

# Kevin Rudd and Labor

## A New Way



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### **CUTTING BUSINESS RED TAPE – SUPERANNUATION CLEARING HOUSE TO HELP MORE BUSINESSES**

#### **Policy Summary**

The Rudd Labor Government will cut red tape for small businesses by extending the free small business superannuation clearing house to businesses with less than 100 employees from 1 July 2014. This free service helps small businesses to save on time and paperwork by enabling them to pay their employees' superannuation to a single location in just one simple electronic transaction.

#### **Why is this change necessary?**

The Rudd Labor Government has outlined a new national competitiveness agenda based on seven key elements, and we have made it a priority for all levels of government to reduce the regulatory impost on business.

This is a practical measure that will provide real support for small businesses to free them up from regulatory imposts so they can focus on growing their businesses.

Since its launch in 2010 by the Rudd Labor Government for business with less than 20 employees, the small business clearing house has been a resounding success.

The Clearing House is run by the Department of Human Services.

Since it was established in 2010 the Clearing House has helped more than 42,000 small business owners better manage their employees' superannuation contributions and distributed more than \$1 billion in superannuation payments.

As a result of this policy, an additional 92,000 small businesses will be able to access the Clearing House bringing the total number of small businesses that could benefit from this red tape reduction to more than 850,000.

This convenience is being extended to a wider range of business, so they too can save time and cut paperwork.

### **How does it work and what are the key features?**

This free service helps small businesses to save on time and paperwork by enabling them to pay their employees' superannuation to a single location in just one simple electronic transaction.

This compares to the current approach, where businesses may have to send cheques or paperwork to a number of different superfunds each quarter, wasting valuable time.

Registering for the service is easy and one-off.

Small businesses can enter their business details, and once they receive their login details they can enter their employee's details and finalise the registration online.

The Clearing House will then send the contributions to the appropriate superannuation fund and employers will be able to access a record of their contribution history whenever it's needed.

### **How will you pay for the services?**

The clearing house service is free and will be available for businesses with fewer than 100 employees.

### **What is the cost to Budget?**

The extension of the clearing house will cost \$4.8 million over the forward estimates.

Funding for this commitment is included in the budget. See the measure *Improved operating environment for small and medium enterprises* in the Pre-Election Economic and Fiscal Outlook

### **Where can businesses find out more?**

More information about the Small Business Superannuation Clearing House, including an informative webcast and application information, is available at

[www.humanservices.gov.au/smallbusinesssuper](http://www.humanservices.gov.au/smallbusinesssuper)

Business owners can also call 1300 660 048.

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