



Senator Mathias Cormann

Shadow Assistant Treasurer
Shadow Minister for Financial Services and Superannuation

Hon Bruce Billson MP

Shadow Minister for Small Business, Competition Policy and Consumer Affairs

JOINT MEDIA RELEASE

17 June 2011

99% of business reject Labor's failed clearing house

Over 99% of Australian businesses have rejected Labor's failed Medicare Superannuation Clearing House, which costs Australian taxpayers \$177 for every single transaction processed.

"These are the only statistics that matter with this failed Labor program," Shadow Minister for Financial Services and Superannuation Mathias Cormann and Shadow Minister for Small Business Bruce Billson said today.

"Almost all of Australia's 2.1 million businesses have ignored the Medicare clearing house with only 4,500 registering so far. At a cost of \$16 million a year, the 90,000 transactions processed have cost more than \$177 each.

"Small business is voting with their feet by rejecting this clearing house because it makes no sense to report superannuation through Medicare.

"In assigning the Clearing House to Medicare, the Government broke its own election promise to tender the service to the private sector.

"Rather than assisting small business, Labor's policy has added another layer of red tape as businesses already have to report to the ATO and then need to go to Medicare to report their superannuation commitments.

"The Coalition plan to streamline superannuation clearing house arrangements for small business through the ATO will cut red tape for small business and will increase compliance with employer superannuation contributions.

"Under the Coalition's proposal, small businesses will report superannuation payments to the agency that already collects their PAYG payments, rather than submitting additional forms to Medicare.

“The Coalition policy has received strong support from the Council of Small Business of Australia:

“... it is a wonderful thing to see a political leader promising to get rid of red tape. In the past all sides of politics have promised to get rid of red tape but they have never named the compliance they would remove, in this case Tony Abbott has named the compliance that will be removed, the very onerous and confusing collection and distribution of superannuation.”

<http://www.cosboa.org.au/webs/cosboa/cosboa.nsf/dx/06032011093356AMYODVMR.htm>

“COSBOA and all Australian small businesses recognise that only a Coalition government will introduce practical steps to relieve small business from the huge red tape burden placed on them by Labor,” Senator Cormann and Mr Billson added.

MEDIA CONTACT:

Senator Cormann

0411 874 546

Vincent Sheehy (Mr Billson’s office)

0417 236 109