was bleating about and bemoaning this legislation: how bad it was and how terrible it was for the Australian economy, the Australian community and those people with superannuation. Then he said, 'But we're not going to oppose it.' What hypocrisy is that! He was bleating, bemoaning, carping, whingeing and whining, and then he said that he is not going to oppose it. I would have more respect and more regard for the member for Dunkley's views on superannuation if he were not going to oppose the \$500 tax on the 24,000 low-income earners in my electorate of Blair—that is what his policy is—and if he had actually voted in favour of the increase from nine to 12 per cent in superannuation co-contribution. But, no, he has not.

Now, a bit of fact: he is going on about how this will almost impoverish people in SMSFs, but the average assets—as at 30 June 2011—in SMSFs were \$963,002 in every superannuation fund. This new levy is \$259 a year. I will repeat that. The average asset in these superannuation funds is getting up to close to a million dollars, and it is a levy of \$259—that is what it is. It is consistent, mind you, with the Australian Prudential Regulation Authority regulated funds, which pay the superannuation supervisory levy in the same financial year it is levied. APRA regulated funds have been paying that superannuation supervisory levy in the relevant year for years. We think it is appropriate to do this. It is appropriate for a cost-recovery levy.

The other thing that the member for Dunkley was going on about was how this is some sort of massive amount of money that we are going to pull out. This is a very small amount of money across the forward estimates. The actual figures are: 2012-13 revenue, zero; 2013-14, \$70 million; 2014-15, \$164 million; 2015-16, \$88 million. That is the gross revenue without the expenses associated with it. That is the financial impact of this particular policy. But you would think that we were putting on billions of dollars of tax and gouging it out of self-managed superannuation funds.

I have had a bit of history with this. Before I was elected, I was a businessman for 20 years—a senior partner of a law firm and managing partner in relation to that, with my then partner, Matthew Turnour. We ran a business and I had my own superannuation fund—the Neumann-Turnour superannuation fund—in relation to this, so I have a bit of history and experience in relation to this and these are very common themes. As at 30 June 2012 there were nearly 479,000 SMSFs, with 914,000 members. We have seen almost 35,000 new ones registered in 2011-12. We have, in this country, about \$1.2 trillion invested in superannuation and that is going to increase to about \$6.2 trillion by 2036.

We have the fourth largest privately managed superannuation funds in the world, and this government commissioned Jeremy Cooper to undertake a review on 29 May 2009—a commission now known as the Cooper review—and we responded positively to 139 of the 177 recommendations of that review. We have been reformers with respect to superannuation, from the MySuper accounts to lifting the superannuation guarantee from nine per cent to 12 per cent, which will impact and help 44,000 local workers in my electorate alone. If someone is 30 years old and on average earnings, they will have about \$110,000 more in superannuation savings by the time they retire. The levy pales into insignificance compared to that sort of arrangement, which we are undertaking and is opposed by those opposite and which will result in 8.4 million Australians getting a big boost to superannuation. And the Liberal Party opposes it tooth and nail. We are lifting the capacity of people in Australia to live in security and dignity in retirement, and we think that is so important.

As the member for Dunkley accurately pointed out, the ATO is responsible for regulating this particular sector, and regulation is compliance based and on a cost-recovery basis as well. To that end, this bill increases the maximum levy payable by SMSFs for a year of income from \$200 to \$300 per year, effective from 2013-14, with the actual levy increasing from \$191 to \$259 a year from 2013-14. It will help the ATO to regulate the sector more effectively, in terms of costs, and ensure that these self-managed superannuation funds pay the full

cost of this. This is prudent reform. It is another example of the government undertaking responsible economic management, and I commend the legislation to the House.