

			No. of people	Average \$ change pf	Average \$ change pa
Age Pension	Couple	Homeowner	323,570	6.07	157.82
		Non-homeowner	44,966	5.74	149.24
	Single	Homeowner	162,450	9.05	235.30
		Non-homeowner	85,552	10.62	276.12
Austudy	Couple	Homeowner	472	1.61	41.86
		Non-homeowner	1,118	1.05	27.30
	Single	Homeowner	291	1.36	35.36
		Non-homeowner	3,803	0.98	25.48
Carer Payment	Couple	Homeowner	26,100	3.06	79.56
		Non-homeowner	11,666	1.69	43.94
	Single	Homeowner	4,931	4.08	106.08
		Non-homeowner	7,924	4.04	105.04
Disability Support Pension	Couple	Homeowner	29,873	2.77	72.02
		Non-homeowner	13,851	1.61	41.86
	Single	Homeowner	11,147	5.60	145.60
		Non-homeowner	32,330	5.32	138.32
JobSeeker Payment**	Couple	Homeowner	23,443	3.31	86.06
		Non-homeowner	14,530	1.66	43.16
	Single	Homeowner	23,743	3.14	81.64
		Non-homeowner	62,679	1.80	46.80
Parenting Payment Partnered	Couple	Homeowner	5,033	1.48	38.46
		Non-homeowner	8,910	0.91	23.67
Parenting Payment Single	Single	Homeowner	11,030	0.99	25.74
		Non-homeowner	34,587	0.66	17.16
Special Benefit	Couple	Homeowner	431	0.28	7.28
		Non-homeowner	5,502	0.19	4.94
	Single	Homeowner	95	1.80	46.80
		Non-homeowner	4,523	0.36	9.36
Widow Allowance	Single	Homeowner	732	6.59	171.34
		Non-homeowner	709	4.39	114.14
Youth Allowance (Other)	Couple	Homeowner	9	0.14	3.64
		Non-homeowner	270	0.26	6.76
	Single	Homeowner	21	0.84	21.84
		Non-homeowner	1,189	0.33	8.58
Youth Allowance (Student)	Couple	Homeowner	32	1.30	33.80
		Non-homeowner	1,297	0.75	19.50
	Single	Homeowner	108	1.58	41.08
		Non-homeowner	11,115	0.91	23.66

\*\*Jobseeker Payment, in 2019-20, includes those who currently receive Newstart, Bereavement or Sickness Allowance, together with a very small group of those currently receiving Wife Pension.

Note: This is a non-exhaustive list of payment recipients affected by the change. There are some payments that have been left off this list, either because t

			No. of people	Average \$ change pf	Average \$ change pa
Age Pension	Couple	Homeowner	323,570	6.07	157.82
		Non-homeowner	44,966	5.74	149.24
	Single	Homeowner	162,450	9.05	235.30
		Non-homeowner	85,552	10.62	276.12
Other Pension	Couple	Homeowner	55,973	2.91	75.54
		Non-homeowner	25,517	1.65	42.81
	Single	Homeowner	16,078	5.13	133.48
		Non-homeowner	40,254	5.07	131.77
Allowee	Couple	Homeowner	29,420	3.09	80.23
		Non-homeowner	31,627	1.12	29.18
	Single	Homeowner	36,020	2.39	62.24
		Non-homeowner	118,605	1.28	33.21
Total	Couple	Homeowner	408,963	5.42	140.98
		Non-homeowner	102,110	3.29	85.46
	Single	Homeowner	214,548	7.64	198.62
		Non-homeowner	244,411	5.17	134.47
<b>Grand Total*</b>			970,032	5.62	146.24

\*Note: This total omits minor impacts to some other payments that had non-significant impacts.

Coupled impacts are per person. In situations where the other member of the couple is also on income support, and on the same payment, then couple combined impacts would be double the member of a couple impacts.

Average annual impacts have been calculated as fortnightly impacts multiplied by 26. They may not be representative of the actual annual benefit received, as a person's entitlement to income support or their deemed assets may change across the year.

he numbers affected, or the average impacts, were so small as to be insignificant to the total affect of the change.

**Average Fortnightly change (Summary):**

		#	\$ p.f.	\$ p.a.
<b>Age Pension</b>	<b>Couple</b>	368,536	6.03	156.78
	<b>Single</b>	248,002	9.59	249.34
<b>Other Pension</b>	<b>Couple</b>	81,490	2.51	65.29
	<b>Single</b>	56,333	5.09	132.45
<b>Allowee</b>	<b>Couple</b>	61,049	1.99	51.80
	<b>Single</b>	154,623	1.59	41.31

**Note:** Couple impacts are for individual members of a couple. If members of a couple receive the same payment, generally the couple combined impact will be double the individual member's impact.

## Average fortnightly change (Detailed)

		No. of people	Average \$ change pf	Average \$ change per year
Age Pension	Couple	368,536	6.03	156.78
	Single	248,002	9.59	249.34
Austudy	Couple	1,590	1.22	31.72
	Single	4,093	1.01	26.26
Carer Payment	Couple	37,766	2.64	68.64
	Single	12,855	4.06	105.56
Disability Support Pension	Couple	43,724	2.40	62.40
	Single	43,478	5.40	140.40
JobSeeker Payment	Couple	37,973	2.68	69.68
	Single	86,422	2.17	56.42
Parenting Payment Partnered	Couple	13,943	1.11	28.86
Parenting Payment Single	Single	45,617	0.74	19.24
Special Benefit	Couple	5,933	0.19	4.94
	Single	4,618	0.39	10.14
Widow Allowance	Single	1,442	5.51	143.26
Youth Allowance (Other)	Couple	279	0.26	6.76
	Single	1,209	0.34	8.84
Youth Allowance (Student)	Couple	1,331	0.94	24.44
	Single	11,222	0.90	23.40

Note: This is a non-exhaustive list of affected payments. Recipients of other payments may be impacted, but modelling showed their fortnightly impacts, or the numbers affected, were so small as to not be significant.

