

Dr Ken Henry – Chairman

Australia's Future Tax System Review Panel

SUBMISSION RELATING TO REVIEW SECTION 8 TAXATION OF SAVING AND INVESTMENT

PREAMBLE

This submission seeks to draw attention to issues requiring consideration within review section 3.1." The appropriate balance between taxation of the returns from work, investment and savings, consumption (excluding the GST) and the role to be played by environmental taxes;"

MATTER FOR CONSIDERATION

Choice of Superannuation Fund does not extend to employees entering employment where an exemption applies through the pre-existence of a Workplace Agreement. This exemption results in inequity and inefficiency.

CASE STUDY

I have recently undertaken casual assignment and examination marking for Charles Sturt University. This is a minor element in my employment. I am assured by the university that casual workers such as myself are a valued element which are critical to the Universities functioning.

Because of the exemptions allowed within the *Superannuation Legislation Amendment (Choice of Funds) Act 2004* I have been obliged to conduct a second superannuation fund with a very modest balance. The University has suggested I arrange to transfer the fund each term.

COSTS/BENEFITS

The exemption will have simplified operation of SGC for the university but with the proposed establishment of the central clearing facility for superannuation this benefit will diminish.

The inefficiency incurred by casual by casual staff and by the two superannuation funds will continue unless this exemption is withdrawn.

RECOMMENDATION

Choice of Superannuation be extended to all recipients of Superannuation Guarantee Contributions in conjunction with the introduction of the Superannuation Payment Clearing System irrespective of any conditions prescribed in Awards or Workplace Agreements,

George Thomas
