



3 October 2019

Committee Secretariat
Senate Standing Committees on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

via email: economics.sen@aph.gov.au

Dear Sir/Madam

TREASURY LAWS AMENDMENT (RECOVERING UNPAID SUPERANNUATION) BILL 2019

The Superannuation Guarantee (SG) is a pillar of the Government's retirement savings strategy and the Ombudsman acknowledges the importance of employee entitlements being calculated correctly and paid on time. While most small businesses fulfil their SG obligations, the combined stress of cash flow demands and compliance paperwork can sometimes mean an employer falls behind.

The Ombudsman supported the original 12 month SG Amnesty, endorsing the one-off opportunity for small business owners to bring payments of employee superannuation up to date. At that time, the Ombudsman proposed that the amnesty should commence from the date it is passed into legislation to maximise preparation time for small businesses.

We now support the extension of the amnesty period until six months after the date of Royal Assent. Many small businesses have already come forward to voluntarily disclose arrears, even though the original amnesty period concluded before the original Bill passed, resulting in uncertainty as to how the Australian Taxation Office (ATO) would administer the existing law.

We believe the unchanged limitation on the application of the amnesty provisions to only those historical SG debts up to and including the March quarter of 2018 should be reconsidered and now extended. Six reporting quarters have since passed and those small businesses waiting for certainty in the law are still waiting. Accordingly, the amnesty should be extended to all historical quarters up to the end of the quarter in which the legislation receives Royal Assent.

Further, we strongly suggest the proposed change in the Commissioner's power to remit penalties be publicised and promoted amongst the small business advisor community. Together with the amnesty applying to SG contributions for an additional eighteen months, small business will be well placed to bring their employee entitlements up-to-date and move forward with confidence.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact [REDACTED] on [REDACTED] or by email to [REDACTED]

Yours sincerely

A large black rectangular box redacting the signature of the Ombudsman.

Kate Carnell AO
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