

**Question on notice no. 239**

**Portfolio question number: BET239**

**2021-22 Budget estimates**

**Economics Committee, Treasury Portfolio**

**Senator Jenny McAllister:** asked the Department of the Treasury on 16 June 2021—

(1. What proportion of the recipients of the Government's policy to remove the \$450 a month threshold for superannuation guarantee are expected to be women? 2. To date, how many men and how many women have accessed the downsizer contribution? 3. What has been the average benefit for women accessing the downsizer contribution and what has been the average benefit for men accessing the downsizer contribution? 4. What is the total financial impact of the downsizer contribution measure to date? a. What proportion of benefits have gone to women and what proportion of benefits have gone to men? 5. How many people will benefit from removing the work test over the forward estimates? a. What proportion of recipients are estimated to be women? b. What proportion of benefits will flow to women? 6. Pages 59 and 60 of the Women's Budget Statement list "a range of measures to help address the gap between men's and women's superannuation balances." For each of the measures listed, please provide: a. What is the total cost of the measure to date b. Since the measure's introduction, what proportion of recipients have been women and what proportion have been men c. What is the average benefit to women recipients and what is the average benefit to male recipients d. Since the measure's introduction, what is the value and proportion of benefits that have flowed to women and what is the value and proportion of benefits that have flowed to men

**Answer —**

Please see attachment.

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates 2021 - 2022

**Agency:** Department of the Treasury  
**Question No:** BET239  
**Topic:** Women's Budget Statement superannuation new initiatives  
**Reference:** Written (16 June 2021)  
**Senator:** Jenny McAllister

**Question:**

1. What proportion of the recipients of the Government's policy to remove the \$450 a month threshold for superannuation guarantee are expected to be women?
2. To date, how many men and how many women have accessed the downsizer contribution?
3. What has been the average benefit for women accessing the downsizer contribution and what has been the average benefit for men accessing the downsizer contribution?
4. What is the total financial impact of the downsizer contribution measure to date?
  - a. What proportion of benefits have gone to women and what proportion of benefits have gone to men?
5. How many people will benefit from removing the work test over the forward estimates?
  - a. What proportion of recipients are estimated to be women?
  - b. What proportion of benefits will flow to women?
6. Pages 59 and 60 of the Women's Budget Statement list "a range of measures to help address the gap between men's and women's superannuation balances." For each of the measures listed, please provide:
  - a. What is the total cost of the measure to date
  - b. Since the measure's introduction, what proportion of recipients have been women and what proportion have been men
  - c. What is the average benefit to women recipients and what is the average benefit to male recipients
  - d. Since the measure's introduction, what is the value and proportion of benefits that have flowed to women and what is the value and proportion of benefits that have flowed to men

**Answer:**

1. The Retirement Income Review estimated that of individuals who earned under \$450 in July 2019 and did not receive the superannuation guarantee around 63 per cent were women.
2. From 1 July 2018 to 31 May 2021, around 24,500 individuals have used the downsizer contribution, of which around 55 per cent were women.

3. Average downsizer contributions from 1 July 2018 to 31 May 2021 are provided in the table below:

<b>Gender</b>	<b>Average contribution made</b>
Female	\$239,000
Male	\$237,000
Overall	\$237,000

4. From 1 July 2018 to 31 May 2021, \$5.8 billion in downsizer contributions have been made. Consistent with standard practice for legislated measures, updated estimates of costs are not available.

a.

<b>Gender</b>	<b>Total Contributions made (\$ million)</b>
Female	3,200
Male	2,600
Total	5,800

Note: Totals rounded to nearest 100

5. The 2021-22 Budget estimated the measure “Flexible Super – repealing the work test for voluntary superannuation contributions” would result in a decrease in receipts of \$30.0 million over the forward estimates period. Take-up rates and contributions amounts used to estimate the financial impact were estimated from age and income cohorts similar to those affected by the measure (but who were already able to make contributions before the policy).

6. Pages 59 and 60 of the Women’s Budget Statement, sets out eight measures implemented by the Government to help address the gap between men’s and women’s superannuation balances. Consistent with standard practice for legislated measures, updated estimates of the cost of these measures are not available. However, Australian Taxation Office (ATO) data (where available) to indicate take-up of these policies is provided below.

