

Coalition Senators' Additional Comments

Coalition Senators provide the following additional comments in relation to these bills.

Coalition Senators recognise the advisability of measures that ensure that superannuation earned by temporary residents whilst in Australia does not become 'lost' following their departure and recognise that whilst in Government, the Coalition had announced its intention to move towards implementing such measures.

However, as always, the devil is in the detail and the proposed legislation presented by the Government in these bills has attracted strong and reasonable representations from stakeholders highlighting a number of legitimate concerns, many of which appears to have been brought to the attention of the Government without subsequent action being taken.

These concerns include:

- The automatic change of status of all temporary superannuation accounts to the equivalent of 'lost' status 6 months after their visa expires, or after they leave Australia. This applies regardless of the extent to which the account owners might be actively managing their funds and the degree of contact they maintain with the super funds
- The difficulty faced by temporary residents accessing their superannuation funds, both before leaving the country and, after.
- The retrospective effect on temporary residents who have earned superannuation in Australia, maybe even added to it out of personal funds, on the understanding that they can access those funds upon turning 60 years of age, under the same taxation regime as applies to an Australian resident, whether they are in Australia or not.
- The timing of the measures imposed by the bill was also raised as problematic – super funds submitted that it is unrealistic to require them to provide the first report on temporary residents to the ATO by April 2009. They estimate the cost of trying to do so across the industry could be up to \$100 million (which would be borne by superannuants).
- Suggestions were made that not enough is being done to make sure temporary residents are put in contact with their super before they leave the country and that education/ awareness campaigns or direct contact through Immigration would help address this issue.

The reality is that this is not in the revenue raising interests of the Government.

Coalition Senators consider these concerns to be valid and worthy of note and believe that the Government could have addressed these, at least to some extent whilst still achieving the desired outcomes of the proposed legislation.