

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 88

Topic: In relation to SBT 59

Hansard Page: Written

Senator Bushby asked:

In SBT 59, it is noted that work is proceeding on the Delivering for Seniors – greater protection on reverse mortgages policy. Where is that now at? Are there any timelines that the Government has placed on meeting any milestones in delivering this policy? If so, what are they?

Where are we at with the Tax System Advisory Board?

Where are we at with the Fairer Simpler Superannuation?

Tax compliance – addressing fraudulent phoenix activity?

Answer:

Where are we at with the Tax System Advisory Board?

On 21 January 2011, the Assistant Treasurer announced the Government's consultation arrangements for the Tax System Advisory Board which included the formation of a four member consultation panel (Jillian Segal, Jennie Granger, Rob Heferen and Richard Warburton) in late-2010 with the task of providing advice by 30 June 2011 about the best way of proceeding with the Board.

At the same time, the Assistant Treasurer released a discussion paper outlining alternative models for the Board and invited submissions from the public by 11 March 2011. The Government received 11 submissions in response to this consultation.

The consultation panel provided its advice to the Government on 30 June 2011, which the Government is now considering.

The Government has placed no other specific timelines in relation to this proposal.

Where are we at with the Fairer Simpler Superannuation?

- On 16 December 2010, the Assistant Treasurer and Minister for Financial Services and Superannuation announced Stronger Super, the Government's response to the Super System Review which implements the Government's Fairer, Simpler Superannuation election commitment. Stronger Super will deliver better outcomes for members and their employers by:
 - creating a new simple, low cost default superannuation product, called MySuper;
 - raising the bar for those managing our superannuation system, particularly for those managing default superannuation funds in which the majority of Australians invest;
 - providing the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission and the Australian Taxation Office with the tools they need to improve their oversight of superannuation; and
 - making the process of everyday transactions easier, cheaper and faster through the Government's 'SuperStream' reforms.
- The Government formed a Peak Consultative Group chaired by Mr Paul Costello (former general manager of the Future Fund) and comprising representatives of key industry, employer and consumer groups, as well as representation from relevant Government agencies to provide input on the design and implementation of the Stronger Super reforms.
- The Peak Consultative Group was supported by several working groups. The working groups allowed for more detailed discussions with relevant private and public sector experts on the practical and technical design and implementation issues.
 - The four working groups covered MySuper, Governance, Self-managed superannuation funds and SuperStream.
- The Government has largely concluded its consultations with stakeholders on the Stronger Super reforms and will now consider the views expressed during consultation in settling the implementation details of the reforms.

Tax Compliance – addressing fraudulent phoenix activity

The Treasury has commenced work on implementing the *Tax Compliance – addressing fraudulent phoenix activity* Government policy. Exposure draft legislation and explanatory materials were released on 5 July 2011 for public consultation. Consultation will close on 01 August 2011. The Bill is due for introduction in the Spring 2011 sittings.

Prior public consultation on the policy was undertaken through an options paper entitled *Options to address fraudulent phoenix activity*. Consultation on the options paper ran from 14 November 2009 to 15 January 2010.

The Government policy was costed as a part of the election process and has been updated through the 2011-12 Budget process.

At least two Treasury staff will be involved in relation to the drafting and implementation of the Government policy, although not on a full time basis.

