

Chapter 1

Introduction

1.1 The Temporary Residents' Superannuation Legislation Amendment Bill 2008 and the Superannuation (Departing Australia Superannuation Payments Tax) Amendment Bill 2008 were prompted by concerns over 'the growing amount of lost or unclaimed superannuation'.¹ While repatriating temporary residents are entitled to take their superannuation contributions with them, many do not do so. The previous government had announced its intention to undertake a similar measure.²

1.2 The bill provides that after a temporary resident ceases to hold a temporary visa, leaves Australia and at least six months expires, the unclaimed superannuation will be paid to the Australian Taxation Office (ATO). However, the departed residents can claim back their money from the government at any time.

1.3 The measure is estimated to add between \$200 million and \$400 million per annum to government revenue. It will cost government departments around \$12 million a year to administer.

Conduct of the inquiry

1.4 On 25 September 2008, on the recommendation of the Selection of Bills Committee, the Senate referred the bills, which had been introduced into the House of Representatives that day, to the Economics Committee. The Senate asked the committee to report by 20 November 2008.

1.5 The Committee advertised the inquiry nationally and posted details about the inquiry on its website. In addition, it wrote to selected companies and organisations and relevant government departments advising them of the inquiry and inviting them to make submissions.

1.6 The Committee received six submissions to the inquiry. These are listed at Appendix 1, and are available at the Committee's website; http://www.aph.gov.au/Senate/committee/economics_ctte/emigrant_super_bills_08/submissions/sublist.htm.

1.7 A public hearing was held in Sydney on 3 November 2008. The witnesses appearing are listed in Appendix 2. The Committee thanks all those who participated in the inquiry.

1 Senator the Hon. Nick Sherry, 'Temporary residents legislation introduced', Media release 059, 25 September 2008. The total number of 'lost members' (including both temporary residents and domestic workers) now exceeds 6 million and their inactive accounts have over \$12 billion in assets; *Explanatory Memorandum*, p. 53.

2 *Explanatory Memorandum*, p. 54, citing the 2007-08 *Mid-Year Economic and Fiscal Outlook*.