



RESTAURANT  
& CATERING  

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A U S T R A L I A

SUBMISSION TO

Senate Economics Committee Inquiry

INTO

The Tax Laws Amendment (Superannuation Reporting) Bill  
2004

By

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## **BACKGROUND ON RESTAURANT & CATERING AUSTRALIA**

- 1) Restaurant & Catering Australia is the peak national organisation representing the interests of restaurateurs and caterers in Australia.
- 2) The Association is a federation of State restaurant and catering associations. There is an association, that is a member of Restaurant & Catering Australia in all States / Territories except the Northern Territory.
- 3) The State restaurant and catering associations have as a combined membership 5,800 businesses.
- 4) There are 28,900 restaurants and caterers in Australia. Half of these businesses are not employing businesses.
- 5) The majority of restaurant and catering businesses are small businesses with 94% turning over under \$500,000 per annum.
- 6) Restaurateurs and caterers turned over \$11.8 Billion in the financial year 2003/04. These businesses averaged 1.5% profit on turnover before tax.
- 7) It is estimated that the industry paid over \$350 Million in superannuation guarantee contribution in the last financial year.

## **THE PROPOSED BILL**

- 8) Restaurant & Catering Australia supports removing the requirement for employers to report superannuation contributions under the SG arrangements as proposed in the tax laws amendment (superannuation reporting) bill 2004.
- 9) The Restaurant and Catering Industry Action Agenda has, as its agreed recommendations, the following that support the changes proposed in the Bill:
  - Recommendation 3 – Minimise wastage from the superannuation system and promote building of retirement savings, and
  - Recommendation 4 – Identify opportunities to reduce the regulatory burden on the industry.
- 10) The administrative burden of superannuation was rated number one in a recent analysis of the compliance burden facing restaurant businesses<sup>1</sup>.
- 11) In recent times this burden has increased rather than decreased in the face of legislative changes made to the Superannuation Guarantee Legislation.

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<sup>1</sup> Office Of Small Business, Regulatory Compliance Case Studies Pilot, Hospitality Sector Report, May 2003

- 12) Labour intensive businesses, such as restaurants and caterers, will be particularly hard hit by the reporting requirement built into the changes. Further, in industries where a substantial proportion of the workforce are less than full time (again such as restaurant and catering businesses) the burden is disproportionate (only 25% of the workforce in these businesses are full/time).
- 13) Restaurant and catering businesses estimate that up to 80% of notifications of superannuation contributions may be returned should the requirement proceed.
- 14) Restaurant & Catering Australia calls on the Australian Government to make allowance for these businesses and reverse the notification requirement in the Superannuation Guarantee.