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Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Email: community.affairs.sen@aph.gov.au

Social Services Legislation Amendment (Payment Integrity) Bill 2017

The Federation of Ethnic Communities' Councils of Australia (FECCA) is the peak body representing Australia's culturally and linguistically diverse (CALD) communities and their organisations, and promoting issues on behalf of its constituency to government and the broader community. FECCA strives to ensure that the needs and aspirations of various cohorts of Australia's CALD population are heard by policy and decision makers, as well as the broader public.

NEDA is a Disabled People's Organisation (DPO) that advocates nationally for the human rights of people with disability from migrant and refugee backgrounds. NEDA is a founding member of DPO Australia, an alliance of national DPOs, which are organisations constituted and governed by people with disability. Our key purpose is to promote, protect and advance the human rights and freedoms of people with disability by working collaboratively on areas of shared interests, purposes and strategic priorities and opportunities. DPO Australia is made up of First Peoples Disability Network Australia (FPDN); Women With Disabilities Australia (WWDA); National Ethnic Disability Alliance (NEDA); and People with Disability Australia (PWDA).

FECCA and NEDA thank the Committee for this opportunity to comment on the proposed Social Services Legislation Amendment (Payment Integrity) Bill 2017.

Key message:

FECCA & NEDA would like to express concern about proposed amendments to the Bill which reduce and restrict the ability of migrant Australians to access financial support such as the Age Pension (AP) and Disability Support Pension (DSP). In particular, we would like to express concern with "Schedule 1 – Enhanced residency requirements of pensioners", and "Schedule 2 – Stopping the payment of pension supplement after 6 weeks overseas".

The Government itself has acknowledged that Australia is a migrant country, with approximately one in four Australians being born overseas¹ and with the proportion of Australians who were born overseas having reached the highest point in 120 years.

¹ Department of Social Services, 'Portfolio Budget Statements 2015-2016, Budget Related Paper No.1.15A, Social Services Portfolio', p40

According to recent figures by the Australian Bureau of Statistics (ABS)². 28 per cent of Australia's population - 6.6 million people - were born overseas. Nearly 40 per cent of Australians who receive the Age Pension were not born in Australia³.

Australians from CALD backgrounds have contributed positively to a socially cohesive and prosperous Australia through a myriad of means; economically, socially, through volunteer activities, business, and philanthropy. Migrants across their lifespans and with varying abilities have, through their communities, added much to the fabric of Australian society and culture.

It is therefore alarming to see a severe tightening of provisions to social services payments which will disadvantage a significant section of the Australian population who were born overseas and who maintain important ties with their places of birth. It is particularly alarming that those who will be most affected by these amendments are the most vulnerable of an already vulnerable cohort of the population – the elderly and people with disability.

Schedule 1 – Enhanced residency requirements for pensioners

The current residency requirements for eligibility to receive an AP or a DSP are, in the view of FECCA & NEDA, more than sufficiently strict. Recipients are currently required to demonstrate 10 years of aggregated residency which includes 'a continuous period of least 5 years within that aggregate'. The proposal to increase the residency requirements to stipulate that 'at least 5 years of the 10 years continuous Australian residency period must be during a person's working life (currently between 16 years of age and AP age)' will severely disadvantage the elderly and people with disability.

Australians from migrant backgrounds generally retire with lower superannuation because they are predominately in low waged employment during the course of their working lives. They face significant barriers to sustainable and steady employment including non-recognition of overseas qualifications, discriminatory hiring practices and racism. Retiring with lower superannuation means that Australians from migrant backgrounds are more likely to require income support in old age.

Furthermore, these measure will disproportionately affect women who frequently bear the brunt of family care responsibilities, who are more likely to require an AP due to insufficient superannuation, and, who are less likely to be able to satisfy a 'self-sufficiency test'. The self-sufficiency test is proposed 'where that 5 years working life test is not met then in order to demonstrate self-sufficiency a person would be required to have 10 years continuous Australian residency with greater than 5 years (in aggregate) relating to periods in which a person has not been in receipt of an activity tested income support payment'.

