



Australian Government
Department of Social Services

Serena Wilson PSM
Deputy Secretary

Senator Zed Seselja
Chairperson
Senate Standing Committee on Community Affairs
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Seselja

I refer to the Supplementary Submission of 19 June 2015 from Industry Super Australia to the Senate Community Affairs Legislation Committee Inquiry into the *Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015*.

In their Supplementary Submission, Industry Super Australia assert that the Government's estimate of the number of pensioners will be better off under the assets test changes is overstated because the Government's figures do not include the impact of the income test. This is not correct.

The Department of Social Services has undertaken comprehensive modelling of the proposed changes, taking actual pensioner circumstances into account, including the relative impact of the income and assets tests under the changes.

I can confirm that the Department estimates, based on known current pensioner circumstances, that more than 170,000 pensioners with modest assets will have their pensions increased by an average of about \$30 per fortnight as a result of the measure to rebalance the assets test parameters that will come into effect in January 2017, subject to the passage of legislation. This includes around 50,000 part pensioners who would qualify for a full pension from 1 January 2017.

Yours sincerely

Serena Wilson

22 June 2015

Lead by example
value diversity | respect diversity | celebrate diversity