

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates 29, 30 & 31 May 2007

**Question: bet 75**

**Topic: IGR 2 - Assets Test of Age Pension**

**Hansard Page: E37**

**Senator SHERRY asked:**

I see Mr Gallagher poised. I actually have a specific question about this issue which he may be able to assist us with. From 1 July for the financial year going forward, what is the estimated number of individuals who will go onto, firstly, a part pension and, secondly, a full pension as a consequence of the assets test change?

**Mr Gallagher**—In chart C6 of the report we show the impact of the change in both superannuation assets and age pension coverage in these projections. One of the first things you see in those projections is the rise in the number of part-rate pensioners which comes from the assets test change.

**Senator SHERRY**—We see it there.

**Mr Gallagher**—On top of other continuing trends.

**Senator SHERRY**—Yes, I see that, but I cannot identify the actual number of that measure, can I?

**Mr Gallagher**—I do not have the actual number with me, and I do not think it is in the report.

**Senator SHERRY**—No, it is not in the report. That is why I am asking.

**Mr Gallagher**—I will take the question on notice.

**Senator SHERRY**—Do you have any idea of the approximate number? Are we dealing with in the next financial year, what, 10,000, 20,000 or 100,000 people in terms of part age pension increase or full age pension increase?

**Mr Gallagher**—What is shown here is the percentage change on a population which is close to two million.

**Senator SHERRY**—You are not suggesting that two million people have an increase in—

**Mr Gallagher**—No, I am not suggesting the two million, but I am saying that one per cent of two million people is not an insignificant number.

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**Senator SHERRY**—No. One per cent of two million, which is just 20,000 then? That is the ballpark figure you are indicating to me? You are not being very specific. You are giving me some hints.

**Mr Gallagher**—No, I will take the specific question on notice.

**Answer:**

The Treasury estimates of the impact of the Better Super asset test changes on part-rate pensioner numbers has not been published.

The actual age pension estimates are an issue for the Departments of Families, Housing, Community Services and Indigenous Affairs as well as the Department of Veterans' Affairs.