

## House of Representatives Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Review of the Australian Prudential Regulation Authority Annual Report 2020

**Division/Agency:** Australian Prudential Regulation Authority

**Question No:** APRAQoN08

**Topic:** Early Release Initiative (ERI)

**Reference:** Page 15-16 Hansard, (29 March 2021)

**Member:** Daniel Mulino

#### Question:

**Dr MULINO:** I have just a couple of additional questions, actually, on super, and they relate to early release. My understanding is that under the early release scheme around 3½ million people withdrew a bit over \$36 billion and that something in the order of 700,000 people have reduced their account balances to zero or thereabouts. I'm wondering if you could—and this is something that you'll probably have to take on notice—please provide a breakdown of those who accessed that scheme by age, gender, state, the average withdrawal amount and the median balance.

**Mrs Rowell:** I'm not sure that we'll be able to provide all of that information. We will do our best. For example, I'm not sure that we have data state-by-state, but we will look at what breakdown we are able to provide. I would also say that, in relation to the total number that have drawn down to zero—it may be a definitional issue—my recollection is that the number we have is more like 300,000. We can confirm that as well, if that would be helpful.

#### Answer:

Under the Early Release Scheme, \$36.4 billion was paid out across around 4.7 million payments. About a quarter of total payments (1.2 million) resulted in an account balance post payment that was less than \$1,000.

APRA collected data<sup>1</sup> for applications that were only partly paid by funds and these 300,000 partial payments may be used as a proxy for the number of accounts that were drawn to zero. Separately APRA collected data for the number of accounts that were fully depleted by an early release payment and closed, which totalled around 200,000. Taken together this data implies that around 100,000 accounts were fully depleted by an early release payment, but remained open (presumably on the expectation that additional contributions would later be received by the members).

APRA data indicates that males accounted for 56.7 per cent of payments and females accounted for 42.3 per cent of payments. A breakdown by age bracket is shown in the table below. The average payment was \$7,638. The median balance prior to payment was not collected but the median balance post payment fell within the range of \$10,000 and \$14,999. Geographical information (i.e. State) was not collected.

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<sup>1</sup> APRA collected data from funds (entities with more than four members) rather than from members and therefore received data based on the number of accounts. Since any member can have multiple accounts, the number of member accounts does not translate directly into the number of members or people.

### Partial Payments and Account Closure:

	Tranche 1	Tranche 2 (to 31 January 2021)	Overall
Partial Payments (#)	158,000	141,000	299,000
Partial Payments (\$)	\$514m	\$409m	\$923m
% of Partial Payments (#) to Full Payments (#)	7.0%	6.4%	6.7%
% of Partial Payments (\$) to Full Payments (\$)	2.9%	2.3%	2.6%

	Reporting began 01 July 2020
Number of Closed Accounts (since inception of the scheme)	200,350

### Breakdown of early release payments by gender by age bracket

Age	Female	Female (%)	Male	Male (%)	Not stated or inadequately described	Not stated or inadequately described (%)	Other	Other (%)	Grand Total	Grand Total (%)
<25	204,508	4.3%	274,440	5.8%	1,552	0.0%	2,011	0.0%	482,511	10.2%
25 to 34	681,470	14.4%	917,621	19.4%	7,242	0.2%	13,253	0.3%	1,619,586	34.3%
35 to 44	537,938	11.4%	749,814	15.9%	4,176	0.1%	10,685	0.2%	1,302,613	27.6%
45 to 49	222,435	4.7%	290,081	6.1%	876	0.0%	3,140	0.1%	516,532	10.9%
50 to 54	181,558	3.8%	225,716	4.8%	562	0.0%	2,206	0.0%	410,042	8.7%
55 to 59	125,398	2.7%	156,645	3.3%	344	0.0%	1,478	0.0%	283,865	6.0%
60 to 64	40,331	0.9%	55,149	1.2%	174	0.0%	491	0.0%	96,145	2.0%
65 to 69	4,234	0.1%	6,228	0.1%	27	0.0%	54	0.0%	10,543	0.2%
70 to 74	576	0.0%	921	0.0%	5	0.0%	5	0.0%	1,507	0.0%
75 to 84	118	0.0%	217	0.0%	3	0.0%	0	0.0%	338	0.0%
85+	30	0.0%	51	0.0%	5	0.0%	16	0.0%	102	0.0%
Age not available	15	0.0%	43	0.0%	479	0.0%	-	0.0%	537	0.0%
<b>Grand Total</b>	<b>1,998,611</b>	<b>42.3%</b>	<b>2,676,926</b>	<b>56.7%</b>	<b>15,445</b>	<b>0.3%</b>	<b>33,339</b>	<b>0.7%</b>	<b>4,724,321</b>	<b>100.0%</b>

### Breakdown of early release payments by post-payment account balance

Balance post payment	number of member accounts	% number accounts
<1,000	1,178,768	25.0%
1,000 to 5,999	674,735	14.3%
6,000 to 9,999	286,429	6.1%
10,000 to 14,999	297,226	6.3%
15,000 to 24,999	426,155	9.0%
25,000 to 39,999	452,895	9.6%
40,000 to 59,999	411,942	8.7%
60,000 to 99,999	468,847	9.9%
100,000 to 199,999	400,700	8.5%
200,000 to 499,999	117,960	2.5%
500,000 to 999,999	7,817	0.2%
1,000,000+	847	0.0%
<b>Grand Total</b>	<b>4,724,321</b>	<b>100.0%</b>