

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

10 – 11 February 2010

Question: aet 42

Topic: Salary Sacrifice

Hansard Page: Written

Senator EGGLESTON asked:

1. Does Treasury have current figures of the number of Australians who sacrifice salary into Superannuation and the amount that is sacrificed? Is it possible to get these figures broken down by month for the past 12 months?
2. What is the Government's estimated drop in the amount Australians salary sacrifice into superannuation each year as a result of the Government's 2009-10 Budget measures to lower the Concessional contribution caps and temporary lower amounts paid under the co-contribution scheme.

Answer:

1. Data on salary sacrifice is not really available from administrative sources on an annual or monthly basis. However as a result of recent changes to the definitions of income used to determine eligibility for particular government support programs, superannuation salary sacrifice will be reported to the Australian Tax Office from the 2009-10 income year. Given lags in reporting the 2009-10 data is unlikely to be available until 2011.

The Australian Tax Office does have data on concessional contributions on an annual basis. Using 2007-08 sample data, Treasury estimates future Superannuation Guarantee amounts on the basis of simple assumptions, because the ordinary time earnings base is not available, and then calculates salary sacrifice as the remainder of the concessional contribution. Using this methodology Treasury estimates salary sacrifice contributions for 2009-10 to be \$17 billion.

2. Estimates of the drop in salary sacrifice contributions due to the Budget measure are not publicly available.

The estimated drop in Government co-contributions to superannuation following temporary reductions in the matching rate and maximum co-contribution was shown on page 391 of Budget Paper No 2 for 2009-10.

	2009-10	2010-11	2011-12	2012-13
	\$m	\$m	\$m	\$m
Estimated drop	-385.0	-395.0	-410.0	-205.0