Note: Couple impacts are for individual members of a couple. If members of a couple receive the same payment, generally the couple combined impact will be double the individual member's impact.

**Annual Benefit Distribution (Summary):**

		No change	Greater than 0 to \$130	Greater than \$130 to \$260	Greater than \$260 to \$390	Greater than \$390 to \$520	Greater than \$520 to \$650	Greater than \$650 to \$780	Greater than \$780 to \$910	Greater than \$910 to \$1040	Greater than \$1040	Total with change
Age Pension	Couple	1,025,217	171,233	117,707	66,062	10,809	1,662	386	191	348	139	368,537
	Single	907,225	82,050	50,772	55,767	42,929	10,088	4,566	924	300	607	248,003
Other Pension	Couple	259,551	64,677	11,558	4,403	679	116	29	15	3	9	81,489
	Single	637,556	37,089	6,849	5,428	4,793	1,369	580	135	25	63	56,331
Allowee	Couple	262,191	51,787	5,394	3,184	341	243	57	16	13	13	61,048
	Single	883,935	137,837	7,379	6,970	1,374	652	258	85	27	43	154,625
Total	Couple	1,546,959	287,697	134,659	73,649	11,829	2,021	472	222	364	161	511,074
	Single	2,428,716	256,976	65,000	68,165	49,096	12,109	5,404	1,144	352	713	458,959
											<b>Total with change</b>	<b>970,033</b>

**Note:** Couple impacts are for individual members of a couple. If members of a couple receive the same payment, generally the couple combined impact will be double the individual member's impact.

**Note:** A small number of recipients may gain by more than the calculated typical maximum increase due to the presence of asset-test exempt financial assets.

**Note:** Annual benefits are calculated as fortnightly impacts multiplied by 26. Actual annual impacts will vary depending on recipients' circumstances.

**Annual Benefit Distribution (Summary %):**

		No change	Greater than 0 to \$130	Greater than \$130 to \$260	Greater than \$260 to \$390	Greater than \$390 to \$520	Greater than \$520 to \$650	Greater than \$650 to \$780	Greater than \$780 to \$910	Greater than \$910 to \$1040	Greater than \$1040	Total with change
<b>Age Pension</b>	<b>Couple</b>	-	46.5%	31.9%	17.9%	2.9%	0.5%	0.1%	0.1%	0.1%	0.0%	100.0%
	<b>Single</b>	-	33.1%	20.5%	22.5%	17.3%	4.1%	1.8%	0.4%	0.1%	0.2%	100.0%
<b>Other Pension</b>	<b>Couple</b>	-	79.4%	14.2%	5.4%	0.8%	0.1%	0.0%	0.0%	0.0%	0.0%	100.0%
	<b>Single</b>	-	65.8%	12.2%	9.6%	8.5%	2.4%	1.0%	0.2%	0.0%	0.1%	100.0%
<b>Allowee</b>	<b>Couple</b>	-	84.8%	8.8%	5.2%	0.6%	0.4%	0.1%	0.0%	0.0%	0.0%	100.0%
	<b>Single</b>	-	89.1%	4.8%	4.5%	0.9%	0.4%	0.2%	0.1%	0.0%	0.0%	100.0%
<b>Total</b>	<b>Couple</b>	-	56.3%	26.3%	14.4%	2.3%	0.4%	0.1%	0.0%	0.1%	0.0%	100.0%
	<b>Single</b>	-	56.0%	14.2%	14.9%	10.7%	2.6%	1.2%	0.2%	0.1%	0.2%	100.0%

**Total with change 970,033**

Note: Couple impacts are for individual members of a couple. If members of a couple receive the same payment, generally the couple combined impact will be double the individual member's impact.

Note: A small number of recipients may gain by more than the calculated typical maximum increase due to the presence of asset-test exempt financial assets.

Note: Annual benefits are calculated as fortnightly impacts multiplied by 26. Actual annual impacts will vary depending on recipients' circumstances.

## Annual benefit distribution (Detailed):

Change in dollars per year		No change	Greater than 0 to \$130	Greater than \$130 to \$260	Greater than \$260 to \$390	Greater than \$390 to \$520	Greater than \$520 to \$650	Greater than \$650 to \$780	Greater than \$780 to \$910	Greater than \$910 to \$1040	Greater than \$1040
Age Pension	Couple	1,025,217	171,233	117,707	66,062	10,809	1,662	386	191	348	139
	Single	907,225	82,050	50,772	55,767	42,929	10,088	4,566	924	300	607
Austudy	Couple	5,787	1,482	81	20	2	3	0	0	1	1
	Single	25,972	3,862	130	66	22	6	5	1	1	0
Carer Payment	Couple	124,985	29,533	5,416	2,361	362	64	19	4	0	6
	Single	118,667	9,522	1,115	931	842	262	134	27	7	15
Disability Support Pension	Couple	134,566	35,144	6,142	2,042	317	52	10	11	3	3
	Single	518,889	27,567	5,734	4,497	3,951	1,107	446	108	18	48
JobSeeker Payment	Couple	116,941	29,860	4,691	2,858	284	207	42	12	10	8
	Single	476,340	73,267	5,008	6,064	1,133	591	235	66	22	36
Parenting Payment Partnered	Couple	58,582	12,957	584	299	53	30	13	4	2	2
Parenting Payment Single	Single	194,095	43,343	1,676	409	146	23	8	9	2	2
Special Benefit	Couple	1,275	5,923	6	0	0	2	2	0	0	0
	Single	2,871	4,556	31	10	11	3	2	2	1	2
Widow Allowance	Single	5,807	854	183	332	38	20	6	5	1	3
Youth Allowance (Other)	Couple	19,045	275	1	2	0	0	0	0	0	0
	Single	66,065	1,188	10	8	2	2	0	0	0	0
Youth Allowance (Student)	Couple	60,561	1,290	31	5	2	1	0	0	0	2
	Single	112,785	10,767	341	81	22	7	2	2	0	0

Note: Couple impacts are for individual members of a couple. If members of a couple receive the same payment, generally the couple combined impact will be double the individual member's impact.

