Australian Institute of Superannuation Trustees

1 May 2012

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

Email: sbtr@treasury.gov.au

RE: Exposure draft: Amendments to the director penalty regime

Dear Sir/Madam,

The Australian Institute of Superannuation Trustees (AIST) is an independent, not-for-profit professional body whose mission is to protect the interests of Australia's $450 billion not-for-profit superannuation sector. AIST's members are the trustee directors and staff of industry, corporate and public-sector superannuation funds, who manage the superannuation accounts of two-thirds of the Australian workforce.

AIST made a submission on the previous exposure draft in July 2011. A copy of our submission is available here: http://tinyurl.com/7pwztym . We support all measures that prevent operators of phoenix companies diverting superannuation entitlements away from their ultimate beneficiaries.

In our submission, we drew your attention to the fact that employees' packages can include mandated payments to superannuation over and above superannuation guarantee minimums. Quite often, these amounts will be in lieu of a corresponding amount of cash salary – this is conceptually identical to a withheld amount. We notice that these provisions have been extended to the superannuation guarantee charge more broadly and welcome this addition to the measures. However, we continue to maintain that mandated over-SG amounts are consistent with the scope of this exposure draft, and propose that the bill be expanded to include these payments.

Our position on all remaining matters from our previous submission is unchanged. Notwithstanding this, AIST supports all remaining provisions in this exposure draft.

If you have any further questions regarding this submission, please contact Tom Garcia, Policy and Regulatory Manager on (03) 8677 3804 or tgarcia@aist.asn.au.

Yours sincerely,

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