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Pensioners demand fairer deal from UK

By AVA HUBBLE

For decades the Australian taxpayer has been subsidising the British pensions of many Britons who have retired to Australia.

The Australian economy would be boosted by as much as \$450 million a year if the British Government can be encouraged to revise its policy on the entitlements of old-age pensioners who have settled here.

This is the claim of the British Australian Pensioners Association, which is lobbying Prime Minister John Howard to confront his British counterpart, Tony Blair, on their behalf at the upcoming Commonwealth Heads of Government Meeting.

The association's NSW spokesman, Jim Tilley, of Woronora Heights, reports that although the current British old-age pension is about 72 (\$A200) a week, many pensioners who have settled here receive only half or less of that amount.

This was because of the British Government's long-standing policy of freezing the entitlements of these expatriates at the rate they received in Britain when they first became eligible for the pension.

Mr Tilley said this meant that a Briton who retired to Australia in 1989, when he or she reached pensionable age, was still only entitled to receive a British pension at the 1989 rate - about 43 (\$A120) a week.

This was \$57 less than the current Australian old-age pension of about \$177 a week. The Australian taxpayer made up the difference if the British retiree met Centrelink's means-test requirements.

Mr Tilley said there were about 224,600 British pensioners in Australia and it cost taxpayers about \$100 million a year to bring many of their pensions up to the Australian rate.

The British pensioners, many of whom were World War II veterans, found this demeaning and grossly unfair to Australians.

If the British Government paid them a pension at the current British rate they would be able to survive without a Centrelink subsidy.

Also, their increased spending power by way of an increased British pension would boost the Australian economy by as much as \$450 million a year.

His association had difficulty attracting attention to its campaign for parity because of widespread incredulity that the expatriates, who paid into the British pension fund during their working lives, had had their pension entitlements reduced by half, or more, simply because they decided to retire to Australia.

Mr Tilley, a self-funded retiree, said many of these pensioners had relatives, including adult children, in Australia.

His association was particularly outraged that it was only Britons who retired to major Commonwealth countries such as Australia and Canada who had been penalised in this way.

Britons who retired to other countries, including the United States, Israel, Turkey, Spain or other European Union countries, received pensions at the current British rate, indexed against inflation.

Because of the cost of bringing the pensions in line with Australian rates, the Howard Government introduced legislation last year which prevented British retirees who arrived after March 31 last year from making any claims on Australia for 10 years.

Even so the cost to Australia of subsidising the pensions was expected to increase steadily over the years because of inflation. The British pensioners hoped Mr Howard would point out to Mr Blair what the consequences would be if Australia decided to review its policy of subsidising the pensions.

"Thousands of elderly people could be forced to return to the UK," Mr Tilley said.

"Mr Blair should be forced to acknowledge what that would mean. The UK national health system and many other public services are already collapsing under the strain."