

**House of Representatives Standing Committee on Tax and Revenue**

**The Tax Expenditures Statement**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

9 September 2015

**Topic: Distributional analysis of the superannuation concessions in the Tax Expenditure Statement.**

**Hansard:**

**Dr CHALMERS:** Let me make it really simple. Have you done distributional analysis of the superannuation concessions in the Tax Expenditure Statement?

**Mr King:** We have done distributional analysis of the tax expenditures that are in the Tax Expenditure Statement, but not necessarily in the Tax Expenditure Statement context. If you want more information I might ask Mr Bastian to describe what we have done.

**Dr CHALMERS:** Thank you.

**Mr Bastian:** We have previously published the distribution of superannuation tax concessions on contributions. As one example, the Financial Systems Inquiry published a chart, which was produced by Treasury. We have also published some stuff in 2012 or 2013 but, as Mr King noted, that was outside of the TES context.

**Dr CHALMERS:** So, if some of that is—

**Mr French:** We do not include distributional analysis in the Tax Expenditure Statement.

**Dr CHALMERS:** My personal view is that is one of the improvements that could be made, a longer time period, taking what you say about accuracy, but also something about distribution. I know that I have colleagues that want to ask questions. I am aware of some of that distributional stuff that Mr Bastian just mentioned, but so that we understand the equity part of the efficiency and equity principles that these things are judged against, can you provide the committee with the distributional analysis that Mr King referred to as it applies to superannuation concessions?

**Mr French:** We will take that on notice. I think what Mr Bastian is referring to is material that is published.

**Dr CHALMERS:** I just noted that when I said 'in addition to'. Thank you.

**Answer:**

In 2012, in the context of the Superannuation Roundtable, Treasury published the estimated distribution of tax concessions for individuals making concessional superannuation contributions in 2009-10. This material can be accessed via the following link:

<http://www.treasury.gov.au/Policy-Topics/SuperannuationAndRetirement/Distributional-analysis-of-superannuation-taxation-concessions>.

In 2014, Treasury provided an updated estimate of the distribution of tax concessions for individuals making concessional superannuation contributions in 2011-12 based on the latest available data at the time to the Financial Systems Inquiry. This material was presented in Chart 6 on page 138 of the Financial Systems Inquiry Final Report which can be accessed via the following link: <http://fsi.gov.au/publications/final-report/>.