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

Inquiry into *Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017*

The Federation of Ethnic Communities' Councils of Australia (FECCA) is the national peak body representing Australia's culturally and linguistically diverse (CALD) communities and their organisations. FECCA provides advocacy, develops policy and promotes issues on behalf of its constituency to Government and the broader community. FECCA supports multiculturalism, community harmony, social justice and the rejection of all forms of discrimination and racism so as to build a productive and culturally rich Australian society. FECCA's policies are developed around the concepts of empowerment and inclusion and are formulated with the common good of all Australians in mind. FECCA thanks the committee for the opportunity to provide contribution to the current inquiry.

Key Message

FECCA opposes the proposed changes to the portability of benefits in relation to the Age Pension and a small number of other payments in the ***Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017***. If this legislation is passed, pension recipients will have their benefits reduced if they travel overseas for more than 6 weeks in a year according to the length of their Australian Working Life Residence. Those pension recipients who were born in Australia or have lived and worked in Australia for over 35 years ago will not. The portability measure is intended to reinforce and strengthen the residence-based nature of Australia's social security system. FECCA believes that there is a substantial equity issue with a measure that treats migrants differently to those born in Australia. All migrants contribute not only to Australia's economy but also its rich cultural diversity. There is no rationale for this action to treat some citizens differently from others. FECCA strongly opposes these discriminatory measures.

FECCA further opposes changes to the Pensioner Education Supplement and the Education Entry Payment. The supplementary payment is a modest one but is an important means of assisting disabled, widowed and carer Australians in furthering education, pursuing new career paths and engaging with community outside what can often be isolating

circumstances. The economic and social benefits of involvement in education are well documented. This is of particular importance to FECCA because of the representation of CALD Australians within these demographics. For example CALD Australians make up 25-30% of the country's carers,¹ with similar numbers of widowed Australians coming from CALD backgrounds.²

The proposed changes to Schedule 15 of the Act are also of concern to FECCA. The amendments impose a four week waiting period for a person under 25 assessed as job ready to be able to access income support. In many cases younger members of CALD communities are important providers to family units and the gap created by the waiting period will cause significant hardship. It is also the case that cultural and linguistic diversity can be a barrier to employment, and punitive measures unfairly impact people who already have multiple vulnerabilities. The effect of this provision is to impose undue economic burdens upon Australians already experiencing economic difficulty.

Effects of Proposed Changes

ACOSS,³ and other observers estimate that somewhere in the vicinity of 190,000 Australians will be affected by the proposed pension portability amendments. Currently pensioners can stay overseas for 26 weeks and receive their full pension. Following that time the pension is reduced to a rate that depends on the number of years they have resided in Australia. The proposed amendments in this bill will mean that after just six weeks overseas pensioners who have lived in Australia for less than 35 years of their working life will have their rate of pension reduced.

The proportion of Australians who were born overseas has hit its highest point in 120 years, with 28 per cent of Australia's population - 6.6 million people - born overseas, according to recent figures by the Australian Bureau of Statistics (ABS).⁴

The Australian Government already imposes waiting periods of ten years for people born overseas before they can access Age Pensions.⁵ Further disadvantaging measures, with a large group of people having a significantly lower level of rights than another part of the population, are inequitable and do not contribute to social cohesion within Australian society. Australians from CALD backgrounds have contributed through a vast myriad of means; economically, socially, through volunteer activities, providing carer's services and have, through their communities, added much to the fabric of Australian culture.

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, separated by vast distances. To reduce

¹ Carers Australia 'Culturally and Linguistically Diverse Carers' <http://carersaustralia.com.au/about-carers/culturally-and-linguistically-diverse-carers/>

² Australian Population and Migration Research Centre 'Demographic Data for Australia's Older Culturally and Linguistically Diverse Population by State and Territory and by Aged Care Planning Regions' https://agedcare.health.gov.au/sites/g/files/net1426f/documents/07_2015/cald_building_capacity_project_-_abs_demographic_data_and_analysis.pdf

³ ACOSS '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>

⁴ 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=>

⁵ Australian Government Department of Social Services 'Social Security Payments - Residence Criteria' 17 June 2016 <https://www.dss.gov.au/about-the-department/international/policy/social-security-payments-residence-criteria>

pension entitlements is to effectively contribute to the weakening of those familial bonds in rejection of that contribution. This is particularly egregious in the context of ageing Australians, severely disabled Australians and widowed Australians, all of whom are targeted by the provisions of this Bill in sections 1220A, 1220B and 1221 respectively.

Proposed Changes in a Global Context

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 average.⁶ 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 OECD.⁷ The proposed changes to the portability of benefits would further weaken Australia's performance in this area.

Conclusion

FECCA remains firmly opposed to the provisions of the ***Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017*** which purport to target migrant Australians in a discriminatory way, particularly those rendered most vulnerable by virtue of age, severe disability or widowhood. FECCA urges the committee to reject the passage of this Bill.

⁶ 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).

⁷ OECD, *Pensions at a Glance 2015*, 171.