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The Treasury

DISCLOSURE OF SUPERANNUATION INFORMATION

SUMMARY OF CONSULTATION PROCESS

The Government announced on 21 September 2011 as part of its Stronger Super package of reforms that it would enable the ATO to provide information to the bodies particularly through enhanced services that will allow the bodies to access information about a member's superannuation interests, including amounts held by the ATO, which ultimately would enable funds to assist their members to find and consolidate their superannuation interests.

This measure was included in the *Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012* schedule 5, which will be introduced into Parliament on 29 February 2012.

Consultation process

Consultation on the [draft legislation](#) was conducted between 14 February 2012 and 20 February 2012. Consultation was electronic. Four submissions were received.

Submissions can be viewed on the [Treasury website](#).

Summary of key issues

Summarise the main issues raised at each stage of the consultation process. It is not necessary to document all issues raised, as submissions will be published on the Treasury website (unless confidential).

The main issues raised are as follows.

1. The list of prescribed entities in the Bill should not include 'other entities'. Those that fit within the category of 'other entities' should only receive information when they are acting as an agent for a member.
2. Information provided to a beneficiary should be primarily disclosed for superannuation purposes, and tax file numbers (TFN) are to be excluded.
3. Where funds approach members to consolidate accounts, the member should be provided information on issues related to consolidation of accounts, including fees and insurance.
4. Minimum information should be provided to the third party fund when assisting members to consolidate accounts, specifically a member's last recorded account balance held by the ATO should not be provided to the third party fund.
5. A member should be allowed to instruct the ATO not to disclose information on their superannuation holdings to third party funds.



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6. The cost of compliance should be further detailed in the Explanatory Memorandum (EM) so as to detail the future high costs of compliance, specifically building computer systems and processing services to support the consolidation of accounts.
7. The portal must contain information relating to members' interests, which will enable members' to make an informed decision with regard to subsequent actions.
8. The references to 'auto consolidation' in the EM should be referred to as 'opt-out consolidation', so as to clarify that consolidation is not automatic and would occur after a suitable period (e.g. 60 days) after which the holding fund has the opportunity to advise the member of the benefits being forfeited.

Summarise the main changes made as a result of consultation.

Amendments were made to clarify the safeguards that will be provided to ensure that protection of information and the circumstances in which it can be disclosed.

Amendments to Bill:

1. Including the term agent of fund with regard to administrators (column 1 para e). This will provide clarity with regard to administrators and other entities being able to act in their capacity as agents for superannuation entities.

Amendments to EM:

1. Including the relevant TFN measures with regard to the security of tax file numbers. This provides clarity that TFNs will continue to be protected by the existing provisions in the taxation laws and through the legally binding guidelines on the use, disclosure and storage of TFNs that are issued by the Office of the Australian Information Commissioner.
2. Clarifying that consent to disclose information is required to be obtained by the fund from the member.

Where possible, summarise suggestions that were not adopted and why.

The residual issue related to other SuperStream measures including the consolidation of accounts. These will be implemented through further legislation, and further consultation will be undertaken accordingly. Specifically, opt out and disclosure arrangements in relation to consolidation of accounts will be developed in subsequent legislation.

The issue about what information is displayed and disclosed on the portal, will also be subject to further consultation.



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Feedback

Feedback on the consultation process for this measure can be forwarded to consultation@treasury.gov.au . Alternatively, you can contact Cambeez Yazdan-Parast on 02 6263 3627.

Thank you to all participants in the consultation process.