Note: A small number of recipients may gain by more than the calculated typical maximum increase due to the presence of exempt financial assets.

**Note:** This is a non-exhaustive list of affected payments. Recipients of other payments may be impacted, but modelling showed their fortnightly impacts, or the numbers affected, were so small as to not be significant.

**Note:** Annual benefits are calculated by fortnightly impacts multiplied by 26. Actual annual impacts will vary depending on recipients' circumstances.

**Annual benefit distribution (Detailed %):**

Change in dollars per year		No change	Greater than 0 to \$130	Greater than \$130 to \$260	Greater than \$260 to \$390	Greater than \$390 to \$520	Greater than \$520 to \$650	Greater than \$650 to \$780	Greater than \$780 to \$910	Greater than \$910 to \$1040	Greater than \$1040
Age Pension	Couple		46.5%	31.9%	17.9%	2.9%	0.5%	0.1%	0.1%	0.1%	0.0%
	Single		33.1%	20.5%	22.5%	17.3%	4.1%	1.8%	0.4%	0.1%	0.2%
Austudy	Couple		93.2%	5.1%	1.3%	0.1%	0.2%	0.0%	0.0%	0.1%	0.1%
	Single		94.4%	3.2%	1.6%	0.5%	0.1%	0.1%	0.0%	0.0%	0.0%
Carer Payment	Couple		78.2%	14.3%	6.3%	1.0%	0.2%	0.1%	0.0%	0.0%	0.0%
	Single		74.1%	8.7%	7.2%	6.5%	2.0%	1.0%	0.2%	0.1%	0.1%
Disability Support Pension	Couple		80.4%	14.0%	4.7%	0.7%	0.1%	0.0%	0.0%	0.0%	0.0%
	Single		63.4%	13.2%	10.3%	9.1%	2.5%	1.0%	0.2%	0.0%	0.1%
JobSeeker Payment	Couple		78.6%	12.4%	7.5%	0.7%	0.5%	0.1%	0.0%	0.0%	0.0%
	Single		84.8%	5.8%	7.0%	1.3%	0.7%	0.3%	0.1%	0.0%	0.0%
Parenting Payment Partnered	Couple		92.9%	4.2%	2.1%	0.4%	0.2%	0.1%	0.0%	0.0%	0.0%
Parenting Payment Single	Single		95.0%	3.7%	0.9%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Special Benefit	Couple		99.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Single		98.7%	0.7%	0.2%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%
Widow Allowance	Single		59.2%	12.7%	23.0%	2.6%	1.4%	0.4%	0.3%	0.1%	0.2%
Youth Allowance (Other)	Couple		98.9%	0.4%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Single		98.2%	0.8%	0.7%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%
Youth Allowance (Student)	Couple		96.9%	2.3%	0.4%	0.2%	0.1%	0.0%	0.0%	0.0%	0.2%
	Single		95.9%	3.0%	0.7%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%

Note: Couple impacts are for individual members of a couple. If members of a couple receive the same payment, generally the couple combined impact will be double the individual member's impact.

Note: A small number of recipients may gain by more than the calculated typical maximum increase due to the presence of exempt financial assets.

**Note:** This is a non-exhaustive list of affected payments. Recipients of other payments may be impacted, but modelling showed their fortnightly impacts, or the numbers affected, were so small as to not be significant.

**Note:** Annual benefits are calculated by fortnightly impacts multiplied by 26. Actual annual impacts will vary depending on recipients' circumstances.

s22

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**From:** MCLARTY, Mary  
**Sent:** Monday, 8 July 2019 9:19 AM  
**To:** s22  
**Cc:** s22; DLOs; PHILP, Brenton; SocialSecurityExecutive  
**Subject:** RE: Department of Social Services Daily Briefing 8 Jul 2019 [SEC=OFFICIAL]

Hi s22

The average fortnightly and annual impacts in the article of a 1.25% change to both deeming rates (bringing them to 0.50% and 2.00% respectively) are broadly correct, but the costs are not.

The change to reduce both deeming rates by 0.25% in 2015 cost \$65m a year and \$215m over the forward estimates. We are in the process of finding out where the \$200m a year figure came from, as it is incorrect.

A change to reduce both deeming rates by 1.25% would could **around \$400m a year**, not the \$1b quoted in the article.

Regards,  
Mary

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**Mary McLarty**  
**Branch Manager**  
**Older Australians**  
Department of Social Services  
**P:** (02) 61462404 s22

The Department of Social Services acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders both past and present.

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s22

s22 [redacted]

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**From:** PHILP, Brenton  
**Sent:** Sunday, 7 July 2019 11:23 AM  
**To:** WILLIAMSON, Nathan  
**Cc:** MCLARTY, Mary; s22 [redacted]  
**Subject:** s22 [redacted]  
**Attachments:** [redacted]

Nathan,

s22 [redacted] has run the numbers in the SMH article. For single homeowners the numbers are correct assuming rates of 0.50% and 2.00%. A single homeowner with only \$262,500 in financial assets would benefit from such a change by \$62 a fortnight.

We estimate the cost would be in the ballpark of \$400m year.

Might be useful in any office discussion.

