



10<sup>th</sup> March 2022

Committee Secretary  
Joint Standing Committee on Treaties  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Dear Sir,

**Free Trade Agreement between Australia and the United Kingdom of Great Britain and Northern Ireland (“The FTA”)**

I welcome this opportunity to make a submission to JSCOT on the FTA.

There are many aspects of the FTA that we can all support.

In particular, Chapter 11 and related commitments will provide the basis for UK Citizens to access streamlined visa opportunities to Australia and there will be increased opportunities for Australians to work in Agriculture in the UK. We note the Australian and UK Governments have agreed to make changes to youth mobility arrangements on a reciprocal basis, with joint commitments to extend opportunities to participate up to age 35, the possibility of three-year stays, and no specified work requirements on participants.

These changes will do much to bind our two countries together for the long-term benefit of both countries. In addition to the skills the participants will develop, the social and other interactions made during these exchanges of young people will provide life-long connections and create much goodwill between Australia and the UK.

However, we believe the Australian Government would be derelict in its responsibility to the young Australians benefiting from these changes if it did not warn them that the UK freezes the UK State Pension paid to Australians.

Pensions may be far from the minds of young people when they are distracted by the excitement of the opportunities these changes will provide. That is why it is incumbent on the Government to advise them of the discrimination they will suffer when they eventually reach state pension age, before they make commitments.

We assume the Standing Committee is aware of the UK Government’s policy of freezing the rate of State Pension paid to Australians. Unlike the Australian Age Pension, UK’s National Insurance Scheme is contributory. Australians working in the UK will be required to make contributions to the Scheme but the rate of pension they will eventually receive will not be adjusted annually for inflation. Thus, over time the spending power of their pensions will



diminish. This is not the case for people who retire to the United States, the EU, The Philippines and Turkey and many other countries.

The UK Government to date has refused to negotiate an agreement to end this discrimination against Australians. We note that in contrast, the UK has negotiated agreements with the EU that result in residents in EU counties receiving the annual increases made to the rate of State Pension.

The Committee should be aware that the UK is the only country that discriminates against pensioners by not adjusting State Pensions annually for inflation based upon where the pensioner lives.

In conclusion, may I suggest that the Australian Government should seek to change this policy of freezing the rate of UK State pension paid to recipients living in Australia. This policy currently discriminates against certain Australian residents and results in a loss of around \$500 million to the Australian economy each year.

Thank you for considering this submission and I hope that, until the UK Government rectifies this unfair policy on UK State pension payments to residents of Australia, you will ensure the government includes an appropriate warning to all Australians wanting to take advantage of the opportunities the FTA provides.

Yours sincerely,



Brian Beaumont Owles

