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

Dear Sir / Madam

Superannuation (Sustaining the Superannuation Contribution Concession) Imposition Bill 2013 No. 2013

CPA Australia represents the diverse interests of more than 144,000 members in 127 countries. Our vision is to make CPA Australia the global accountancy designation for strategic business leaders. We welcome the opportunity to provide feedback on this exposure draft legislation.

This submission has been prepared with the assistance of CPA Australia's Retirement Savings Centre of Excellence (CoE). The CoE is a member based committee that includes leading experts from the superannuation industry. Our superannuation experts work across the whole of the superannuation industry ranging from some of the largest industry, corporate and retail funds through to self-managed superannuation funds.

The proposed legislation that seeks to reduce the tax concessions on superannuation contributions for individuals with taxable income above $300,000 is extremely detailed and complex. We do not believe that most individuals potentially impacted by the exposure draft legislation would understand how the changes will impact them without seeking professional advice.

Given the new tax will only impact around 1.2 per cent of individuals contributing to superannuation in 2012-13, we question the need to implement such complicated amendments and at a time when public confidence in the superannuation system is declining following the constant negative and often complex changes. This is compounded by the retrospective nature of the proposed law..

Further, while the new tax is intended to only impact 'very high income earners', the reality is that it is most likely to impact those salaried employees rather than those 'very high income earners' who are in a position to restructure their remuneration. This is an important consideration given the complexity of the proposed law. It is possible that the cost to implement and administer it may ultimately outweigh any revenue collected, similar to the experience of the superannuation surcharge.

It should also be remembered that one of the important features of the superannuation is that it is taxed concessionally to support and encourage individuals to save for retirement.

We also have concerns over the ability of the new regime to effectively interact as intended with existing regimes, such as the excess concessional contributions tax framework. We are also concerned that the potential impact of other proposed measures, such as the temporary increasing of the concessional contributions cap, have not been considered in the development of this proposed law .

Consideration must also be given to the interaction between the tax treatment of overseas benefit transfers and the proposed Division 293, as any Australian tax paid following the release of benefits by a superannuation fund could have overseas consequences.

While our submission has raised a number of important issues, we have been unable to provide detailed comments or analysis on the new measures given the extremely short consultation period. We do not believe this is appropriate when developing public policy.

If you have any questions regarding the submission, please do not hesitate to contact me via email on Keddie.waller@cpaaustralia.com.au or 03 9606 9816.

Yours sincerely

Keddie Waller
Policy Adviser – Financial Planning