Brenton

s22 [redacted]

s22 [redacted]

		No. of people	Average \$ change pf
Age Pension	Couple	368,536	6.03
	Single	248,002	9.59
Austudy	Couple	1,590	1.22
	Single	4,093	1.01
Carer Payment	Couple	37,766	2.64
	Single	12,855	4.06
Disability Support Pension	Couple	43,724	2.40
	Single	43,478	5.40
JobSeeker Payment	Couple	37,973	2.68
	Single	86,422	2.17
Parenting Payment Partnered		13,943	1.11
Parenting Payment Single		45,617	0.74
Special Benefit	Couple	5,933	0.19
	Single	4,618	0.39
Widow Allowance		1,442	5.51
Youth Allowance (Other)	Couple	279	0.26
	Single	1,209	0.34
Youth Allowance (Student)	Couple	1,331	0.94
	Single	11,222	0.90

Change in dollars per fortnight		No change	Greater than 0 to 5	Greater than 5 to 10	Greater than 10 to 15	Greater than 15 to 20	Greater than 20 to 25	Greater than 25 to 30	Greater than 30 to 35	Greater than 35 to 40	Greater than 40
Age Pension	Couple	1,025,217	171,233	117,707	66,062	10,809	1,662	386	191	348	139
	Single	907,225	82,050	50,772	55,767	42,929	10,088	4,566	924	300	607
Austudy	Couple	5,787	1,482	81	20	2	3	-	-	1	1
	Single	25,972	3,862	130	66	22	6	5	1	1	-
Carer Payment	Couple	124,985	29,533	5,416	2,361	362	64	19	4	-	6
	Single	118,667	9,522	1,115	931	842	262	134	27	7	15
Disability Support Pension	Couple	134,566	35,144	6,142	2,042	317	52	10	11	3	3
	Single	518,889	27,567	5,734	4,497	3,951	1,107	446	108	18	48
JobSeeker Payment	Couple	116,941	29,860	4,691	2,858	284	207	42	12	10	8
	Single	476,340	73,267	5,008	6,064	1,133	591	235	66	22	36
Parenting Payment Partnered		58,582	12,957	584	299	53	30	13	4	2	2
Parenting Payment Single		194,095	43,343	1,676	409	146	23	8	9	2	2
Special Benefit	Couple	1,275	5,923	6	-	-	2	2	-	-	-
	Single	2,871	4,556	31	10	11	3	2	2	1	2
Widow Allowance		5,807	854	183	332	38	20	6	5	1	3
Youth Allowance (Other)	Couple	19,045	275	1	2	-	-	-	-	-	-
	Single	66,065	1,188	10	8	2	2	-	-	-	-
Youth Allowance (Student)	Couple	60,561	1,290	31	5	2	1	-	-	-	2
	Single	112,785	10,767	341	81	22	7	2	2	-	-

Note: A small number of recipients may gain by more than the calculated typical maximum increase due to the presence of exempt financial assets.

			No. of people	Average \$ change pf
Age Pension	Couple	Homeowner	323,570	6.07
		Non-homeowner	44,966	5.74
	Single	Homeowner	162,450	9.05
		Non-homeowner	85,552	10.62
Austudy	Couple	Homeowner	472	1.61
		Non-homeowner	1,118	1.05
	Single	Homeowner	291	1.36
		Non-homeowner	3,803	0.98
Carer Payment	Couple	Homeowner	26,100	3.06
		Non-homeowner	11,666	1.69
	Single	Homeowner	4,931	4.08
		Non-homeowner	7,924	4.04
Disability Support Pension	Couple	Homeowner	29,873	2.77
		Non-homeowner	13,851	1.61
	Single	Homeowner	11,147	5.60
		Non-homeowner	32,330	5.32
JobSeeker Payment	Couple	Homeowner	23,443	3.31
		Non-homeowner	14,530	1.66
	Single	Homeowner	23,743	3.14
		Non-homeowner	62,679	1.80
Parenting Payment Partnered	Couple	Homeowner	5,033	1.48
		Non-homeowner	8,910	0.91
Parenting Payment Single	Single	Homeowner	11,030	0.99
		Non-homeowner	34,587	0.66
Special Benefit	Couple	Homeowner	431	0.28
		Non-homeowner	5,502	0.19
	Single	Homeowner	95	1.80
		Non-homeowner	4,523	0.36
Widow Allowance	Single	Homeowner	732	6.59
		Non-homeowner	709	4.39
Youth Allowance (Other)	Couple	Homeowner	9	0.14

	Single	Non-homeowner	270	0.26
		Homeowner	21	0.84
Youth Allowance (Student)	Couple	Non-homeowner	1,189	0.33
		Homeowner	32	1.30
	Single	Non-homeowner	1,297	0.75
		Homeowner	108	1.58
		Non-homeowner	11,115	0.91

s22



**SENATOR THE HON ANNE RUSTON**  
MINISTER FOR FAMILIES AND SOCIAL SERVICES

s22

The Hon Scott Morrison MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Prime Minister

s22

The change will result in an additional s34(3) in social security payments in 2019-20.  
Over the 2019-20 forward estimates, the change will have a total administered impact of  
\$602.3 million s22

s22

s22

s22

Anne Ruston

s22

13 July 2019.

s22

s22  
s22

s22

**From:** s22  
**Date:** 7 July 2019 at 5:56:58 pm AEST  
**To:** s22 WILLIAMSON, Nathan  
**Cc:** CAMPBELL, Kathryn - Secure , MCLARTY, Mary  
**Subject:** s22

s22

s22

Three things from today's media if they assist your discussions.  
Today's media (SMH) is largely right that a 1.25% reduction in both rates would give a single homeowner with \$262,500 in financial investments a benefit of \$62 a fortnight. But preliminary and indicative cost would be around \$400 million a year.  
The impression from media is last time rates changed the cost was \$200 million a year. That cost was \$215 million for the forwards, with costs only around \$65 million a year (first year starting March 2015).  
To get the benefit of \$149 a fortnight, or \$3,875 a year, with a reduction of 1.25% for both rates, needs financial assets of \$620,000. This would be for a non-home owning couple only with financial assets and without any other income or assets.

