

Coalition Members' Additional Comments

Coalition members of the Committee support the principle of cost recovery. However cost increases such as those proposed in this Bill must be justifiable...and justified.

We share industry concerns expressed to this inquiry that this has not happened in this case.

Once again the Government's policy development and consultation processes have been seriously flawed.

It appears that Treasury, not the ATO, initiated the increases and bring-forward provisions of this Bill.

Whilst answers to Questions on Notice are yet to be received, current evidence suggests that the initial timing of this Government's plan was driven by the government's desperate need for more cash and its now failed scramble to achieve a promised surplus in 2012/13.

Senator BOYCE: ... Who proposed this increase in the levy? Was it the tax office or the government?

...

Mr Peterson: I think it is best to take that one on notice. My recollection—but my memory sometimes fails the—is that on this occasion the discussion was probably initiated by Treasury, but I may be mistaken.

Senator BOYCE: Okay. Thank you. What about the timing, the shift, in the collection of the revenue? Who initiated that suggestion?

Mr Peterson: Same answer, I think.

Senator BOYCE: Thank you, I would be very pleased to see that answer on notice.¹

Coalition members of the Committee are also concerned that ATO officers had very little engagement with the SMSF sector about this. SMSF organisations only found out about the process for making increased payments in the course of the Committee's inquiry.

It is admirable that Mrs Alison Lendon, Deputy Commissioner, Superannuation, Australian Taxation Office, wanted to reassure industry witnesses that there would be no change to the collection method of the SMSF supervisory levy:

Mrs Lendon: I thought I might just address the question that came up from the SMSF Professionals' Association in respect to the method of collection of the levy. We have no intention to change the process that we have now,

1 Mr Brett Peterson, Assistant Deputy Commissioner, Superannuation, Australian Taxation Office, *Proof Committee Hansard*, 14 March 2013, p. 15.

which is that that would be done through the tax return. There is not a proposal at all to pull that out and invoice separately or anything like that, it will just be as part of the tax return. I know they would very happy to have that confirmed.²

But the fact, that the inquiry was the first avenue available to do so, clearly indicates that industry concerns about a lack of consultation are justified.

Once again the Government has left public servants to pick up the pieces after Government ineptitude.

Mr Peterson, Assistant Deputy Commissioner, Superannuation, Australian Taxation Office acknowledged that discussions should have occurred with the industry earlier.

Senator BOYCE: You said you were going to have those discussions before 1 July with the funds. Is that correct?

Mr Peterson: We would be expecting to publish a cost recovery impact statement before 1 July. The figure was announced by the minister in October.

Senator BOYCE: This legislation, one would hope, will need to be passed before 1 July. There seems to be some sort of a timing issue around your discussion with the funds as to justification for the increase?

Mr Peterson: I would have to acknowledge that the detailed discussions followed behind the minister's announcement—there is no question about that.

ACTING CHAIR: There are now concerns around that, but, clearly, if this legislation is to be passed, it would also be good for that justification to have been made to the funds so that they are not needing to raise these issues with us.

Mr Peterson: Absolutely. No dispute about that at all. We are moving to do that, obviously.³

Senator Sue Boyce

Senator Mathias Cormann

Mr Paul Fletcher MP

The Hon Tony Smith MP

2 Mrs Alison Lendon, Deputy Commissioner, Superannuation, Australian Taxation Office, *Proof Committee Hansard*, 14 March 2013, p. 9.

3 Mr Brett Peterson, Assistant Deputy Commissioner, Superannuation, Australian Taxation Office, *Proof Committee Hansard*, 14 March 2013, p. 10.