#### Low Income Superannuation Tax Offset (LISTO)

a. LISTO entitlements from 1 July 2019 to 30 June 2020 are available on the ATO website at: [www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Low-Income-Superannuation-Tax-Offset/Annual-reports---Low-Income-Superannuation-Tax-Offset/](http://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Low-Income-Superannuation-Tax-Offset/Annual-reports---Low-Income-Superannuation-Tax-Offset/)

b. From 1 July 2019 to 30 June 2020, 60% of LISTO beneficiaries were women and 40% were men.

c. From 1 July 2019 to 30 June 2020, the average LISTO entitlement for women was \$272 and \$263 for men.

d. Whilst the gender breakdown of the value of LISTO entitlements since the commencement of the measure is not available, other detailed data on LISTO entitlements from 1 July 2019 to 30 June 2020 are available on the ATO website at: [www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Low-Income-Superannuation-Tax-Offset/Annual-reports---Low-Income-Superannuation-Tax-Offset/](http://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Low-Income-Superannuation-Tax-Offset/Annual-reports---Low-Income-Superannuation-Tax-Offset/)

#### Government co-contribution

a. Government co-contributions data is available on the ATO website at:

[www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Super-co-contribution/Annual-reports---Super-co-contribution/](http://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Super-co-contribution/Annual-reports---Super-co-contribution/).

b. Since the measure commenced, up until 30 June 2020, 60% of Government co-contribution beneficiaries were women and 40% were men.

c. The average co-contribution paid to women from 1 July 2017 to 30 June 2020 was \$316 and the average paid to men was \$320.

d. Since introduction of the measure up to 30 June 2021 a total of \$8.73 billion in co-contributions have been paid to both women and men - \$5.49 billion (63%) paid to women and \$3.24 billion (37%) paid to men.

#### ‘Catch up’ contributions

There is no specific reporting mechanism on gender take-up for Carry Forward contributions.

a.

#### Spouse Tax Offset

There is no specific reporting mechanism on gender take-up for the Spouse Tax Offset.

#### Contribution Splitting

Contribution splitting is administered entirely by super funds and there is no reporting mechanism to the ATO that would enable them to determine how many people have availed themselves of the contribution splitting mechanism.

#### Removal of the 10 per cent rule

There is no specific reporting mechanism on gender take-up for the removal of the 10 per cent rule.

#### Protecting Your Super Package

a-d.

The following data is available in relation to the impact of certain aspects of the Protecting Your Super Package and Putting Members’ Interests First Package.

The Government introduced a three per cent annual cap on certain fees charged by superannuation funds on accounts with balances below \$6,000. The benefit of the change is not able to be reported as it depends on the fees individuals would have been charged had the fee cap not been in place. However, estimates of the number of accounts ‘protected’ by this fee cap are available.

As at 30 June 2019, there were around 9 million accounts with balances under \$6,000 each protected by the fee cap. Around half of these were held by women and half of these were held by men. As at June 2020 this has fallen to around 7 million accounts that would be protected by the fee cap, again around half of these held by women. These estimates are produced based on accounts that are still currently active.

Insurance within superannuation has moved from a default framework to be offered on an opt-in basis for: members with balances of less than \$6,000; new members under the age of 25 years; and members whose accounts have not received a contribution in 16 months.

The number of accounts below \$6,000 (as at 30 June 2019) with insurance has gone from around 3 million accounts on 30 June 2019 to around 1.5 million accounts on 31 May 2021. This is likely to be largely a result of recent changes to insurance arrangements in

superannuation from the Protecting Your Super Package and elements of the Putting Members Interests First reforms. Of 1.5 million accounts below \$6,000 which lost their insurance status, around 50 per cent belonged to women.

This data does not provide any indication of the effect of the age component of this policy change as this applies to new accounts only.

The Protecting Your Super reforms also requires the transfer of accounts below \$6,000 to the ATO if the account has been inactive for 16 months. The ATO proactively pays these and other unclaimed superannuation amounts into a member's active superannuation account, where the reunited account balance would be greater than \$6,000. The table below shows total Unclaimed Superannuation Money proactive consolidations:

<b>Holdings as at 30 April 2021</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Value of Accounts (\$m)	\$2,260	\$1,775	\$4,035
Number of accounts	1,386,000	1,075,000	2,461,000

Note: Unknown have not been included in this data set which may result in variations in the sum of Total values. In addition, almost an additional 1.1 million accounts to the value of \$640 million were paid to individuals between 1 November 2019 and 30 April 2021.

Number of accounts rounded to nearest thousand, and dollar rounded to nearest \$5 million.

## Your Future, Your Super

The Your Future, Your Super the reforms commenced on 1 July 2021.