

File Name: 2015/05

19 February 2015

Shane Aves  
Personal and Retirement Income division  
Revenue Group  
The Treasury  
Langton Crescent  
Canberra ACT 2600

Email: [Shane.Aves@TREASURY.GOV.AU](mailto:Shane.Aves@TREASURY.GOV.AU)

Dear Mr. Aves,

**Draft legislation and explanatory statement – Low Income Superannuation  
Contribution Reporting**

Thank you for your email of 5 February 2015 providing the Association of Superannuation Funds of Australia (ASFA) with the opportunity to comment on draft *Tax and Superannuation Laws Amendment (2015 Measures No. 1 – low income superannuation contributions) Regulation 2015*.

**About ASFA**

ASFA is a non-profit, non-politically aligned national organisation. We are the peak policy and research body for the superannuation sector. Our mandate is to develop and advocate policy in the best long-term interest of fund members. Our membership, which includes corporate, public sector, industry and retail superannuation funds, plus self-managed superannuation funds and small APRA funds through its service provider membership, represent over 90% of the 12 million Australians with superannuation.

**General comments**

ASFA notes that the purpose of the Regulation is to make minor technical changes to the Corporations Regulation 2001 to enable superannuation funds to report the low income superannuation co-contribution (LISC) in a cost effective manner.

We also note that the reporting of LISC amounts has been subject to relief granted by the Australian Securities and Investments Commission (ASIC) under class order CO13/1420, which expires on 30 June 2015. The class order relief permits a superannuation trustee to aggregate the LISC and superannuation co-contribution amounts on member periodic statements but requires additional prescribed explanatory material to accompany the member statement.

ASFA further notes that the LISC is subject to repeal from 1 July 2017 under a Government election commitment.

ASFA considers that the proposal to change the requirement with respect to the separate reporting of LISC and co-contributions amounts from 'must' to 'may' is sensible. The proposed change meets the requirements of those funds which are currently separately reporting the amounts and those which are reporting an aggregated amount.

ASFA notes the expectation in the explanatory material that where a fund trustee continues to aggregate the amounts, the periodic statement should be accompanied by additional information to assist the member in understanding the nature of the contribution amount included on the periodic statement. ASFA strongly supports this and would expect trustees that are currently relying on the class order relief to continue with their current reporting arrangements as set out in the class order relief.

**Specific comments**

Having reviewed the draft Regulation, ASFA considers that it will be effective in meeting the policy objective.

If you have any queries or comments regarding the contents of our submission, please contact ASFA's Principal Policy Adviser, Robert Hodge, on (02) 8079 0806 or by email [rhodge@superannuation.asn.au](mailto:rhodge@superannuation.asn.au).

Yours sincerely

Glen McCrea  
Chief Policy Officer