

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 245

Topic: Dependent Spouse Tax Offset

Hansard Page: Written

Senator Cash asked:

How does the decision to eliminate the Dependent Spouse Rebate for women under forty without children reconcile with the fact that many of these women care for their extended families and make highly valuable contributions to volunteer organisations?

Does this action by the Government impose a 'preferred model' of family that is, a double-income family?

Answer:

The Government recognises that some dependent spouses born on or after 1 July 1971 may not be in a position to enter paid employment due to caring responsibilities.

That is why the Government reform phasing out the dependent spouse tax offset will not affect taxpayers with a dependent spouse who is a 'carer spouse', being dependent spouses who are wholly engaged in providing care for an invalid relative of the taxpayer or spouse; or spouses who are in receipt of carer allowance, carer payment or carer service pension.

Taxpayers with a dependent spouse who is an invalid or permanently unable to work, and taxpayers eligible for the zone, overseas forces or overseas civilian tax offsets, will also not be affected.

The dependent spouse tax offset was never provided as a concession for taxpayers with a dependent spouse on low income due to volunteering.

Instead, the Government provides funding to volunteers and their organisations through direct outlays programs such as the Volunteer Grants Program and tax concessions for specific volunteer organisations. In 2010, the Government provided \$21 million to over 6,000 organisations as part of the Volunteer Grants Program.

The Government continues to support Australia's volunteers and the organisations for which they volunteer in recognition of the valuable contribution that volunteers make to our society.