

## SUBMISSION 4

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Committee Secretary  
Standing Committee on Economics  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600  
AUSTRALIA

Email: [economics.reps@aph.gov.au](mailto:economics.reps@aph.gov.au)

### **RE: Review of the Tax Laws Amendment (2011 Measures No. 9) Bill 2011**

Dear Sir,

The Association of Superannuation Funds of Australia (ASFA) would like to lodge this submission with respect to the Committee's review of the Tax Laws Amendment Bill (2011 Measures No. 9 Bill 2011).

The Association of Superannuation Funds of Australia (ASFA) is a non-profit, non-political national organisation whose mission is to advance effective retirement outcomes for members of superannuation funds through research and advocacy. We focus on the issues that affect the entire superannuation industry. Our membership, which includes corporate, public sector, industry and retail superannuation funds as well service providers some of whom deal with self managed superannuation funds (SMSFs), has over 90% of the approximately 12 million Australians with superannuation as members. ASFA members manage or advise on the bulk of the \$1.3 trillion in superannuation assets as at September 2011. ASFA is the only organisation that represents all types of superannuation funds and associated service providers.

ASFA's specific interest in this bill is with respect to Schedule 1, which enables certain superannuation fund members and RSA holders to electronically request the consolidation of their super through the Tax Office. This is especially applicable to 'lost' accounts.

#### **Comments on the proposal**

Schedule 1 of the Bill amends the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Retirement Savings Accounts Act 1997* (RSA Act) to facilitate an Australian Taxation

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Office (ATO) service of assisting superannuation fund members to consolidate their superannuation benefits. ASFA's understanding is that initially, the ATO service will operate with respect to accounts reported by funds to the ATO's Lost Member Register as being 'lost'. The term 'lost' includes both accounts where the fund or RSA provider does not have a current address for the member and accounts where no contributions or rollovers have been received in the past 5 years.

The service will be provided through an electronic on-line facility and where the individual provides the requisite level of personal information the ATO will send an electronic request to the holding fund or RSA seeking the transfer of the account balance to a member-nominated fund. The service is referred to as the *electronic portability form*.

ASFA is a strong supporter of the scheme as it will provide a quick, efficient and low cost process with which fund members and RSA holders can consolidate these lost accounts. ASFA considers that consolidation of these lost and inactive accounts into an account that is receiving contributions is in the best interests of the fund member.

ASFA notes, and supports the Government's proposal to expand this service from 2013 so as to facilitate the consolidation of a broader range of accounts.

### **Comments on the exposure draft**

We have reviewed the bill.

In our opinion, as drafted, it will achieve the objective of supporting ATO processes for the delivery of a portability form electronically to superannuation entities and RSA providers and will enable those entities to treat a TFN supplied with the form as being quoted by the member/ RSA holder for superannuation purposes.

We believe that no unintended consequences will flow from the amendments as drafted

We strongly support the passage of Schedule 1 of the bill.

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Should you have any questions please contact Gordon Noble, Manager Government Relations on 03 9225 4018.

Yours sincerely



Pauline Vamos  
Chief executive Officer