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From: Baker, Kristy [mailto:Kbaker@TREASURY.GOV.AU]
Sent: Monday, 21 June 2004 6:20 PM
To: Bachelard, Sarah (SEN)
Cc: Mallory, Alan; Thomas, Trevor
Subject: Senate Committee Questions on Notice

Dear Dr Bachelard,

At the Senate Economics Legislation Committee consideration of the Superannuation Bills on Friday 18 July Treasury took on notice a number of questions from Senator Sherry. The following information is provided in response to these questions.

Question 1.

The first question related to the superannuation surcharge rate reduction. The question was whether the costing took into account the amounts of surcharge that are paid as a result of failing to quote a TFN.

The costing includes all surcharge amounts paid regardless whether the liability arises as a result of failing to quote a TFN. The number that do not quote their TFN is not quantifiable at this time.

Question 2.

The second question related to the co-contribution scheme and whether the scenarios that relate to projected accumulations take into account fees and charges and whether they are in real dollar terms (today's dollars).

The scenarios do take into account fees and charges and are in real dollar terms.

Senator Sherry Question 3

The third question related to the expansion of the eligibility requirements for the co contribution and related take up rates. Senator Sherry asked what proportion of the take up figure represents those on very low incomes.

Estimates are based on the best possible information available, however they remain estimates, rather than exact figures and disaggregating them can reduce accuracy. It was estimated that 350,000 people below the income level of \$32,500 would receive a co contribution under the originally passed legislation. The expanded eligibility requirements will increase this figure by making more low income employees eligible for the co-contribution, for instance people who work multiple part time or casual jobs who may not meet the \$450 per month superannuation guarantee threshold.

Kind Regards
Kristy Baker
Superannuation, Retirement and Savings Division
Treasury
(02) 62632715