



**Social Services Legislation Amendment (Payment Integrity) Bill 2017**  
**Senate Community Affairs Legislation Committee**  
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**Volunteering Australia Contacts**

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## Social Services Legislation Amendment (Payment Integrity) Bill 2017

### **About Volunteering Australia**

Volunteering Australia is the national peak body for volunteering. We work to advance volunteering in the Australian community.

Volunteering Australia's vision is to promote strong, connected communities through volunteering. Our mission is to lead, strengthen, promote and celebrate volunteering in Australia.

We work collectively with the seven State and Territory volunteering peak bodies to deliver national, state/territory and local volunteering programs and initiatives in accordance with the Government's priorities.

### **Introduction**

Volunteering Australia welcomes the opportunity to provide comment on the *Social Services Legislation Amendment (Payment Integrity) Bill 2017* to the Senate Community Affairs Legislation Committee.

Currently, to be eligible for the Age Pension or Disability Support Pension (DSP), a claimant must have:

- 10 years' continuous Australian residence at any point in the past, or
- A total of at least 10 years' Australian residence over two or more periods, with at least five years served continuously.

Volunteering Australia's submission focuses on Schedule 1 and 2 of the Bill.

Schedule 1 seeks to enhance the residency criteria for the Age Pension and Disability Support Pension (DSP), by amending the *Social Security Act 1991* (Cth) from 1 July 2018. There are limited exceptions to this requirement. To be eligible, a person must have:

- 10 years' continuous Australian residence, with at least five years during their Australian working life (between 16 and age pension age) or
- If less than five years working age residence, 10 years' continuous Australian residence and less than five years' cumulative receipt of activity tested income support payments or
- 15 years' continuous Australian residence.

Schedule 2 seeks to stop payment of pension supplement after six weeks overseas.

- This would affect recipients of the Age Pension, Disability Support Pension, and certain recipients of Wife and Widow B Pensions.

Other measures in the Bill:

- More consistent treatment of income for families receiving Family Tax Benefit A.
- To expand the maximum Liquid Assets Waiting Period from 13 weeks to 26 weeks.<sup>i</sup>

While the Government has stated that existing exemptions to residency requirements will be preserved, the proposed changes to residency requirements are only estimated at reducing \$119 million from pension payments over the forward estimates.



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The Government has argued that by strengthening the requirements for eligibility, it will “ensure that people have established a significant connection with Australia during their working life or are self-sufficient for a reasonable period of time before qualifying for the Age Pension or Disability Support Pension.”<sup>ii</sup>

Volunteering Australia is opposed to these punitive proposals. Our response stresses the social, cultural and economic value, and contributions of volunteering to Australian society, and that volunteering can also help to establish a “significant connection with Australia”.<sup>iii</sup>



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### **Volunteering Australia Response**

#### Overview

The proposed measures outlined in Schedule 1 and 2 of the Bill are aimed at requiring future pension applicants to have a stronger connection with Australia before being granted the Age Pension or Disability Support Pension (DSP).

While it is estimated that only 2390 new claimants will be affected each year over the forward estimates by having their eligibility for the Age Pension or DSP delayed, these measures have the potential to entrench a vulnerable group into poverty.

There are individuals that will not be able to meet the ten years' continuous residency requirements because they may need to travel overseas to see relatives, or have lived in Australia intermittently. This could lead to a person being denied a pension for living overseas for some time, or having to wait to receive the pension until they are 80 before being eligible. If this Schedule is passed, it must also consider portability changes in social security legislation, and the effect it would have on those currently overseas.

Volunteering Australia is also concerned that the denial of a pension to those who may have previously received an activity-tested payment for five-years or more (such as Austudy, Newstart, Youth Allowance or a Special Benefit), may also risk entrenching this group into poverty.

The *2016 Willing to Work National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability* highlighted that in relation to culturally and linguistically diverse people (CALD), "The combination of a 'strange' surname, heavy accent, qualifications that are not recognised in Australia and the fact that they are nearing conventional retirement age effectively place many older CALD people at the back of the queue in trying to access the job market..."<sup>iv</sup> To punitively deny a pension to a group that may have gaps in their employment, for reasons beyond their control, is unfair.

