

Senate Economics References Committee  
Inquiry into Employee Share Schemes  
Government Response

**Recommendation 1: The committee recommends that in consultation with but not limited to employee share ownership groups, unions and academics, the Australian Bureau of Statistics conduct a survey of employee share schemes in Australia every five years, starting at the end of the 2009–10 financial year. The survey should collect data on, but not limited to, the following:**

- number and type of employee share schemes;
- number, size and industry of companies offering these schemes;
- number of employees and equity held by them;
- breakdown of employees by occupation, educational level and wage;
- reasons for offering (employers) and participating (employees) in the scheme;
- perceived effects and effectiveness of the schemes for both employers and employees;
- perceived barriers in the take-up of the schemes; and
- breakdown of general employee (broad-based) versus executive (narrow) schemes in terms of the number of shares offered; number of participants and equity held.

The Government supports the reporting of such information.

The Government put in place a new reporting regime as part of the 2009 reforms to employee share scheme rules. The new law requires employers who provide employee share scheme interests to annually report certain information to the Commissioner of Taxation. The reporting requirements apply to all employee share scheme interests under the new rules.

Subject to some timing differences in reporting, and administrative concessions to exclude low compliance risk transactions, most of the information sought by the Committee can be derived from the new employee share scheme returns and tax return data.

The Commissioner is expected to include the employee share scheme information as part of his annual taxation statistics publication.

**Recommendation 2: The committee recommends that the Government delay the introduction of the employee share scheme tax legislation in order to take note of the other reviews in this area, including the Productivity Commission and Board of Taxation and the Henry reviews, to maintain legislative integrity and coherence.**

The Government's reforms to employee share scheme rules, that are relevant to the recommendations of the Committee, received Royal Assent on 14 December 2009.