Regards,  
Brenton

s22



## Additional Information

### Impact of change

		Maximum Benefit	
		Fortnight	Year
<b>Pension recipients</b>			
Total 754,000	Singles	\$30.94	\$804.50
	Couples	\$40.50	\$1,053.00
<b>Newstart and Parenting Payment (partnered)</b>			
Total 138,000	Singles	\$33.31	\$866.02
	Couples	\$39.88	\$1,036.80
<b>Parenting Payment (single)</b>			
Total 46,000	Singles	\$23.98	\$623.60
<b>Youth Allowance (student)</b>			
Total 13,000	Singles	\$30.94	\$804.40
	Couples	\$39.59	\$1,029.30
<b>Youth Allowance (other)</b>			
Total 1,000	Singles	\$33.09	\$860.40
	Couples	\$39.59	\$1,029.30
<b>Other payments</b>		N/A	N/A
Total 18,000		N/A	N/A

\*Impacts have been rounded to the nearest 1,000. Other impacts include a range of other payment recipients, including Special Benefit, Widow Allowance, Austudy, ABSTUDY and others. These have a range of maximum benefits available.

Pension recipients include:

s22

**From:** MCLARTY, Mary  
**Sent:** s22 AM  
**To:** s22  
**Cc:** DLOs; s22 Social Security Executive - Secure  
**Subject:** Tables of deeming rate change impacts [SEC=PROTECTED]

Hi s22

As discussed with s22 below are the tables of figures outlining the impacts of the change to 1% and 3% deeming rates. Note the DSS cost below has been run through the DSS costing process but is not yet Finance agreed (the costing is with Finance).

s22

**DSS cost (indicative)**

	2019-20 (\$m)	Forward Estimates (\$m)
DSS indicative cost	141.8	600.4

**Average impacts of the change in the first full year (2019-20)**

	2019-20 (\$)
Age Pension	193.44
Other pensions	92.68
Allowees	44.48

**Maximum impacts of the change**

Pension recipients:

		Benefit per fortnight (\$)	Annual benefit (\$)
Single	Homeowner	18.44	479.50
	Non-homeowner	30.94	804.50
Couple (combined)	Homeowner	28.00	728.00
	Non-homeowner	40.50	1,053.00

Newstart Allowance and Parenting Payment (partnered) recipients (non-homeowners):

	Benefit per fortnight (\$)	Annual benefit (\$)
Single	33.31	866.02
Couple (each)	39.88	1,036.80

Parenting Payment (single) recipients (non-homeowners):

	Benefit per fortnight (\$)	Annual Benefit (\$)
Single	23.98	623.60

Youth Allowance (other) recipients (non-homeowners):

	Benefit per fortnight (\$)	Annual Benefit (\$)
Single	33.09	860.40
Coupled (each)	39.59	1,029.30

Youth Allowance (student) recipients (non-homeowners):

	Benefit per fortnight (\$)	Annual Benefit (\$)
Single	30.94	804.40
Coupled (each)	39.59	1,029.30

Regards,  
Mary

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**Mary McLarty**  
Branch Manager  
Older Australians Branch  
Department of Social Services  
P: 02 61462404 | s22

DSS acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to elders both past and present.

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s22

**From:** MCLARTY, Mary  
**Sent:** Friday, 12 July 2019 2:53 PM  
**To:** s22  
**Cc:** DLOs; s22 Social Security Executive - Secure  
**Subject:** RE: Tables of deeming rate change impacts [SEC=PROTECTED]

Hi s22

Pension recipients include:

- Age Pensioners
- Carer Payment recipients
- DSP recipients
- Wife Pension recipients
- Widow B Pension recipients

s22

#### 2019-20 Average Impacts

	# Affected	Type	\$ increase p.f.	\$ increase p.a.
Age Pension	616,198	PENSION	7.44	193.44
Austudy	5,683	ALLOWANCE	1.07	27.82
Carer Payment	50,621	PENSION	3.00	78
Disability Support Pension	87,202	PENSION	3.89	101.14
JobSeeker Payment	124,395	ALLOWANCE	2.32	60.32
Parenting Payment Partnered	13,943	ALLOWANCE	1.11	28.86
Parenting Payment Single	45,617	ALLOWANCE	0.74	19.24
Special Benefit	10,550	ALLOWANCE	0.28	7.28
Widow Allowance	1,442	ALLOWANCE	5.51	143.26
Youth Allowance (Student)	12,552	ALLOWANCE	0.90	23.4
Youth Allowance (Other)	1,488	ALLOWANCE	0.33	8.58

Let me know if you need anything else on this.