Volunteering Australia emphasises that adequate recognition of the value of volunteering needs to be applied, given the enormous social, cultural and economic benefits it offers to the Australian community.

#### Volunteerism in Australia

Volunteering Australia stresses the profound economic, social and cultural value of volunteering, and its unique role in ensuring people have a "reasonable connection" with the Australian economy and society.

Volunteering continues to engage Australians in increasingly diverse and significant ways. It plays a central role in Australia's national identity, making an annual economic and social contribution of \$290 billion.<sup>v</sup> Recent data indicates there are 5.8 million Australians or 31 per cent of the population who are engaged in formal volunteering activities and programs.<sup>vi</sup>

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Data released from the 2016 Census reveals that:

- Women are traditionally, most likely to volunteer, compared to men.<sup>vii</sup>
- The rates of volunteering are highest among males aged 45-54 years at 302,612 people.
- The rates of volunteering are highest among women aged 35-44 at 399,889 people.
- Overall, the rates of volunteering are highest in the 45-54 age group at 679,602 people.<sup>viii</sup>
- The three most dominant age groups that are engaged in volunteering are between the ages of 15-19, 35-49, and 65-74 years of age.<sup>ix</sup>

Volunteering is critical in delivering on the Australian Government's priorities of building strong and resilient communities, by encouraging economic participation, mitigating isolation and loneliness, and increasing social inclusion, community participation and social cohesion.

A 2011 Victorian Government report on the *Indicators of Community Strength in Victoria: Framework and Evidence* stressed that volunteering is a form of civic participation that creates 'bridging networks', and generates positive social practices that strengthens communities by fostering positive social norms, spreads information and innovation, and provides mechanisms for collective problem solving.<sup>x</sup>

Volunteerism has profound social and cultural effects for local communities, and can assist with the integration and settlement of new migrants. It contributes toward the inclusion of migrant communities by fostering community engagement. Volunteering encourages groups to stay active, improve English language skills, connect with their local communities, and provides an important step toward improving multicultural engagement.

The social capital derived from volunteer engagement is noteworthy, and can be particularly useful for:

- People who have recently moved to a new area, by allowing them to establish new friendship circles.
- Those looking for professional development opportunities. Volunteering can provide a great way to develop skills or apply their skills to a role, or to give back to the community.
- Providing an opportunity for people with disability, who may be precluded from certain activities, to become more engaged with the community.
- Providing additional linkages for older Australians and people with mental health issues to engage with their local community, thereby reducing social isolation.

Volunteers gain valuable skills and develop personally and professionally from their involvement in volunteering activities, with research indicating that those who volunteer are happier and healthier individuals. Recent studies have indicated that 96 per cent of volunteers say that engaging in volunteering "makes people happier"<sup>xi</sup>, while 95 per cent of volunteers say that volunteering is related to feelings of wellbeing.<sup>xii</sup>

A few hours of volunteer work has an impact on an individual's happiness and mood,<sup>xiii</sup> and sustained volunteering is associated with better mental health.<sup>xiv</sup> Furthermore, the experience of helping others provides meaning, a sense of self-worth, a social role and health enhancement.<sup>xv</sup>



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Volunteers have also identified personal benefits from their involvement in volunteering activities including, “improved wellbeing and a community connection, and (they) believe they have made a notable contribution to common good.”<sup>xvi</sup>

It is the view of Volunteering Australia that Schedule 1 and 2 of the Bill punitively targets a select group of individuals, and does not consider the valuable unpaid\* contributions, such as volunteering. Volunteering Australia restates to the Committee, the profound economic, social and cultural impacts that volunteering has on Australian communities.

### Recognition of Volunteering

The Government claims the proposed measures will ensure that people have a reasonable connection with the Australian economy and society before being granted a permanent pension payment. It is the view of Volunteering Australia that Age and Disability Support Pension recipients should not be obligated to be working continuously to be considered reasonably contributing to society.

