



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

COMMITTEES

Economics Committee

Report

SPEECH

Wednesday, 9 May 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Owens, Julie, MP

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Ms OWENS (Parramatta) (17:52): On behalf of the Standing Committee on Economics I present the committee's report entitled *Advisory Report on the Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012*, incorporating supplementary remarks together with the minutes of proceedings. I ask leave of the House to make a short statement in connection with the report.

In accordance with standing order 39(f) the report was made a parliamentary paper.

Ms OWENS: by leave—The Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012 continues the government's superannuation reforms and consolidates aspects of the tax system. The passage of this bill will: simplify superannuation consolidation; give individuals relief from the excess contributions tax; increase the information about superannuation contributions on payslips; pause the indexation of the superannuation concessional cap; and provide the ATO with the discretion to withhold high risk tax refunds.

Schedules 1 and 2 represent technical amendments which ensure that the goods and services tax is not paid on certain supplies and activities. Schedule 1 ensures that a supply made by a healthcare provider to an insurer, government entity or compulsory third party scheme operator is GST-free. Schedule 2 restores the policy intent that the non-commercial activities of government related entities funded through appropriations are not subject to GST.

Schedule 3 pauses indexation of the superannuation concessional cap in 2013-14. This will lead to fiscal savings of approximately half a billion dollars over the forward estimates. This temporary measure will strengthen Australia's fiscal position.

Schedule 4 will protect individuals from being subject to the excess contributions tax. Individuals who inadvertently exceed the superannuation contributions cap by up to \$10,000 will be given the option of withdrawing the money from super and including it as personal income for tax purposes. Through this schedule the government is providing targeted relief to taxpayers.

Schedule 5 will allow the ATO to provide super funds with details necessary to find members' lost accounts. Currently, there are five million lost superannuation accounts worth \$20 billion. Members will provide their consent to the ATO prior to the disclosure of account details. This measure will help people find and consolidate their super accounts.

Schedule 6 allows the government to make regulations which improve employees understanding of their superannuation. Employees will receive clear information on their payslips about their superannuation. The regulation initially requires employers to provide the amount and expected date of a super payment, with the longer-term aim of providing the actual date of payment. The committee has suggested that it would be more efficient to have a single commencement date which would provide for the reporting of actual contributions. Therefore, the committee has concluded that, if the industry could meet the 1 July 2013 deadline for introducing the reporting of actual contributions, then the government should cease plans for interim reporting. However, if the industry cannot meet the proposed 1 July 2013 deadline for actual reporting, then, in this case, interim measures should be considered.

The remainder of the bill deals with other tax matters. Schedule 7 provides the ATO with the discretion to withhold and review tax refunds for as long as is reasonable. The committee believes allowing the ATO to withhold potentially high-risk refunds provides the appropriate balance between taxpayers' needs and revenue protection.

On behalf of the committee I thank the organisations that assisted the committee during the inquiry through submissions or by participating in the hearings in Canberra. I also thank my colleagues on the committee for their contribution to the report. I commend the report to the House.