While it is commendable that access to a Special Benefit will be maintained for certain categories of individuals such as refugees, there will remain a significant number of extremely vulnerable Australians with no access to financial support in old age or after experiencing a life-altering disability. We believe that these measures will create a large cohort of people who have demonstrably fewer rights and access to social safety nets than other parts of the population. This is particularly the case for people with disability from migrant or refugee backgrounds as it prohibits their independence and forces them to be financially reliant on family members. We argue strongly that these measure are inequitable and do not contribute to social cohesion within Australian society.

² Australian Bureau of Statistics '3412.0 - Migration, Australia, 2014-15' 30 March 2016
<http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/3412.0Main%20Features32014-15?opendocument&tabname=Summary&prodno=3412.0&issue=2014-15&num=&view=>

³ Department of Social Services, 'Statistical Paper No.12: Income support customers: a statistical overview 2013'

Schedule 2 – Stopping the payment of pension supplement after 6 weeks overseas

The proposed amendment in Schedule 2 removes the supplement paid to recipients of the AP and DSP after a very short period of time overseas (6 weeks) even if the recipient is overseas temporarily. This amendment drastically reduces the income support for recipients of the AP and DSP who travel long distances to maintain connections with family members in their places of birth or in safe haven countries.

Furthermore, many Australians from migrant backgrounds are obliged to travel overseas to fulfil caring responsibilities for elderly family members. In particular, for older CALD Australians, this takes the form of accompanying elderly siblings and relatives in their final stages of life. FECCA & NEDA argue that it is cruel to place a time limit on this, especially a time limit as short as 6 weeks because it means that elderly CALD Australians will need to make decisions about abandoning unwell or dying family members for fear of losing significant income support.

ACOSS⁴, and other observers estimate that somewhere in the vicinity of 190,000 Australians will be affected by the proposed pension amendments. The measures, which will dramatically reduce the AP & DSP after six weeks overseas, will disproportionately impact migrant communities and impose undue hardship. We must remember that migration has made Australia great, and migrant Australians should not be punished in their older age or because of disability status.

Many of these Australians maintain strong connections through family and other networks in their countries of origin. These networks are of value to Australia for both economic and social reasons. For many CALD Australians the chance for extended visits with children, siblings or other family and friends living in countries of origin represent the only opportunity to support and be supported by these networks, in older stages of life. To drastically curtail pension entitlements after just six weeks, despite many years of loyalty to Australia, is to effectively punish CALD Australians for maintaining those familial bonds across time and vast distances.

Concluding remarks:

FECCA & NEDA believe that there is a substantial equity issue with a measure that effectively treats migrants differently to those born in Australia. All migrants regardless of age or disability status contribute to Australia's economy and rich cultural diversity. Therefore, FECCA & NEDA strongly oppose these discriminatory measures. The 2015 Global AgeWatch Index ranks Australia lowest in its region in the income security domain (62) due to high old age poverty rate (33.4%) and a pension income coverage (83%) below the regional average⁵. A recent OECD report found that more than one-third of Australian pensioners are living below the poverty line, ranking second lowest on income poverty rates by age in the OECD⁶. Similarly, it is known that 45% of people with disability in Australia live near or below the poverty line⁷. The proposed changes to the AP and the DSP would further weaken Australia's poor performance in this area.

⁴ACOSS 'Summary of new major MYEFO 2016-17 measures affecting low income households' <http://www.acoss.org.au/wp-content/uploads/2016/12/161219-Summary-of-major-MYEFO-2016.pdf>

⁵ Global AgeWatch Index 2015, *AgeWatch Report Card: Australia*, <http://www.helpage.org/global-agewatch/population-ageing-data/country-ageing-data/?country=Australia> (accessed 13 January 2016).

⁶OECD, *Pensions at a Glance 2015*, 171.

⁷PricewaterhouseCoopers, 2011, '*Disability expectations: Investing in a better life, a stronger Australia*', <https://www.pwc.com.au/industry/government/assets/disability-in-australia.pdf>

Accordingly, we request that the Members of the House reject the proposed amendments to the Social Services Legislation to ensure that vulnerable migrant and CALD Australians are not adversely affected when they travel overseas to maintain their connection to their families and birthplaces.

FECCA & NEDA would be glad to contribute in more detail on matters relating to culturally and linguistically diverse Australians. We are interested in bettering the experiences and outcomes for CALD community members as part of good citizenship and participation in democratic processes. For further information please contact FECCA Director Dr Emma Campbell emma@fecca.org.au or 02 6282 5755.