

**UNCLAIMED MONEY (SUPERANNUATION AND RSA PROVIDERS)  
AMENDMENT AND EXPIRY BILL 2013**

*Second Reading*

Resumed from an earlier stage of the sitting.

**MR D.A. TEMPLEMAN (Mandurah)** [2.45 pm]: As per my comments prior to the lunchbreak, I have no further comments to make.

**MR B.S. WYATT (Victoria Park)** [2.45 pm]: I wish to make a short contribution to the Unclaimed Money (Superannuation and RSA Providers) Amendment and Expiry Bill 2013, thank you, member for Mandurah. The opposition will support the passage of this legislation, as we did the legislation last year, which, unfortunately, was not passed by the upper house prior to Parliament being prorogued. The second reading speech outlines the purpose of this legislation; namely, to enable members of superannuation funds to be reunited with their lost or unclaimed superannuation through a centralised contact point, and utilisation of the extensive data matching and personal identification capabilities of the Australian Taxation Office.

I will mention a couple of small events that have occurred since the passage of the legislation through this house last year. Some changes were made at the commonwealth level that impact on this bill in respect of lost members' and inactive accounts meeting the relevant criteria for these terms under the commonwealth legislation.

**The SPEAKER:** There are five separate private meetings going on here. If you want to have a private meeting, please go out.

**Mr B.S. WYATT:** On 5 April 2013, the commonwealth flagged increases to the above threshold, which was less than \$2 000, to \$2 500 from 31 December 2015 and \$3 000 from 31 December 2016. Again, in the commonwealth government's economic statement on 2 August 2013, it announced the raising of the lost-inactive account balance threshold at 31 December 2015 and 31 December 2016 to \$4 000 and \$6 000 respectively, subject to the passage of legislation for implementation. Of course, there has since been a change of government at the commonwealth level. I assume something like this will be introduced by the new commonwealth government but, of course, we will wait and see.

Similarly, one other event has occurred since the passage of this legislation last year, and that is the referral by the upper house of the 2012 bill to the Standing Committee on Uniform Legislation and Statutes Review, which came back with one recommendation as follows —

The Committee recommends that the Minister representing the Treasurer confirm that the Superannuation (Unclaimed Money and Lost Members) Act 1999 (Cth) authorises a participating scheme to report all its lost member accounts and/or unclaimed money, but only pay some of it over and that if this is the case, GESB's account holders' insured benefits could be preserved.

I thank the minister for the briefing provided to the opposition on this issue and for the briefing note that deals specifically with that recommendation. The briefing note was quite detailed and examined two possibilities of dealing with that recommendation from the upper house committee. GESB examined two insurance options in the upper house committee's recommendations. The first option was to exclude or carve out GESB members who have insured benefits that meet the lost super criteria from the transfer proposal until the period for which their insurance cover can be maintained expires, when the account balance can no longer support the payment of those monthly premiums. The other option was to transfer all lost superannuation accounts meeting the relevant criteria to the ATO as originally intended. GESB is to maintain cover for accounts with insurance attached to them. The briefing note went through both those options in some detail. However, the complexity of both options was noted. In the light of that, the recommendation from government was that the 2013 bill should proceed as drafted in 2012. The briefing note outlines five reasons for that decision. The first was that "system/administrative complexities" made it particularly difficult. Secondly, it was considered —

... that GESB's lost superannuation members are better served by having a greater possibility of being reunited with their superannuation money through transfer of their benefits to the ATO, rather than risk their account balance reducing to zero by deductions of insurance premiums and administration fees.

I must admit that I share that view. Thirdly —

The loss of insurance cover for members whose accounts are transferred to the ATO is a superannuation industry-wide issue, which was acknowledged by the Commonwealth Senate Economics Legislation Committee (Senate Committee) in November 2012 ...

We are of the view that people are better off having their lost superannuation balances technically transferred to the ATO than retaining insurance cover linked to those accounts, and those accounts thereby dwindling. The fourth reason is the changes made by the commonwealth government's economic statement. The briefing note states —

... the lost superannuation account balance threshold increase the amount of lost and unclaimed superannuation that would be subject to transfer to the ATO in terms of the initial transfer of stock of accumulated lost/unclaimed super held by GESB ...

In 2012 that estimate was \$5 million; it has now increased to \$13.5 million. Importantly, the briefing note goes on to state —

As a part of the Commonwealth's changes, transferred accounts reclaimed from the ATO would be paid interest at a rate equivalent to the Consumer Price Index from 1 July 2013.

They benefit from avoiding erosion from price inflation. Fifthly, the briefing note stated that the Commonwealth Senate Economics Legislation Committee —

... also acknowledged in its report on the review of the above changes that the initiatives to centralise lost and unclaimed super administration with the ATO have proven highly successful. In this regard, the Commonwealth Government recently reported that the number of lost accounts had fallen by 30% (from 5.0 million to 3.5 million) over the 18 months to 31 December 2012.

That is an extraordinary 1.5 million accounts that have now found their owners. I think that success suggests that regardless of the recommendations made by the other place, it is very worthy to transfer these inactive accounts to the ATO so that it can hopefully find their owners. There has been no change between the 2012 and 2013 legislation with respect to unclaimed superannuation and as pointed out last year, the opposition supports the passage of this legislation.

**MR T.R. BUSWELL (Vasse — Treasurer)** [2.53 pm] — in reply: I thank the member for Victoria Park for his comments and his support for this legislation for the second time. He also put on the record that, although the issues raised by the Legislative Council committee may have some validity, there are a significant number of benefits to come from transferring this money that, on the balance of probabilities, would outweigh the loss of insurance cover for a subset of the people whose funds are transferred. I was interested to hear about the significant drop in the number of unclaimed accounts.

**Mr B.S. Wyatt:** In the last 18 months, 1.5 million.

**Mr T.R. BUSWELL:** I suspect that when these funds are transferred, that may be significantly more. It is good legislation, second time around, and it is important that we move it through the Parliament so we can look after those people with unclaimed moneys.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

*Third Reading*

Bill read a third time, on motion by **Mr T.R. Buswell (Treasurer)**, and transmitted to the Council.