

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

16 February 2012

Question No: AET 9

Topic: Lost superannuation – admin IT issues

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Senator SHERRY: I was aware of that but I was not sure of what level of detail had been reached yet. Do you have any idea of when this would be an issue for the ATO to start looking at the admin IT issues?

Mr Murray: The ATO is already in that process of working through the issues for it on that side.

Senator SHERRY: So there is some work going on?

Mr Peterson: We are beginning to think about it, absolutely, but you cannot tie it down until you are sure of where you are going.

Senator SHERRY: I understand. Has there been any written documentation passed to industry from the ATO about the admin IT issues that you are thinking about?

Mr Peterson: I would need to take that on notice, just to be sure I gave you an accurate answer.

Senator SHERRY: If you have, would you take on notice whether a copy of it could be provided to the committee?

Answer:

Following the Government's Stronger Super announcement on 21 September 2011, the ATO has undertaken a number of consultative and co-design activities with industry representatives. The information technology (IT) and system design for auto account consolidation proposals was one of the topics covered during the ATO Roadshow presentations to funds in November 2011 and was also discussed at the Funds Reform Reference Group (FRRG) in early 2012.

The ATO Roadshows involved eight, two-hour sessions delivered to Australian Prudential Regulation Authority (APRA) regulated funds and administrators around Australia. The sessions were attended by approximately 350 industry representatives, representing 184 funds and administrators. The purpose of the ATO Roadshows was to provide funds with an understanding of the impacts the reforms will have on their business processes, to help inform the ATO's administrative design and to provide an opportunity to obtain feedback on fund readiness for the changes.

The ATO Roadshow presentation canvassed all reform issues impacting funds and administrators, including a component on account consolidation. Attendees were provided a copy of the attached SuperStream presentation at the Roadshow (Attachment 1)

The Funds Reform Reference Group is an ATO-led consultative and co-design forum comprising 12 superannuation industry representatives, including the SMSF Professionals Association of Australia (SPAA), the Association of Superannuation Funds of Australia (ASFA) and representatives from various super funds and administrators. The purpose of the forum is to seek industry views on the administrative design of the super reform measures impacting funds. The forum is held monthly.

The consolidation of accounts and the associated administrative and IT issues were discussed at the Funds Reform Reference Group meeting in January 2012. The relevant paper can be found in Attachment 2.

All consultation to date has been preliminary only. Law to support the Government's announced measures has not been finalised and accordingly the administrative design, including IT design, is still under active consideration.