

APPENDIX B: AGGREGATED SUPERANNUATION TAX EXPENDITURE

Table B.1 aggregates the estimates tax expenditures related to superannuation. The tax expenditures identified individually in Table B1 should be understood as part of an integrated system. This system is significantly concessional taken as a whole.

The calculation of the estimates requires projections of contributions, earnings and eligible termination payments (ETPs). The estimates use projections of contributions, earnings and payouts. They assume that tax is collected from superannuation funds in the year in which the contributions and earnings occur.

There have been significant increases in the estimates of the superannuation tax expenditures since the 2006 TES, mainly due to:

- Increases in the base data used to estimate the superannuation tax expenditures;
- An expansion in the scope of the estimates; and
- Revised methodology.

Table B1: Aggregated tax expenditures for funded superannuation ^{(a)(b)}

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Costs								
C4 Capital gains tax discounts for funds	95	420	1,100	1,550	1,550	1,450	1,550	1,650
C5 Concessional taxation of employer contributions(c)	8,100	7,900	9,500	9,400	10,150	10,850	11,550	12,250
C6 Concessional taxation of superannuation entity earnings	5,400	8,600	11,850	12,750	13,600	13,700	14,900	16,150
C8 Concessional taxation of certain personal deductions	260	370	380	790	780	880	980	1,150
C9 Measures for low-income earners(d)	6	80	260	510	300	310	300	340
C10 Spouse contribution offset	12	13	15	15	15	16	16	17
Sub-total	13,875	17,385	23,105	25,015	26,395	27,205	29,295	31,555
Less offsets								
C11 Tax on excess non-concessional contributions	*	*	*	*	*	*	*	*
C12 Tax on funded lump sums relating to post-june 1983 service	-160	-160	-170	-160	-140	-130	-130	-130
C13 Tax on funded lump sums relating to pre-july 1983 service	-25	-30	-30	-30	0	0	0	0
C14 Tax on funded superannuation income streams(e)	*	*	*	*	*	*	*	*
C19 Temporary residents' superannuation	0	0	0	0	0	-220	-415	-290
Sub-total	-185	-190	-200	-190	-140	-350	-545	-420
Total tax expenditures	13,690	17,195	22,905	24,825	26,255	26,855	28,750	31,135

(a) The concessional taxation of unfunded superannuation (C7) and the concessional treatment of non-superannuation termination benefits (C3) are reported as separate tax expenditures and are not included in this table.

(b) Totals may not sum due to rounding.

(c) Includes the revenue impact of the surcharge on superannuation contributions for high income earners which applied to some contributions for 2004-05 and earlier years.

(d) From 2003-04 the line shows the impact of the government co-contribution being untaxed.

(e) Indeterminate, but likely to be small or insignificant.