

**SENATE STANDING COMMITTEE ON ECONOMICS QUESTION**  
(Supplementary Budget Estimates 20 October – 21 October)

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Question: SBT 207

Topic: Superannuation threshold

Senator Bushby asked:

**Senator BUSHBY**—I will move on to a slightly different topic. In your most recent annual review of regulatory burdens, one of the recommendations is to increase the monthly income threshold for superannuation, which is still at \$450. Why do you think the threshold was set at \$450 in 1992?

**Dr Kirby**—I understand that that threshold was set at \$450 in 1992. It was essentially, I think, at the time a question of balancing the need to ensure superannuation was received by workers versus the costs of administration and compliance. So essentially it involved balancing those two issues and that is what led to the \$450 threshold.

**Senator BUSHBY**—Do you know how many workers were excluded from the guarantee in 1992 because of that threshold?

**Dr Kirby**—I could not tell you that.

**Senator BUSHBY**—You would probably have that information, though, as part of your examination of this issue somewhere in the commission?

**Dr Kirby**—We could take that question on notice and see if we do have that information.

**Senator BUSHBY**—Thank you. In real terms, how much has that threshold fallen?

Answer:

In real terms, the value of the threshold has fallen by 60 per cent based on movements in the CPI. (ABS Cat no 64010.0, *Consumer Price Index Australia*)

If the \$450 per month earnings threshold introduced in 1992 had been adjusted in line with the increase in adult weekly ordinary time earnings (AWOTE), which increased by 113 per cent, it would have been \$958 per month in May 2010. (ABS 6302.0, *Average Weekly Earnings*).