

Additional Comments by Coalition Senators

Coalition Senators are concerned that the definition of a reportable employer superannuation contribution (RESC) in the Bill may create an unintentional bias.

In schedule 3 of the Bill, employer superannuation contributions are treated as RESCs when a 'capacity to influence' exists to either influence the size or the way the superannuation payment is made. The potential bias that may arise from this definition is that employees with identical superannuation arrangements with their employers will be impacted upon differently depending on how their employment contracts were negotiated.

For example, employees A and B work for firm XYZ and both earn a salary of \$65,000.00 a year with an employer superannuation contribution of 15%; 6% above the compulsory superannuation guarantee of 9%. If employee A was employed under a common law employment contract that they had negotiated personally and employee B was employed under an industrial agreement that had been negotiated by a third party (e.g. union representatives), then employee A would have their additional 6% employer superannuation contribution treated as a RESC and employee B would not.

The definition of RESCs in the Bill risks a potentially inequitable treatment of employer contributed superannuation and Coalition Senators argue that the Bill be amended to ensure that such inequality is avoided.

Senator Alan Eggleston

Senator David Bushby

Deputy Chair

Senator Barnaby Joyce