The Government must recognise that value of Australia’s voluntary contributions in providing a reasonable connection to the country, and ensure that this input is valued equally of that of paid workers.

#### Case Study

*‘Despite rhetoric that the contribution of volunteers is valued equally with contributions of paid staff there are still many organisations who treat volunteers as individuals who will do all the tasks staff do not want to do.’*

*Source: State of Volunteering in Australia 2016*

The 2011 Victorian Government report on the *Indicators of Community Strength in Victoria: Framework and Evidence*, found that volunteering is a potential pathway to employment, by increasing workforce participation, and connecting people to career paths that are better paid and more stable.<sup>xvii</sup>

Volunteering Australia acknowledges this role of volunteering as a potential pathway to employment. It can be valuable in assisting migrants to engage with the workforce and build key employable skills. This is significant given older people from CALD backgrounds face multiple barriers in the labour market, such as discrimination.

However, Volunteering Australia’s *State of Volunteering in Australia 2016* report identified that there needs to be more recognition of the “economic impact of the contribution of volunteering”.<sup>xviii</sup>

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\* While volunteering is “time willingly given for the common good and without financial gain”, volunteering is not free, coming at significant cost to the volunteering sector.

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Case Study

*'In my experience, both complacency and ignorance of the enormous value volunteers contribute results in a lack of regard of volunteers as strategic assets.'*

*Source: State of Volunteering in Australia 2016*

The report also highlighted that 16 per cent of volunteers felt their experience in their volunteering role could be improved through better recognition of their contribution.<sup>xix</sup>

Schedule 1 and 2 of the Bill fail to acknowledge the voluntary contributions of individuals to society, placing undue weight onto paid work over volunteering. Furthermore, imposing these measures on this group is inequitable and does not cultivate social cohesion in Australian society.

Volunteering Australia is of the view that the Government should recognise the economic, social and cultural value of volunteering, and recommends to the Committee that this Bill not be passed in its current form.



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### **Summary of Recommendations**

- Volunteering Australia recommends that Schedule 1 (Enhanced residency requirements for pensioners) is not passed.
- We recommend the Committee does not pass Schedule 2 (Stopping payment of pension supplement after six weeks overseas), given the detrimental effects that ceasing payments will have on welfare recipients.
- Volunteering Australia recommends that the Committee recognise the value of Australia's voluntary contributions (social, economic, and cultural) in providing a reasonable connection to the country, and ensure that this contribution is valued equally with that of paid workers.
- We recommend that the Committee does not pass this Bill in its current form.

### **Conclusion**

Volunteering Australia thanks the Committee for the opportunity to provide comment on the *Social Services Legislation Amendment (Payment Integrity) Bill 2017*.

Volunteering Australia reiterates our opposition to Schedule 1 and 2 of this Bill, and recommends to the Committee that it should not be passed, given the profound effect it will have on the target group. We suggest that the Committee contemplate the value of volunteering when considering whether to pass these Schedules.

We are committed to working with the relevant agencies to promote the economic, social, and cultural value of volunteering in the community. Volunteering extends to every sector in society, including the arts, education, emergency services, sports, environment, health, aged care, disability, and community welfare. It has woven itself into the fabric of everyday life, and Australian society is increasingly dependent on volunteering activities and programs.

Volunteering Australia would welcome further opportunity to consult or expand on any of our recommendations raised in this response.



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### Authorisation

This submission has been authorised by the Chief Executive Officer of Volunteering Australia.

#### **Ms Adrienne Picone**

Chief Executive Officer

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### Endorsements

This submission has been endorsed by the seven State and Territory volunteering peak bodies.