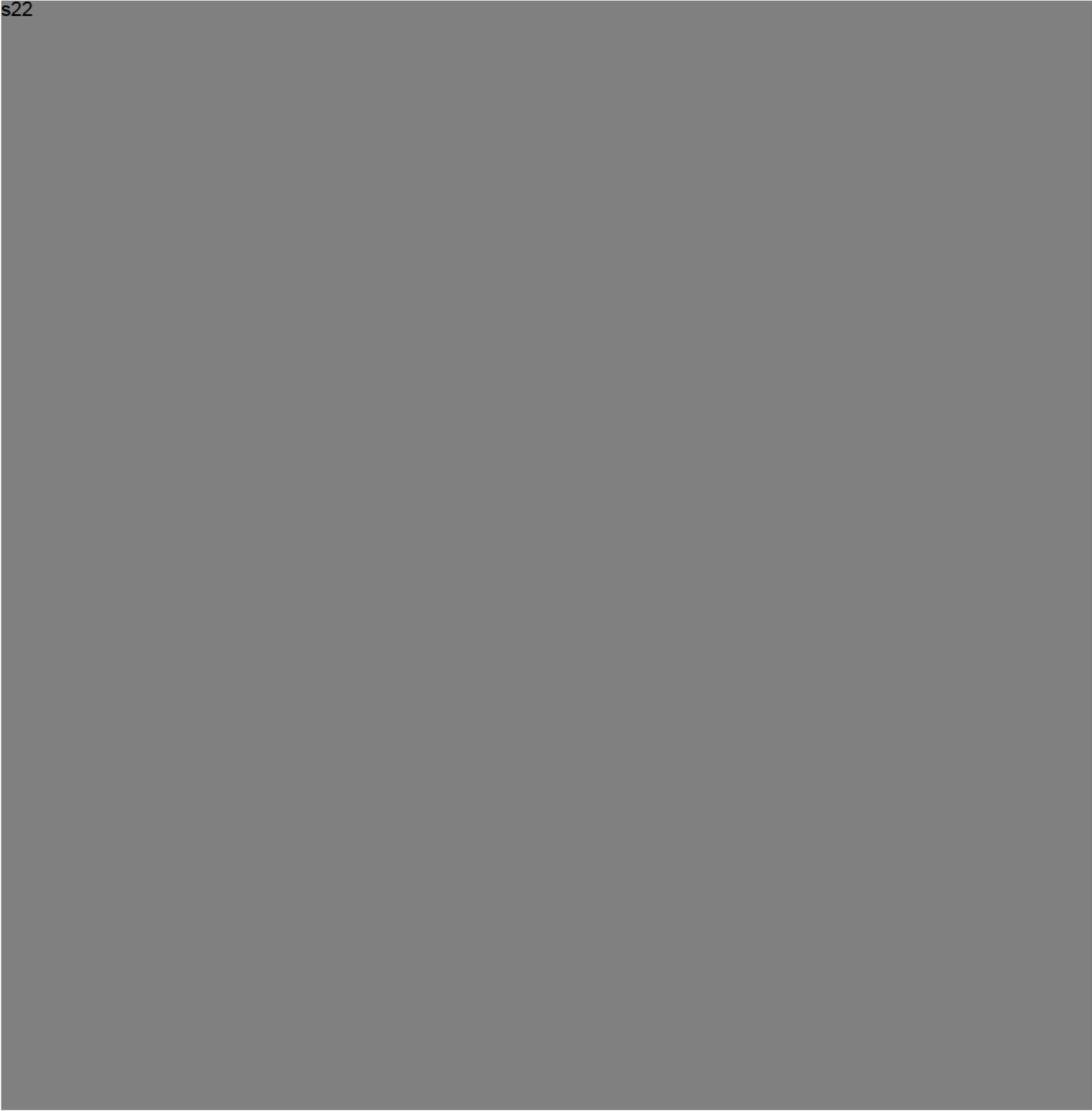
Regards,  
 Mary

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**Mary McLarty**  
 Branch Manager  
 Older Australians Branch  
 Department of Social Services  
 P: 02 61462404 s22

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s22



**From:** MCLARTY, Mary <[Mary.McLarty@secure.dss.gov.au](mailto:Mary.McLarty@secure.dss.gov.au)>

**Sent:** Friday, 12 July 2019 11:59 AM

**To:** s22

**Cc:** DLOs <[DLOs@secure.dss.gov.au](mailto:DLOs@secure.dss.gov.au)>; s22 Social Security Executive  
- Secure <[SocialSecurityExecutive@secure.dss.gov.au](mailto:SocialSecurityExecutive@secure.dss.gov.au)>

**Subject:** Tables of deeming rate change impacts [SEC=PROTECTED]

Hi s22

As discussed with <sup>s22</sup> below are the tables of figures outlining the impacts of the change to 1% and 3% deeming rates. Note the DSS cost below has been run through the DSS costing process but is not yet Finance agreed (the costing is with Finance).

s22

**DSS cost (indicative)**

	2019-20 (\$m)	Forward Estimates (\$m)
DSS indicative cost	141.8	600.4

**Average impacts of the change in the first full year (2019-20)**

	2019-20 (\$)
Age Pension	193.44
Other pensions	92.68
Allowees	44.48

**Maximum impacts of the change****Pension recipients:**

		Benefit per fortnight (\$)	Annual benefit (\$)
Single	Homeowner	18.44	479.50
	Non-homeowner	30.94	804.50
Couple (combined)	Homeowner	28.00	728.00
	Non-homeowner	40.50	1,053.00

**Newstart Allowance and Parenting Payment (partnered) recipients (non-homeowners):**

	Benefit per fortnight (\$)	Annual benefit (\$)
Single	33.31	866.02
Couple (each)	39.88	1,036.80

**Parenting Payment (single) recipients (non-homeowners):**

	Benefit per fortnight (\$)	Annual Benefit (\$)
Single	23.98	623.60

**Youth Allowance (other) recipients (non-homeowners):**

	Benefit per fortnight (\$)	Annual Benefit (\$)
Single	33.09	860.40
Coupled (each)	39.59	1,029.30

**Youth Allowance (student) recipients (non-homeowners):**

	Benefit per fortnight (\$)	Annual Benefit (\$)
Single	30.94	804.40

Coupled (each)	39.59	1,029.30
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Regards,  
Mary

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**Mary McLarty**  
Branch Manager  
Older Australians Branch  
Department of Social Services  
P: 02 61462404 s22

DSS acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to elders both past and present.

