

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Corporate Collective Vehicle Framework and other Measures Bill 2021

2021 - 2022

Division: Retirement Advice and Investment Division
Topic: Statutory Review - Treasury Laws Amendment Self-Managed Superannuation Funds Bill 2020
Reference: Spoken (17 January 2022)
Senator: Anthony Chisholm

Question:

Senator CHISHOLM: Okay. Just on the retirement income covenant: Super Consumers Australia, in submission 14, outlined significant concerns in the self-managed superannuation funds space in relation to self-managed superfunds and retirement income. Similar issues were raised in relation to the Treasury Laws Amendment (Self Managed Superannuation Funds) Bill 2020. As a result, the government agreed to a statutory review provision, in relation to the bill, which is due to be completed before the end of this year. Does Treasury have anything they'd be considering, in relation to the concerns raised by Super Consumers Australia?

Mr A Hawkins: The circumstances of a self-managed superannuation fund and an APRA regulated fund are quite different, as it relates to the retirement income covenant. An APRA regulated fund has a very large membership, potentially millions of members, and will need to gather information in order to formulate their strategy; whereas a self-managed superannuation fund will intimately know their members, so the need to gather information and then develop a strategy on types of services or products that might be appropriate to them isn't as involved as it would be for an APRA regulated fund.

They can be thought of quite differently, in terms of what the right set of regulations is that might apply. For that reason, the government's made the decision to not cover self-managed superannuation funds with a covenant. I'm not 100 per cent over the review that you mentioned, but I might check with my colleague Mr George to see if he has anything to add.

Mr George: Unfortunately, at this point, I don't have anything to add to my colleague Mr Hawkins. Perhaps we can take that on notice, in regard to that statutory review.

Answer:

An amendment to the Treasury Laws Amendment (Self Managed Superannuation Funds) Bill 2020 to include a statutory review of the provisions of that Bill was proposed by the Opposition but was not adopted by the Parliament.