

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2016 - 2017

Department/Agency: Treasury

Question: BET312

Topic: Super & PPL

Reference: Hansard page No. 47 - 6 May 2016

Senator: Jenny McAllister

Question:

"Senator McALLISTER: I want to ask about the possibility of paying superannuation guarantee payments on paid parental leave. Was that one of the options under consideration as part of the policy development process?"

Senator Cormann: As you know, the budget process, the Expenditure Review Committee process and the process that put the tax package together that is in our plan for jobs and growth, is a cabinet level process, and you are going to have to rephrase your question.

Senator McALLISTER: Does Treasury have any information about the impact of the superannuation guarantee on paid parental leave? Is there anything about the potential costs?"

Ms J Wilkinson: I am not sure what you are asking.

Senator McALLISTER: I am interested in understanding whether you have information that you can share with the committee about what the impacts would be of introducing superannuation guarantee levy payments on paid parental leave.

Ms J Wilkinson: I do not have that information with me. I am happy to take that question on notice."

Answer:

As the impacts would depend on the detailed policy specifications it is not possible to provide this information.

In general terms, recipients would benefit through a boost to their superannuation savings which may improve their retirement income.

However, depending on the implementation model, businesses may face additional compliance costs. The fiscal position of the Australian Government would also deteriorate if the Government required superannuation guarantee to be paid in respect of all PPL payments.