



## **Submission to Senate Community Affairs Committee**

### ***Inquiry into the Social Services Legislation Amendment (Budget Repair) Bill 2015***

#### **Introduction**

The Chinese Australian Services Society Limited welcomes the opportunity to provide a submission to the Senate Inquiry into the Social Services Legislation Amendment (Budget Repair) Bill 2015.

As a long standing community organisation, our Society has been dedicated to assisting disadvantaged people from local communities and advocating on their behalf. We would like to share our views and experience with the Senate Standing Committees on Community Affairs in relation to the proposed changes in the Budget Repair Bill 2015.

Our submission is a reflection on the viewpoints and concerns that we received from our service users and people in our community, as well as observation and conclusions we made while delivering the services to our clients, who may potentially be affected by the proposed changes. This submission does not represent in any way the position of our Society as the organisation.

#### **About our organisation**

The Chinese Australian Services Society was founded in 1981. Its main service objective is to provide a wide range of welfare services to the community, and assist migrants to settle and integrate into the Australian society. The comprehensive range of community services and activities provided by our Society includes residential aged care, home ageing and disability services, vocational training, settlement and health, volunteering, and family and children services. Most of the services provided by us cover the whole of Metropolitan Sydney, with some covering the areas down to Wollongong. We serve the Chinese, Korean, Indonesian, Vietnamese, people from other CALD communities, as well as mainstream Australians. More than 2,300 families access our services and activities weekly.

#### **The views that we would like to bring to the attention of the Senate on the Budget Repair Bill 2015**

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*“From 1 January 2017, amendments are made to reduce, from 26 weeks to six weeks, the length of time for which recipients of age pension and a small number of other payments with unlimited portability will generally be paid their basic means-tested rate while outside Australia. After six weeks, payment will be adjusted according to the length of the pensioner’s Australian working life residence.”*

Our organisation supports the proposed amendment. We believe this will allow for the aged population to develop a stronger tie with Australia. We also consider this proposal to be economically sound because it can enable the Government to allocate its limited resources to deal with more pressing social issues. This measure can therefore strengthen the long-term financial sustainability of the Australian welfare system.

Nevertheless, because the growing aged population has steadily become a disadvantaged group in our society, the Government should take measures to ensure that older Australians are not disadvantaged further by this change while they are overseas. Because of the entirely different environment in other countries, any type of unforeseeable and uncontrollable situation can



happen while they are abroad. There could be a situation, when they are unable to return to Australia during an overseas trip due to a particular reason, such as a serious accident, medical emergency or natural disaster. This needs to be considered when changes are made to their payment.

Therefore, we would like to suggest the Government adding a mechanism to increase the six-week period under special circumstances. However, the approval for such stipulation should be granted only after careful considerations are made. This approval should cover not only the basic pension or other major payments, but also different types of payment supplements. This can ensure that while abroad older Australians in special circumstances are better protected from being unreasonably cut from their full income.

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*“From 1 January 2016, the Budget Repair Bill will cease the pensioner education supplement and education entry payment. “*

We support this Government initiative to refine the income support system and reduce those payment supplements that are no longer viable. We, however, would like to express a few of our concerns arising from the proposed changes.

Historically, the community sector heavily relies on the help of volunteers. According to the experience of our organisation, a significant proportion of our volunteers are people who are not in the workforce, including retirees and people who are not employed. From our perspective, the productivity of the community sector and potentially, other sectors relies highly on people who receive income support from the Government.

We believe that the support to people seeking employment should not be significantly affected in the change. The Government must recognise the importance of supporting the appropriate training and education for the employment. If job seekers are unable to complete their studies, their chances to be employed in the workforce will be reduced. According to our experience, people generally consider the current income support system, including the main payment types and payment supplements, complicated to comprehend. Applying for additional educational supplement programs can be stressful, and some people might have difficulties completing the studies because they struggle with associated costs. This is especially a problem for people from CALD backgrounds. Furthermore, some of them often give up on training / education half-way, because they are unable to get the right support. We suggest that further work should be done to simplify the system to allow for an easier access to education payments and supplements.

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In addition, because pensioner education supplement will not be available to people receiving aged pension any more under the proposed change, we would like the Government to continue to support senior members in the society to receive further education through other means or support. There is evidence that active participation in social and community life improves the life quality and in some cases, the life expectancy of older people. This participation often depends on the self-development of senior citizens and the existence of appropriate support for learning.

The benefit of education is especially evident in the prevention of dementia-spectrum disorders. There is research support that “with those engaging in more mentally stimulating activity through education, work or leisure found to have around half the risk of developing dementia” [1]. There is also evidence, showing that “a lower risk of developing dementia is associated with higher levels of education, more mentally demanding occupations and participating in more intellectually stimulating leisure activities” [2: 3].



Besides dementia, the benefit of education can also be extended to other chronic diseases. “Preventative health is becoming a major focus of health policy makers. Similar evidence as presented here for dementia exists for the savings, in terms of numbers of people affected and dollars, that are achievable by preventative approaches to other chronic diseases”[2: 10] .

The Government should recognise the potential risk of reducing educational supplements, particularly on the personal development and health of older Australians. We encourage the contemplation of an easier and more transparent system to support their education opportunities.

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*“This Bill also reintroduces 2014 budget measures to Australian Government payments:*

- *To maintain at level for three years the income free areas for all working age allowances (other than student payments) and for parenting payment single – from a new start date of 1 July 2016;*
- *To maintain at level for three years the income free areas and other means test thresholds for student payments, including the student income bank limits – from 1 January 2016.*

*The indexation to recommence in 2019.”*

We commend this measure for working towards the sustainability of our payments system. However, we would like to suggest that the Government should also consider the implications of maintaining the payments at level, which decreases the support to people who are in need in real terms.

Freezing the allowances will severely influence some payment receivers, especially those with children. It may mean families will not be able to afford the basic products that they previously purchased due to inflation. We deliberate the system should allow for some flexibility for families which are in special hardship.

## **Conclusion**

In this submission, we included the feedback that we received from people in our community and our staff members. We believe that in order to gain full support from citizens on the proposed changes, the Government must strike a right balance between economic considerations and cohesiveness of our community, without overlooking the interests of the disadvantaged individuals. We trust that our Government is doing its best to achieve this balance.

We would appreciate if the Government takes into account the viewpoints and concerns raised in this submission. We are happy to have a further discussion to elaborate these viewpoints and concerns.

## **References**

1. Alzheimer’s Australia, Paper 21. (2010) Towards a National Dementia Preventative Health Strategy (p.10).
2. Farrow M. (2010) Towards a Dementia Prevention Policy for Australia: Implications of the Current Evidence, An Australian Government Initiative (p.3, p.10)