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### Glossary

<b>VA</b>	Volunteering Australia is the national peak body for volunteering in Australia. It works collectively with the peaks to deliver national, state and local volunteering programs and initiatives.
<b>VIOs</b>	Volunteer-involving organisations are organisations that utilise volunteers as part of their workforce.
<b>VSSs</b>	Volunteer support services (also known as volunteer resource centres or volunteer support organisations) provide place-based volunteer support services to volunteers and VIOs in their locality.

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<sup>i</sup> National Social Security Rights Network (2017), Budget 2017 – Resident Rules for Pensions, <http://www.nssrn.org.au/wp/wp-content/uploads/2017/05/Budget-2017-residence-rules-for-pensions.pdf>.

<sup>ii</sup> Explanatory memorandum.

<sup>iii</sup> Explanatory memorandum.

<sup>iv</sup> Australian Human Rights Commission (2016), Willing to Work National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability, Willing to Work National Inquiry, [http://www.humanrights.gov.au/sites/default/files/document/publication/WTW\\_2016\\_Full\\_Report\\_AHRC\\_ac.pdf](http://www.humanrights.gov.au/sites/default/files/document/publication/WTW_2016_Full_Report_AHRC_ac.pdf), p73.

<sup>v</sup> Flinders University (31 October 2014) 'Volunteering worth \$290 billion a year', <http://blogs.flinders.edu.au/flinders-news/2014/10/31/volunteering-worth-290-billion-a-year>

<sup>vi</sup> Australian Bureau of Statistics (2015) 'General Social Survey: Summary Results, Australia, 2014', available online at <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4159.0>.



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- <sup>vii</sup> Australian Bureau of Statistics (2016), 2016 Census QuickStats, 2016 Census, [http://www.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/036?opendocument](http://www.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/036?opendocument).
- <sup>viii</sup> Australian Bureau of Statistics (2016), 2016 Census of Population and Housing, G19 Voluntary work for an organisation or group by age by sex, 2016 Census.
- <sup>ix</sup> Australian Bureau of Statistics (2016), Volunteered in previous 12 months, Census Data Release, [http://www.abs.gov.au/websitedbs/d3310114.nsf/home/2016+Census+Data+Seminar+Presentations/\\$File/Presentation+slides+for+Canberra+Seminar.pdf](http://www.abs.gov.au/websitedbs/d3310114.nsf/home/2016+Census+Data+Seminar+Presentations/$File/Presentation+slides+for+Canberra+Seminar.pdf).
- <sup>x</sup> Victorian Government (2011), Indicators of Community Strength in Victoria: Framework and Evidence, Department of Planning and Community Development, 2011, p10-11.
- <sup>xi</sup> Post, S. G. 2011, 'It's good to be good: 2011 5th annual scientific report on health, happiness and helping others', The International Journal of Person Centred Medicine, vol. 1, no. 4, p814.
- <sup>xii</sup> Volunteering ACT, 2013, 'Selfless Service: The State of Volunteering Report in the ACT 2013', p6.
- <sup>xiii</sup> Post, S. G. 2011, op. cit., p816.
- <sup>xiv</sup> Musick, M. A. and Wilson, J. 2003, 'Volunteering and depression: the role of psychological and social resources in different age groups', Social Science and Medicine, vol. 56, p267.
- <sup>xv</sup> Post, S. G. 2011, op. cit., p814.
- <sup>xvi</sup> Volunteering Australia and PwC (2016) 2016 State of Volunteering in Australia, <https://www.volunteeringaustralia.org/wp-content/uploads/State-of-Volunteering-in-Australia-full-report.pdf>, p32.
- <sup>xvii</sup> Indicators of Community Strength in Victoria, op. cit., p17.
- <sup>xviii</sup> Volunteering Australia and PwC (2016) 2016 State of Volunteering in Australia, <https://www.volunteeringaustralia.org/wp-content/uploads/State-of-Volunteering-in-Australia-full-report.pdf>, pix.
- <sup>xix</sup> Volunteering Australia and PwC (2016) 2016 State of Volunteering in Australia, <https://www.volunteeringaustralia.org/wp-content/uploads/State-of-Volunteering-in-Australia-full-report.pdf>, p26.