

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S DEPARTMENT

Output 1.3

Question No. 118

Senator Nettle asked the following question at the hearing on 27 May 2008:

In relation to the new same-sex measures, how many people will be financially worse off?

The answer to the honourable senator's question is as follows:

It is not possible to provide an exact number due to the variation in individual circumstances.

The costings for the same-sex measures (and estimations of how many people would be financially worse off) were developed on the basis of advice from the Australian Government Actuary and 2006 Census data provided by the Australian Bureau of Statistics. The 2006 Census figures indicated that there are around 25,000 same-sex couples in Australia, and included an age and income breakdown for these couples. However, these figures may be underestimations because of the limitations surrounding how the Census obtains information about family relationships.

The Department has obtained indicative information from other Government departments on the estimated impact on individuals accessing programs administered by those departments. However, these figures should not be read in isolation as individual circumstances may vary. For example, the means tests used in assessing the income of the household as a unit will have regard to the total earnings of both couples, as opposed to the earnings of an individual, for the purpose of assessing whether that individual is entitled to some form of social security benefit. Depending on the financial and relationship circumstances of the members of the couple, this may lead to the members of the couple being denied their single-rate pensions and provided with a reduced couple-rate pension. However, this may be offset by financial advantages in other programs such as the financial advantage of being able to register as a family for the purposes of Medicare and Pharmaceutical Benefits Scheme safety nets.

The indicative information is:

Department of Health and Ageing

It is estimated that amendments to *National Health Act 1953* and *Health Insurance Act 1973* (which provide for the Medicare and Pharmaceutical Benefits Scheme safety nets) will not cause any financial disadvantage, and will in fact provide financial advantage to same-sex families.

It is estimated that amendments to the *Aged Care Act 1997* will lead to financial disadvantage in some cases and financial advantage in others (it is anticipated that approximately 21 people will be advantaged and 18 will be disadvantaged as a result of the reforms).

Department of Education, Employment and Workplace Relations

The same-sex measures are anticipated to result in the following approximate number of cancelled payments for persons receiving the following benefits over four years (annual average customer numbers):

	2009-10	2010-11	2011-12	2012-13
Newstart Allowance	385	1194	1440	1487
Parenting Parent (Single)	329	935	1029	968
Widow Allowance	38	113	133	133
Youth Allowance	41	123	146	147
Total	793	2365	2748	2735

The same-sex measures are anticipated to result in the following approximate number of reduced payments for persons receiving the following benefits over four years (annual average customer numbers):

	2009-10	2010-11	2011-12	2012-13
ABSTUDY (other than schooling)	20	31	41	51
Austudy	11	17	23	29
Newstart Allowance	210	651	786	811
Parenting Parent (Single)*	142	403	443	417
Widow Allowance**	20	60	71	71
Youth Allowance	25	75	88	89
Youth Allowance (Students)	116	174	232	290
Total	544	1411	1684	1729

* – transferred to Parenting Payment (Partnered).

** – transferred to Newstart Allowance.

Department of Families, Housing, Community Services and Indigenous Affairs

The same-sex measures are anticipated to result in the following approximate number of payment recipients who will be financially worse off (by payment):

	2009-10	2010-11	2011-12
Age Pension	427	532	621
Carer Payment	163	214	250
Disability Support Pension	1522	1796	2060
Special Benefit	7	9	10
Family Tax Benefit	1524	1824	2128
Total	3643	4375	5069

Department of Defence

No person will be financially worse off following amendment to the *Defence Force Retirement and Death Benefits Act 1973*. The measures will only apply on the death of a scheme member after the measures are introduced and so will allow any pension benefit to be paid to those persons who demonstrate that they had the required level of dependency as a child or partner of the member.

Similarly, no person will be financially worse off following amendment to the *Military Superannuation and Benefits Act 1991*. The measures will only apply on the death of a scheme member after the measures are introduced and so will allow any pension benefit to be paid to those persons who demonstrate that they had the required level of dependency as a child or partner of the member.

It is unknown how many people will be financially worse off following amendment to the *Defence Force (Home Loans Assistance) Act 1990*. At 30 June 2007, there were 6,665 payees under this scheme. If a payee were to die, there is currently no provision for their entitlement to subsidy to pass to a same-sex partner.

While some people may be financially worse off following amendments to other Acts administered by Defence, these statistics cannot be quantified with any precision. This is because they can only be quantified by reference to the number of same sex relationships adjusted for life expectancy of the partners and then applied to the number of recipients in a scheme.