



26 MAR 2021

Senator the Hon Marise Payne
Minister for Foreign Affairs
Minister for Women

MC21-001168

Mr Milton Dick MP
Member for Oxley
PO Box 4042
FOREST LAKE QLD 4078

Dear Mr Dick

Thank you for your letter of 9 February 2021 on behalf of your constituent, Mr [REDACTED] regarding the non-indexation of British pensions paid in Australia.

The British Government's policy not to index pensions paid to some British pensioners living overseas, including in Australia, is a longstanding concern. In 2001, Australia terminated its Social Security Agreement with the United Kingdom (UK), following the UK's refusal to include indexation provisions in its negotiations. Over the years, Australia has made repeated representations to the UK on this matter, without success. I should note that a new social security agreement is not required for the UK to index pensions to people in Australia.

Work to resolve this issue has continued, given the effects on many expatriate UK pensioners living in Australia. Department of Foreign Affairs and Trade officials met with representatives of the British Pensions in Australia Inc (BPiA) in February 2020 to discuss the matter.

We believe that UK pensioners who have paid contributions under the same rules should be paid their UK pensions under equal conditions, no matter where they live. Unfortunately, the British Government has chosen not to index pensions in Australia, and in most other Commonwealth countries where many UK expatriates reside.

The submission we put to the UK's 2020 All-Party Parliamentary Group (APPG) inquiry into frozen British pensions argued strongly in favour of indexation of UK pensions in Australia. In its report released on 16 December 2020, the APPG recommended that the British Government end the "frozen" pension policy and seek to provide UK pensioners living in "frozen" countries, including in Australia, with their full uprated UK state pension as soon

as possible. However, the UK Government's submission to that inquiry noted that it had no plans to change its policy.

The Canadian Government made a similar submission to the APPG inquiry, in which it stated that "over the years, the Government of Canada had raised and sought to address this, including by proposing the two countries negotiate a comprehensive social security agreement that would provide for the indexation of UK Pensions". To date, UK officials have not engaged with Canada on this issue.

While the issue is ultimately one that only the British Government can address, I can assure you that the Australian Government will persist in raising the issue with British Government counterparts at appropriate opportunities on behalf of the UK pensioners in Australia.

As the Department of Social Services (DSS) is the lead agency for this issue, I have copied this letter to the Minister for Families and Social Services, Senator the Hon Anne Ruston.

Thank you for bringing the concerns of Mr [REDACTED] on this issue to my attention.

Yours sincerely

A handwritten signature in black ink that reads "Marise Payne". The signature is written in a cursive, flowing style with a long horizontal line extending from the end of the name.

MARISE PAYNE

18 MAR 2021

cc.

Senator the Hon Anne Ruston, Minister for Families and Social Services