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Jeanette Radcliffe  
Committee Secretary  
Senate Standing Committee on Community Affairs  
Parliament House  
Canberra ACT 2600

Dear Jeanette,

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

Thank you for the opportunity to contribute to this Inquiry, and my apologies for our late submission.

COTA Australia is the national policy organisation of the State and Territory COTAs (Councils on the Ageing) in each of the eight States and Territories of Australia that make up the COTA Federation. The COTA Federation is the national consumer peak body for older Australians and its more than 1,000 seniors' organisation members represent over 500,000 older Australians, in addition to over 30,000 individual members.

We focus on national policy issues from the perspective of older people as citizens and consumers and we seek to promote, improve and protect the circumstances and wellbeing of older people in Australia.

In its post Budget analysis of the 2015 Federal Budget COTA Australia indicated its opposition to the measure set out in Schedule 1 of this Bill to *Reduce Portability of Pensions Outside of Australia*.

Schedule 1 of the bill proposes that from 1 January 2017, the period during which the age pension and a small number of other payments, can be paid outside Australia at the basic means-tested rate be reduced from 26 weeks to six weeks. After six weeks, payment will be adjusted according to the length of the pensioner's Australian working life residence under 35 years.

COTA believes that this measure is excessively punitive and inequitable in its impact on Australians not born in this country and who maintain cultural and familial ties to their place of birth. As around 40 per cent of Age Pensioners were not born in Australia the impact of the measure is likely to be significant and unfairly borne by one segment of our community.

We know from our members and constituency that it is not unusual for older Australians born overseas to take 'the one big trip' to their country of birth when their working lives are over. They make the most of their time there, given the cost of travel, spending an

extended period seeing family and friends before returning to Australia. COTA does not see this as unreasonable.

We are also aware that some retirees, particularly in later life, travel to their country of origin when a relative or close friend is gravely or terminally ill, or indeed when they themselves may be in such circumstance and would benefit from care and support from family members that is not available to them in Australia.

As we all know, the length of time involved in such situations is unpredictable. Australians born outside this country should be allowed the same flexibility as those born inside Australia to take the time needed to attend to these important personal events and needs.

Australia has benefited enormously both economically and culturally from the contribution of migrants and it is a small price to pay to allow them an extended visit to their original home country without endangering income support entitlements. Radically reducing the period that they can receive their Age Pension overseas from 26 weeks to just 6 weeks (before potentially experiencing a significant drop in income support) will frequently fundamentally and unfairly alter the potential value of their travel. While some time limit is reasonable a reduction to six weeks is unreasonable.

The Explanatory Memorandum argues that the measure will reinforce and strengthen the residence-based nature of Australia's social security system. This implies that the goal of the measure is to reduce expenditure on those migrants who return to their countries of origin to reside for significant periods or permanently. COTA is concerned that an unintended consequence of the proposed measure is that it is likely to harm those Australians who are simply visiting their place of birth for a long holiday or personal needs. Clearly, earlier policy makers understood that a 26 week limit allows more reasonably for these circumstances.

As our colleagues at both FECCA and ACOSS have stated in their submissions to this Inquiry, the impact of the proposed changes will be greatest on those with the least income and fewest assets who are full Age Pensioners.

COTA Australia asks the Committee to oppose the measure contained in Schedule 1 of the Bill.

Yours sincerely

Ian Yates AM  
**Chief Executive**