
The Parliament of the Commonwealth of Australia

Advisory Report on the Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012

House of Representatives
Standing Committee on Economics

March 2012
Canberra

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Chair's foreword

The Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012 (the Bill) continues the Government's superannuation reforms and consolidates aspects of the tax system. The 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 provides the ATO with the discretion to withhold high risk tax refunds.

Schedule 1 ensures that a supply made by a health care provider to an insurer, government entity, compulsory third party scheme operator, or other certain bodies, is treated as a GST-free supply. Following a court case in 2009, Schedule 2 restores the policy intent that, when funded through appropriations, the non-commercial activities of government-related entities are not subject to GST.

Schedule 3 pauses indexation of the superannuation concessional cap in 2013-14, leading to fiscal savings of approximately half a billion dollars over the forward estimates. It is anticipated that the impact on the relatively small number of individuals that will be affected will be marginal but the cumulative impact will improve Australia's fiscal position.

Schedule 4 implements a one-off refund for individuals who exceed the superannuation contribution cap by up to \$10,000. This will protect individuals who inadvertently exceed the cap from being subject to the excess contributions tax. Although, the superannuation industry sought a review of the excess contributions tax, the committee supports Schedule 4 because it provides targeted relief to taxpayers.

Schedule 5 will allow the ATO to provide super funds with details of members' accounts. Members will provide their consent to the ATO prior to the disclosure of account details. Currently, there are 5 million lost superannuation accounts worth

\$20 billion and 1.3 million new accounts created every year. This measure will help people find and consolidate their super accounts.

Schedule 6 allows the Government to make regulations to require employers to provide certain information about superannuation on payslips. The regulation initially requires employers to provide the amount and expected date of payment of the contribution, with the longer term aim of providing the actual date of payment. The committee suggests 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. The key provisions for this inquiry are in Schedule 7, which 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.

In summary, the Bill builds on the Government's agenda of strengthening Australia's superannuation system and consolidates aspects of the tax system. The committee concludes that the Bill should be passed.

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

Julie Owens MP
Chair

Contents

Chair's foreword	iii
Membership of the Committee	ix
Terms of reference	x
List of abbreviations	xi
Recommendation	xiii

THE REPORT

1 Introduction	1
Referral of the Bill	1
Contents and structure of the Bill	1
GST-free health supplies	1
GST treatment of appropriations	2
Superannuation general concessional contributions cap	3
Refund of excess superannuation concessional contributions	4
Disclosure of superannuation information	5
Payslip reporting of superannuation	5
Tax refunds	6
Background to the schedules examined in the inquiry	7
Indexation of the superannuation concessional contributions cap	8
Refund of excess superannuation concessional contributions	9
Disclosure of superannuation information	11
Payslip reporting of superannuation	12
Tax refunds	14

Committee objectives and scope	15
Conduct of the inquiry	15
2 Issues in the Bill	17
Schedule 3 – Indexing the concessional contributions cap	17
Background	17
Analysis	18
Conclusion	20
Schedule 4 – Excess contributions tax refund	20
Background	20
Analysis	21
Conclusion	25
Schedule 5 – Disclosure of superannuation information	25
Background	25
Analysis	27
Conclusion	28
Schedule 6 – Payslip reporting	29
Background	29
Analysis	30
Conclusion	33
Schedule 7 – Tax refunds	33
Background	33
Analysis	35
Conclusion	37
Overall conclusion	37

SUPPLEMENTARY REMARKS

Supplementary Remarks – Mr Steven Ciobo MP, Deputy Chair, Ms Kelly O'Dwyer MP, Mr Scott Buchholz MP, Liberal Party of Australia	41
Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012	41
Schedule Three – Indexation of the Concessional Superannuation Contributions Cap	41
Schedule Four – Excess Contributions Tax Refund	44
General Comments	46

APPENDICES

Appendix A – Submissions and exhibits	47
Appendix B – Hearings and witnesses	49
Appendix C – List of advisory reports	51

LIST OF TABLES

Table 1.1	Projected savings by pausing indexation of the cap in 2013-14	3
Table 1.2	Projected cost to revenue by refunding excess super contributions	4
Table 1.3	Applications to disregard or reallocate contributions at 4 May 2011	10



Membership of the Committee

Chair	Ms Julie Owens MP
Deputy Chair	Mr Steven Ciobo MP
Members	Mr Scott Buchholz MP Mr Stephen Jones MP Dr Andrew Leigh MP Ms Kelly O'Dwyer MP Mr Craig Thomson MP

Committee Secretariat

Secretary	Mr Stephen Boyd
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Terms of reference

On 1 March 2012 the Selection Committee requested that the Economics Committee inquire into and report on the Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012.

Under Standing Order 222(e), the House is taken to have adopted the Selection Committee's report when they are presented.



List of abbreviations

AIST	Australian Institute of Superannuation Trustees
ANAO	Australian National Audit Office
ASFA	Association of Superannuation Funds of Australia
ATO	Australian Taxation Office
BAS	Business Activity Statement
CPA Australia	Certified Public Accountants Australia
CTP	Compulsory Third Party (schemes)
FCAFC	Federal Court of Australia Full Court
GST	Goods and Services Tax
GSTR	GST Ruling
ICAA	Institute of Chartered Accountants in Australia
ICB	Institute of Certified Bookkeepers
IGT	Inspector-General of Taxation
ITAA	<i>Income Tax Assessment Act 1997</i>
RSA	retirement savings account
SGC	superannuation guarantee charge
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i>

SMSF	Self Managed Super Fund
SPAA	Self Managed Super Fund Professionals' Association of Australia
TFN	Tax file number
The Bill	Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012
The Council	Law Council of Australia



Recommendation

2 Issues in the Bill

Recommendation 1

That the House of Representatives pass the Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012 as proposed.

