

# Chapter 1

## Introduction

### Background

1.1 The Tax Laws Amendment (2008 Measures No. 4) Bill 2008 was introduced into the House of Representatives on 26 June 2008 by the Treasurer, the Hon. Wayne Swan MP.

1.2 On 26 June 2008, on the recommendation of the Selection of Bills Committee, the Senate referred the provisions of the Bill to the Economics Committee for report by 27 August 2008.

1.3 The bill contains three unrelated schedules. The first refers to demutualisation of private health insurers and the second to family trusts. These are discussed in the following two chapters. The third schedule implements various minor amendments to the law, correcting terminology, and grammatical or punctuation errors. The third schedule is completely uncontroversial, not being mentioned by submitters or witnesses, and is not discussed further in this report.

### Conduct of the inquiry

1.4 The committee advertised the inquiry in the national press and invited written submissions by 21 July 2008. The seven submissions received are available at [http://www.aph.gov.au/Senate/committee/economics\\_ctte/tlab\\_4\\_08/submissions/sublist.htm](http://www.aph.gov.au/Senate/committee/economics_ctte/tlab_4_08/submissions/sublist.htm).

1.5 The committee held a public hearing on the bill in Canberra on 12 August. The witnesses are listed in Appendix 2.

1.6 All the submissions, and all of the discussion at the hearing, was about schedule 2 of the bill.

1.7 The Committee thanks those who participated in the inquiry.

### Recommendation

1.8 Taking into account the analysis in the following chapters, the committee believes some reduction in the benefits allowed to people using family trusts is a reasonable savings measure.

#### Recommendation 1

**1.9 The committee recommends that the Senate pass the bill.**

