



SPEECH

CRAIG EMERSON

Member for Rankin

13 August 2007

PRIVATE MEMBERS' BUSINESS **United Kingdom: Pensions**

Dr EMERSON (Rankin) (3.52 p.m.)—More often than not motions moved in that part of parliament dealing with private members' issues are supported by both sides of the parliament, and that is the case here today, but towards the end of my remarks I want to comment on the effectiveness, or lack thereof, of the motion that is before us on United Kingdom pensions. The core problem is that residents of the UK spend their working lives paying into a social security fund in order to gain eligibility for an age pension. The practice of the UK government for many years has been to freeze the value of their UK pension at the level it is when they leave the United Kingdom. It seems rather unfair for that practice to be adopted because during their working lives these pensioners have made these contributions. It is almost a penalty that when they leave the UK their pensions are frozen. Interestingly, the same treatment is not given to UK residents who go to live in European countries. So, again, applying the practice to Australia but not to other European countries seems to be quite discriminatory.

Australia indexes the pensions of its residents moving to the United Kingdom. So there is fairness being extended by Australia but not being received from the UK government. It was foolish of the Howard government to terminate the social security agreement in 2000. The reason may have been well motivated in seeking to press the UK government to change its position on the freezing of the indexation, but it appears to have blown up in the government's face because the consequences have been that no progress has been made since that time. New arrivals coming to Australia from the UK cannot access the age pension for up to 10 years. They face a very high cost of living. The Leader of the Opposition, who has joined us in the chamber, has demonstrated most clearly that food prices in particular have risen at much faster rates than the general cost of living, and that is a very big problem for pensioners in general, and particularly for the UK pensioners who do not have their benefits indexed. I have also had a look at electricity prices. Electricity is very important in the spending patterns of pensioners. Electricity prices, too, have risen quite rapidly in Australia over the last few years. Food prices in Australia compared with those in other developed countries have risen at probably twice the rate. So there is something very bad going on there and it is the pensioners who feel the burden.

In my electorate of Rankin, which is wholly within Logan City, there are thousands of UK pensioners, and they are feeling the pressure of these cost-of-living rises. The fact that their UK pension is not indexed is a great penalty to them. I lament the Prime Minister's statement that Australian families have never been better off. He should get around the electorates more than he does and talk to UK and other pensioners about the high cost of living before he repeats the statement that Australian families have never been better off. It is an insult to Australian families—

working age families and pensioners—that the Prime Minister firmly believes that they have never been better off when they face these sorts of pressures. The problem with this motion relates to the active part of it, which says:

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calls on the Australian Government to take this issue to the Commonwealth Heads of Government in Kampala in October 2007 and to urge the UK Government to end the unfairness in the current indexation of overseas UK pensions.

The government has had 11 years to deal with this problem and now we have members of parliament on the government side calling on the government to do something. It confirms how out of touch the government is when its own members have to call on the government to go to this heads of government meeting. Other Commonwealth nations will not be interested in this issue. The time for action is now.
(Time expired)

The DEPUTY SPEAKER (Hon. IR Causley)—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.