

Dear Senators,

I would like to include this addendum into my original submission sent on the 20th July 2014.

I would like to draw the Committee's attention to the research document published by the Department of Families, Community Services (FaCS). on Cost-benefit analysis of portability policy. Ref:

www.dss.gov.au/about-the-department/publications-articles/research-publications/social-policy-research-paper-series/number-16-cost-benefit-analysis-of-portability-policy?HTML#t4_4

This is a highly detailed, and very well researched document which is in complete contrast to what the current government claims: "The Government will achieve savings of \$12.3 million over five years by reducing the amount of time Disability Support Pension "

ref: www.budget.gov.au/2014-15/content/bp2/html/bp2_expense-21.htm

The current government has no explanation, none whatsoever on how they came to this conclusion.

The research document by Department of Families, Community Services however provide a very thorough explanation on savings on portability:

3.3: Cost of overseas pensions

The overseas pension rate is, on average, lower than the domestic rate because of the proportionalisation of the rate.¹⁹ In addition, ancillary benefits payable to pensioners in Australia such as rent assistance, pharmaceutical allowance and remote area allowance were not paid overseas until 20 September 2000. The average overseas entitlement is consistently lower than domestic entitlement and the difference has increased in recent years. In 1998-99, the average domestic rate for Age Pension was \$8 157 a year compared to \$7 500 for pensioners overseas.

4.4: Concluding remarks

In contrast, long-term portability changes this situation dramatically in terms of savings. Savings arising from the lower average rate of overseas payment in comparison to the average domestic rate and savings from reduced costs on health and social welfare infrastructure significantly outweigh the cost of payments to the same number of pensioners, were they to decide to stay in the country.

This document clearly proves that this bill is based on false claims, inaccurate facts and is not backed up by any relevant research.

I would also like to draw the Committee's attention to the False or misleading claims act:

Any statement representing your products or services should be true, accurate and able to be substantiated.

www.accc.gov.au/business/advertising-promoting-your-business/false-or-misleading-claims

Therefore I'm asking the Committee to oppose the proposal for further reducing the portability, based on the facts above and on the facts stated in my original submission.

Yours Sincerely,

Esther Czedik

Disability Support Pension and Carers Alliance