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### Cameo 1 – Single Pensioner (Homeowner)

Jane\* is a single homeowner on the Age Pension with \$280,000 in financial assets, and no other income or assets. Under the previous deeming rates Jane was assessed as earning \$320.12 a fortnight in income from her financial investments.

Under the new deeming rates of 1 per cent and 3 per cent, Jane will be assessed as earning \$283.23 a fortnight in income from her financial investments. This will mean she will receive an additional \$18.44 a fortnight (\$479.50 a year) in Age Pension.

	Rates of 1.75% / 3.25%	Rates of 1.00% / 3.00%	Difference
Deemed income	\$320.12 a fortnight	\$283.23 a fortnight	\$36.89 a fortnight
Age Pension	\$853.14 a fortnight	\$871.58 a fortnight	\$18.44 a fortnight

### Cameo 2 – Single Pensioner (Non-Homeowner)

Alan\* is a single non-homeowner on the Age Pension with \$540,000 in financial assets, and no other income or assets. Under the previous deeming rates, Alan was assessed as earning \$645.12 a fortnight in income from his financial investments.

Under the new deeming rates of 1 per cent and 3 per cent, Alan will be assessed as earning \$583.23 a fortnight in income from his financial investment. This will mean he will receive an additional \$30.94 a fortnight (\$804.50 a year) in Age Pension.

	Rates of 1.75% / 3.25%	Rates of 1.00% / 3.00%	Difference
Deemed income	\$645.12 a fortnight	\$583.23 a fortnight	\$61.89 a fortnight
Age Pension	\$690.64 a fortnight	\$721.58 a fortnight	\$30.94 a fortnight

### Cameo 3 – Couple Pensioner (Homeowner)

Tamsin\* and Frieda\* are coupled homeowners on the Age Pension with \$410,000 in combined financial assets, and no other income or assets. Under the previous deeming rates, Tamsin and Frieda were assessed as earning \$462.77 a fortnight in income from their financial investments.

Under the new deeming rates of 1 per cent and 3 per cent, Tamsin and Frieda will be assessed as earning \$406.77 a fortnight in income from their financial investments. This will mean Tamsin and Freida will receive an additional \$28.00 a fortnight combined (\$728.00 a year combined) in Age Pension.

	Rates of 1.75% / 3.25%	Rates of 1.00% / 3.00%	Difference
Deemed income	\$462.77 a fortnight	\$406.77 a fortnight	\$56.00 a fortnight
Age Pension	\$1,318.82 a fortnight	\$1,346.82 a fortnight	\$28.00 a fortnight

#### Cameo 4 – Couple Pensioner (Non-Homeowner)

Ying and Lee are a non-homeowner couple on the Age Pension with \$670,000 in combined financial assets, and no other income or assets. Under the previous deeming rates, Ying and Lee were assessed as earning \$787.77 a fortnight in income from their financial investments.

Under the new deeming rates of 1 per cent and 3 per cent, Ying and Lee will be assessed as earning \$706.77 a fortnight in income from their financial investments. This will mean Ying and Lee receive an additional \$40.50 a fortnight combined (\$1,053.00 a year combined) in Age Pension.

	Rates of 1.75% / 3.25%	Rates of 1.00% / 3.00%	Difference
Deemed income	\$787.77 a fortnight	\$706.77 a fortnight	\$81.00 a fortnight
Age Pension	\$1,156.32 a fortnight	\$1,196.82 a fortnight	\$40.50 a fortnight

#### Free area amounts

With deeming rates of 1% and 3%, a single pensioner can have up to \$185,000 in financial assets before their rate of pension is affected. A pensioner couple can have up to \$324,000 in combined financial assets before their rate of pension is affected.



## **SENATOR THE HON ANNE RUSTON**

Minister for Families and Social Services  
Manager of Government Business in the Senate

### **MEDIA RELEASE**

**DAY MONTH** 2019

## **Cuts to deeming rates a cash boost for up to 970,000 Australians**

Up to 970,000 Australians will benefit from a \$600 million boost across the next four years following Minister Ruston's decision to change deeming rates.

Minister for Families and Social Services, Senator Anne Ruston, said the changes will benefit up to 616,000 age pensioners and 352,000 people receiving other payments. Veterans' Affairs recipients affected by deeming will also benefit.

s22

"It will mean more money in the pockets of Australians. Under the new deeming rates, age pensioners whose income is assessed using deeming will receive up to \$40.50 more in pension a fortnight, up to \$1,053 extra a year."

Under the new deeming rates pensioners will receive an increase in payment of up to:

- \$40.50 a fortnight, which is \$1,053 extra a year, for non-homeowner couples assessed using deeming
- \$30.94 a fortnight, which is \$805 extra a year, for non-homeowner singles assessed using deeming
- \$28.00 a fortnight, which is \$728 extra a year, homeowner couples assessed using deeming
- \$18.44 a fortnight, which is \$480 extra a year, homeowner singles assessed using deeming

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Age pensioners whose income is assessed using deeming will receive an average increase in payment of \$7.44 a fortnight, \$193 extra a year.

Those receiving Carer Payment or Disability Support Pension, whose income is assessed using deeming, will receive an average increase in payment of \$3.56 a fortnight, \$93 extra a year.

Recipients receiving other types of payments, whose income is assessed using deeming, will receive an average increase in payment of \$1.71 a fortnight, \$44 extra a year.

**ENDS**

s22

**Media contact:**



## TALKING POINTS

<b>Subject</b>	<b>Deeming Rates</b>
<b>Date</b>	
<b>Intended</b>	
<b>Media Officer</b>	
<b>Brief Number</b>	Enter Brief Number

### KEY MESSAGES:

- We have taken action and will reduce the deeming rates.
- The lower deeming rate will decrease from 1.75 per cent to 1.00 per cent and the upper deeming rate will decrease from 3.25 per cent to 3.00 per cent.
- Up to 970,000 Australians will benefit from a \$600 million boost to income support payments over the forward estimates.
- This change will benefit 616,000 age pensioners and 352,000 other payment recipients.
- It means age pensioners will receive up to \$1,053 extra per year for couples and up to \$805 for singles.

