



Mr Mark Fitt
Committee Secretary
Senate Economics Legislation Committee
Parliament House
Canberra, ACT, 2600

25 May 2018

Dear Mr Fitt

Re: Inquiry into Treasury Laws Amendment (2018 Measures No. 4) Bill 2018 [Provisions]

Thank you for the opportunity to provide comments on the superannuation guarantee integrity provisions in Schedules 1 to 6 of the Treasury Laws Amendment (2018 Measures No. 4) Bill 2018 [Provisions].

By way of background, Dixon Advisory provides administration and advice services to 8,000 self-managed superannuation fund (SMSF) trustees with a combined asset base in excess of \$5 billion.

We support the aim of the draft legislation of further strengthening the integrity of payment of employees' superannuation guarantee entitlements.

In particular, improving the Australian Tax Offices (ATO) visibility of payment of superannuation guarantee via extending Single Touch Payroll reporting to all employees, in combination with powers to issue directions to pay unpaid super and notify affected employees is expected to help facilitate higher superannuation guarantee compliance in the future. This is a welcome improvement to protecting consumers.

For the increased powers and responsibilities of the ATO to be effective in increasing the compliance, the ATO will need to consider how best to administer these new functions. Specifically, proactive compliance work (as opposed to reviews and audits triggered by employee complaints) is likely to increase, and the ATO will need to develop systems and procedures to review Single Touch Payroll reporting for compliance breaches.

In addition, the ATO will need to consider how best to report compliance breaches to affected parties and the action the ATO is taking with respect to their new powers as employees generally face difficulty advocating on their own behalf.

Noting the objective of the draft legislation is to increase superannuation coverage for Australian's, Dixon Advisory believes further amendments could be considered in the future that go beyond the current scope of the package, which is limited to employers paying wages to employees. The current focus on compulsory super only for employees means that a significant percentage of the population will reach retirement with little or no super. One solution would be to extend superannuation guarantee integrity requirements to self-employed people.

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If you require any further assistance or have enquiries, please contact Spiro Premetis at

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Yours sincerely,

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