



**Committee Secretary**

**Standing Committee on Community Affairs**

**Legislation Committee**

**Department of the Senate**

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**Dear Sir/Madam**

**Submission in Response to the**

**Inquiry into the Social Services Legislation Amendment (Payment Integrity) Bill 2017**

**Introduction**

The Chinese Australian Services Society Limited (commonly known as “CASS” in the community) welcomes the opportunity to provide a submission in response to the Inquiry into the Social Services Legislation Amendment (Payment Integrity) Bill 2017.

As a long standing community organisation, CASS has been dedicated to assisting disadvantaged people from local communities and advocating on their behalf. Our submission is a reflection of the views 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 are significantly affected by Australia’s welfare payment measures. This submission does not represent in any way the position of CASS as the organisation.

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## **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 include 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 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.

## **Our response to the Inquiry into the Social Services Legislation Amendment (Payment Integrity) Bill 2017**

### 1) Schedule 1 – Enhanced residency requirements for pensioners

Amendments made by this Schedule will enhance the current residency requirements for the Age Pension (AP) and the Disability Support Pension (DSP) and introduce a self-sufficiency test. Under the enhanced residency requirements, at least 5 years of the 10 years continuous Australian residency period must be during a person's working life. If the 5 years working life test is not met then in order to demonstrate self-sufficiency a person would be required to have 10 years continuous Australian residency with greater than 5 years relating to a period in which a person has not been in receipt of an activity tested income support payment. Failing to meet either of the aforementioned requirements, then at least 15 years of continuous Australian residency will satisfy residency requirements for AP and DSP under the proposed changes.



We believe the proposed changes are unreasonable and are not compatible with human rights. The new requirements will particularly disadvantage people with disability and senior migrants with financial difficulties. In our experience working with migrants, many elderly migrants, especially those with Age Parents Visa (103 and 804), had been waiting for over 10 years since their application before they were finally granted the visa. Most of them would have passed the golden age of employment when they arrive in Australia. Under the current policy, they have to wait for 10 years before they are eligible for the Age Pension. Ten years is already a long period, especially for those experiencing financial difficulties. Extending the Australian residency period to 15 years will definitely give additional pressure to these elderly migrants who will then have to depend on their children for financial support, creating further stress for these families when the cost of living is already rising.

Many elderly migrants may be helping in domestic chores after migrating to Australia. They may get themselves involved in voluntary work – which we often come across in our community. So, they are contributing to Australia but their efforts are not getting any payment as all the work they do is not a paid employment. After 10 years of being here, it is time for the Australian community to show support to them. Prolonging the eligibility criteria from 10 years to 15 years is a punishment on them and ignore their contribution.

Australia benefits from the migration of the sons and daughters of our elderly migrants in building this Nation. The focus on the eligibility of elderly migrants in getting social welfare payment should also take into account of the contributions of the sons and daughters of the elderly migrants. The current requirement of 10 years waiting period is already long enough, to increase the period to 15 years sends out a very inhumane message.



We strongly object to the proposed amendments. We believe the current residency requirements already serve its purpose.

2) Schedule 2 – Stopping the payment of pension supplement after 6 weeks overseas

Currently, the pension supplement basic amount remains payable until 26 weeks temporary absence overseas. The Schedule proposes to stop the payment of pension supplement after 6 weeks temporary absence overseas and immediately for permanent departments. While we agree to the stopping of payment for permanent departures, we believe stopping the payment after 6 weeks temporary absence overseas is too soon.

When working with elderly migrants, we find that many of them still have children and family overseas. Those with limited finances will not be able to make regular short visits overseas. Instead they would have to save up to make a longer visit (usually more than 6 weeks) so as to maximize their precious overseas visit to their family and relatives in their home country. The proposed changes to cutting payment after 6 weeks overseas will certainly affect these elderly migrants with limited financial resources.

Instead of cutting off the payment after 6 weeks, we would suggest ‘reducing the payment after 6 weeks until 18 weeks, and stopping the payment of pension supplement after 18 weeks.’

3) Schedule 3 – Taper rate for Part A rate of family tax benefit (Method 2)

The current income test for method 1 applies a 20% taper in relation to adjusted taxable income (ATI) above the lower income free area. The Schedule proposes altering the way in which the



method 1 rate is worked out for the purposes of comparison under method 2 so that a 30% taper applies in relation to ATI that exceeds the higher income free area.

Applying a 30% taper instead of 20% will certainly lower the amount of assistance the family is to receive. The purpose of family tax benefit is to assist families with dependents in their daily living costs. While the cost of living is rising and many families are at risk of financial hardships, we do not understand why a new calculation method is introduced to reduce assistance.

We object to the change of taper rate and urge that the current income test for method 1 be maintained.

#### 4) Schedule 4 – Liquid assets test waiting period

The amendments made by this schedule increase the maximum liquid assets test waiting period from 13 weeks to 26 weeks. The longer maximum liquid assets test waiting period applies to claims for Youth Allowance, Austudy, Newstart Allowance or Sickness Allowance. There is no explanation as to why such an increase in waiting period is needed and whether the maximum amount of liquid assets will be increased to match the increased waiting period. Currently, if an individual has an amount of \$11,500 (\$23,000 for one with partner or dependents) of liquid assets, he/she will be subjected to a waiting period of 13 weeks. If this amount is not proportionally increased, we cannot see how this person could meet basic living costs in Sydney or Melbourne for 26 weeks. The proposed changes are punishing measures for people who are already in financial crisis and the most vulnerable.

We object to the proposed changes and urge that the current waiting period be maintained.



## **Conclusion**

We welcome the opportunity to provide feedback to the Inquiry into the Social Services Legislation Amendment (Payment Integrity) Bill 2017. In this submission, we have included the feedback that we received from people in our community, including volunteers and staff members. We would appreciate if the Committee 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 and we consent to our submission made public.

Tony Pang

Deputy Chair/Secretary

CASS Group