

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

8 – 11 February 2010

Question: aet 86

Topic: Temporary residents superannuation - receipts

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Senator BUSHBY—I have a couple of questions on temporary resident superannuation legislation. I am interested in full details of the funds received in the first round as a result of that superannuation tax change. I think we did not have final figures at the last estimates. I am also interested in any information on how the second round is looking.

Mr Olesen—We completed a couple of rounds of the temporary resident process recently. I think we answered question on notice and provided figures as at November last year. As you would be aware, funds are required to provide reports, typically in April and October of each year. In the first round we deferred the original due date to June. In the first run we received in the order of \$199 million. That was in relation to some 650,000 notifications given to some 430-odd funds. In the second run, which was to October last year, we received some \$45 million.

Senator BUSHBY—Is the \$45 million considered by the tax office to be the amount that is actually paid to the STG by temporary residents between the period of the first round and the second round or does that include some of the catch-up?

Mr Olesen—We do not have any direct information about the balances that are held in these accounts. All we have is information from the department of immigration that tells us about people who have left the country since the previous round. Based on that information, we do some of our own checks to try and make sure that they have in fact since left the country and are captured by the measure. Neither DIAC nor the ATO have any information about the actual amounts of funds that are held in the super funds in respect of those non-residents

Senator BUSHBY—How do the receipts compare with what was budgeted for those first two rounds?

Mr Olesen—I do not have that information by round.

Senator BUSHBY—We have a lot of questions to get through before 11 o'clock, so could you take that on notice.

Mr Olesen—Certainly.

Answer:

With the exception of the first year, there are two rounds of collections each financial year, with payments due at the end of October and the end of April.

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For the notification run undertaken in the 2008-09 financial year, the ATO received \$199 million from superannuation funds in relation to eligible departed temporary residents.

In the first round of collections for the 2009-10 financial year, the ATO received a further \$54 million from superannuation funds. The second round of collections for 2009-10 is yet to occur.

Estimated revenue was \$170 million for the 2008-09 financial year and \$210 million for the 2009-10 financial year.