



Submission to Senate Community Affairs Committee

Inquiry into the Social Services Legislation Amendment (Budget Repair) Bill 2016

Introduction

The Chinese Australian Services Society Limited (commonly known as “CASS”) welcomes the opportunity to provide a submission on the Social Services Legislation Amendment (Budget Repair) Bill 2016.

As a long standing community organisation, CASS 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 Community Affairs Committee on the Social Services Legislation Amendment (Budget Repair) Bill 2016.

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 services to our clients, who may potentially be affected by the amendments. This submission does not represent in any way the position of CASS as the organisation.

About Our Organisation

CASS 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 CASS includes residential aged care, home ageing services, disability services, vocational training, settlement and health, volunteering, and family and children services. Most of the services we provide 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 2,400 families access our services and activities weekly.

Further to our submission to Senate Community Affairs Committee in regard to the Social Services Legislation Amendment (Budget Repair) Bill 2015 in January this year, we would like to offer additional comments on the proposed amendments in Budget Repair Bill 2016.



Our View For The Senate

“..., this Schedule reduces from 26 weeks to six weeks the period during which age pension, and a small number of other payments with unlimited portability, can be paid outside Australia at the basic means-tested rate. After six weeks, payment will be adjusted according to the length of the pensioner’s Australian working life residence.”

CASS maintains supporting the proposed amendment, and believes that it enables the Government to allocate limited resources to deal with more pressing social issues. However, the Government should re-consider the reduction from 26 weeks to 6 weeks the period which age pension can be paid outside Australia. Considering that it is quite a sharp drop of entitlement for age pension recipients, we suggest taking an intermediate position, or adopting a soft landing approach in the execution of the proposed change. Instead of reducing the period from 26 weeks to 6 weeks, we suggest a mild change, for instance, reducing the period from 26 weeks to 18 weeks in the first stage of implementation, thus causing less psychological and financial stress on age pension recipients.

Nevertheless, because the growing aged population has steadily become a disadvantaged group in our society, the Government should ensure that older Australians are not disadvantaged further by this change while they are overseas. Under certain unforeseeable and uncontrollable circumstances, such as major accident, medical emergency or natural disaster, age pension recipients may not be able to return to Australia as scheduled.

Therefore, we would like to suggest the Government adding a mechanism to grant a buffer period after the cut-off point under special circumstances. However, the approval for such stipulation should be granted only after making careful considerations. 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 off from their full income.

“This Schedule ceases pensioner education supplement from 1 January or 1 July after the day the Act receives Royal Assent.”

“This Schedule ceases the education entry payment from the 1 January or 1 July after the Act receives Royal Assent.”



We would like to express our concerns arising from these two amendments. Although there are other channels of support to improve recipient's employment prospect through study or training, we believe these amendments have a negative impact on the community sector.

First of all, 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 by the change. The Government must recognise the importance of supporting the appropriate training and education for employment. If job seekers are unable to complete their studies due to the lack of appropriate support, their chances of being employed in the workforce will be reduced.

In addition, because pensioner education supplement will not be available to people receiving aged pension any more under the proposed change, we urge 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 quality of life and in many 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 supporting that "with those engaging in more mentally stimulating activity through education, work or leisure found to have around half the risk of developing dementia". 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".

Besides dementia, the benefits 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".



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

“This Schedule implements the following changes to Australian Government payments:

- maintain at level for three years from 1 July of the first financial year beginning on or after the Act receives Royal Assent the income free areas for all working age allowances (other than student payments) and for parenting payment single; and*
- maintain at level for three years from 1 January of the first calendar year beginning on or after the Act receives Royal Assent the income free areas and other means test thresholds for student payments, including the student income bank limits.”*

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

Conclusion

In this submission, we have included the feedback that we received from people in our community, including our volunteers and 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)