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22 July 2011

The General Manager
Benefits Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: cgt_minoramendments@trreasury.gov.au

Dear Manager,

RE: Proposals Paper – Minor amendments to the capital gains tax law

The Association of Superannuation Funds of Australia (ASFA) would like to lodge this submission with respect to the above Proposals Paper on the implementation of the Government's 2011-12 Budget measure to improve the operation of the capital gains tax (CGT) law by fixing technical difficulties, removing anomalies and addressing unintended consequences in the law.

The Association of Superannuation Funds of Australia (ASFA) is a non-profit, non-political national organisation whose mission is to advance effective retirement outcomes for members of superannuation funds through research and advocacy. We focus on the issues that affect the entire superannuation industry. Our membership, which includes corporate, public sector, industry and retail superannuation funds as well service providers some of whom deal with self managed superannuation funds (SMSFs), has over 90% of the approximately 12 million Australians with superannuation as members. ASFA members manage or advise on the bulk of the \$1.3 trillion in superannuation assets as at September 2010. ASFA is the only organisation that represents all types of superannuation funds and associated service providers.

General comments on the Policy

ASFA notes that the amendments cover the following areas:

- Income tax treatment for right to receive a financial incentive granted under government schemes to benefit the environment
- Amendments to CGT rollovers

- CGT exemption for certain compensation and insurance payments
- Deceased estates.

ASFA has reviewed each of the proposed changes, notes that they address some long standing issues, supports them as proposed and sees no need for further modifications in these areas.

ASFA would like to acknowledge the efforts of Treasury and Government in listening to the industry's concerns and taking steps to improve the operation of the CGT rules.

Should you have any questions on any of the matters raised in this submission please contact our Policy Adviser, Jon Echevarria, on 02 8079 0859.

Yours sincerely

A handwritten signature in black ink that reads "D. Graus". The signature is written in a cursive style with a large initial "D" and a long, sweeping underline.

David Graus
General Manager, Policy & Industry Practice