

9 August 2012



The Manager
Contributions and Accumulation Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
Canberra, ACT 2600

Email: expandedreporting@treasury.gov.au

Dear Sir/Madam,

Re: Exposure Draft – Expanded Superannuation Reporting

BT Financial Group (BTFG) welcomes the opportunity to provide comments on the Superannuation Legislation Amendment (Stronger Super and Other Measures) Bill (No. 2) 2012: expanded superannuation reporting (the Exposure Draft).

BTFG supports the Exposure Draft legislation.

Reporting of contribution information

We believe removing the requirement for member contribution data to be passed between superannuation funds, when a member rolls over, will simplify both the rollover and annual reporting processes. Simplifying rollover requirements will also simplify the proposed standard rollover message format, required to introduce e-commerce transactions between funds under SuperStream.

In addition, a simplified rollover process will improve the integrity of member data that the ATO must rely on, therefore improving the accuracy of ATO records and determinations. However we believe to achieve a simplified approach will also require amendments to Subsections 390-10(4) and 390-10(10) *Taxation Administration Act 1953*.

Recommendation:

We recommend that subsection 390-10(4) *Taxation Administration Act 1953* is amended as follows:

a) Repeal 390-10(4) and substitute:

390-10(4) The *approved form may require the statement to contain information relating to the benefit, including the *tax free component, *taxable component, *element taxed in the fund and *element untaxed in the fund (as applicable) of the benefit.

b) Repeal 390-10(10)(c)(ii) and substitute:

390-10(10)(c)(ii) or another person has quoted the individual's tax file number to the first provider (and had authority to do so).

Value of superannuation interest

The proposed changes will require funds to annually report the 'value' of all superannuation interests, including interests in the accumulation and pension phase.

The calculation of non-account based interests can be varied and difficult. To allow funds to leverage existing expertise and systems and to ensure member equity, we support the use of the valuation methodology in Subdivision 307-D Superannuation Interests and Schedule 1B of *Income Tax Assessment Regulations 1997* for the purposes of draft Subsection 390-5(9)(b) *Taxation Administration Act 1953*.

However, the date for the valuation of the superannuation interest will need to be 30 June of the relevant reporting period; the existing regulations and schedule refer to a valuation date of '1 July 2007' given their design was to facilitate the 'crystallised segment' calculations under the Simpler Super reforms.

Recommendation:

We recommend that new regulations based on the valuation approach in Subdivision 307-D *Income Tax Assessment Regulations 1997* be made specifically for determining the value of the superannuation interest each 30 June for purposes of superannuation reporting.

Please let me know if you have any questions, or would like to discuss our submission further.

Yours sincerely



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