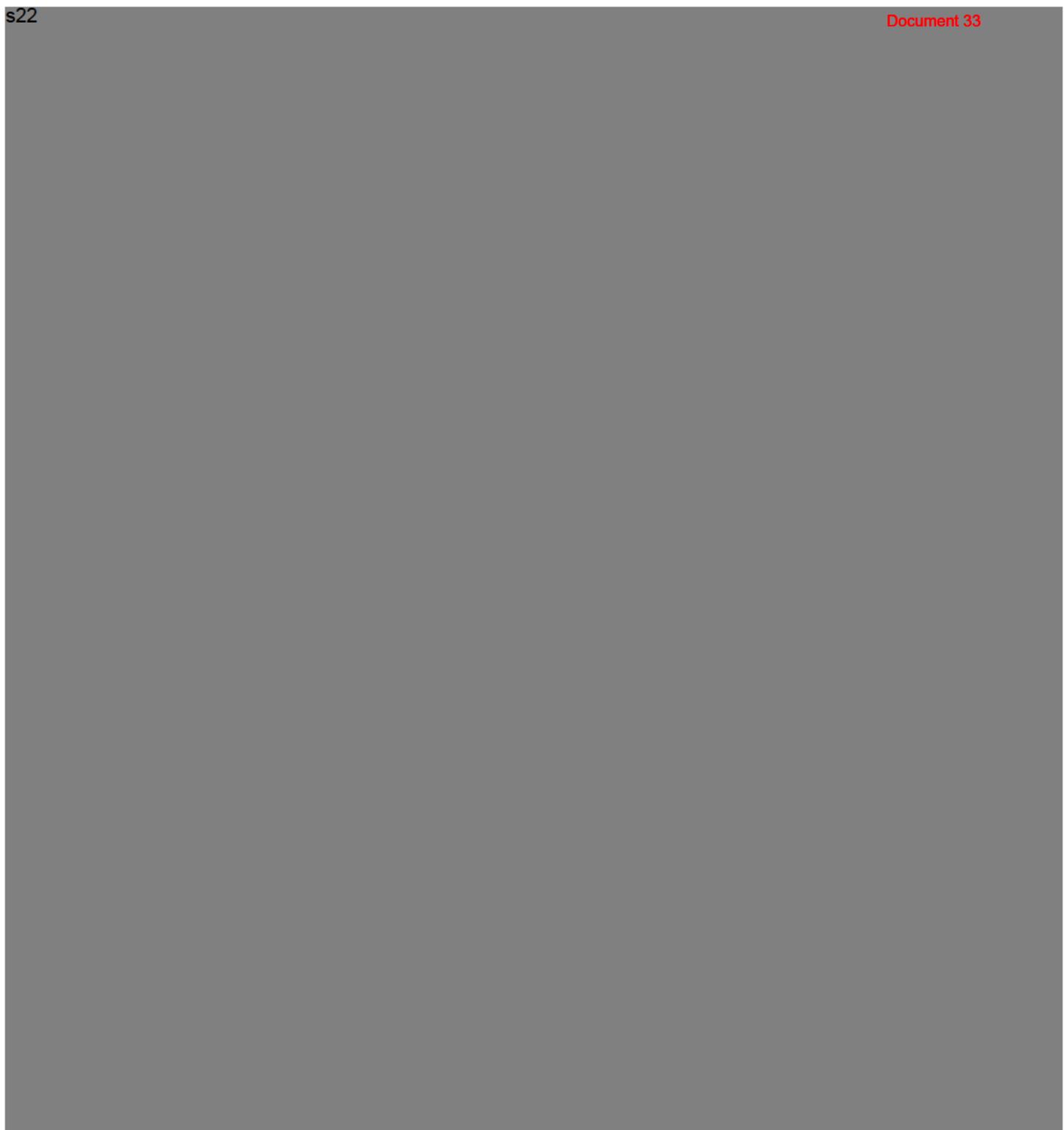
s22



- Pensioners benefit from the income free area, so not all deemed income actually reduces their pension.
  - Under the new deeming rates of 1.00 per cent and 3.00 per cent, single pensioners whose income only comes from financial investments could have up to around \$185,000 in investments and still receive the maximum rate of Age Pension. A couple could have up to around \$324,000 in combined investments and still receive the maximum rate of Age Pension.
- The upper deeming rate only applies to some of a pensioner's financial assets – no pensioner is expected to earn the upper deeming rate on all their assets.
  - For example, a single pensioner with \$100,000 in financial assets would need to earn around 2 per cent across their portfolio to match the new deeming rates from 1 July 2019.

### What are the deeming thresholds?

- The reduced lower deeming rate of 1.00 per cent will apply to:
  - the first \$51,800 of a single person's financial assets
  - the first \$86,200 of a pensioner couple's financial assets
  - the first \$43,100 for other couple's financial assets.
- The reduced upper deeming rate of 3.00 per cent will apply to financial assets above these amounts.
- No recipient is assessed to earn the upper deeming rate on all of their financial assets. For example, a single recipient with \$120,000 in financial assets has deemed income of 1.00 per cent for the first \$51,800 and 3.00 per cent for the remaining \$68,200, which equates to a deeming rate of 2.14 per cent.
- Recipients also benefit from the income free area. Their rate of payment is not impacted by the first dollar of deemed income.
  - For example, under the new deeming rates, a single age pensioner can hold up to \$185,000 in financial assets and still receive the full rate of Age Pension, provided they have no other income.



DRAI