



## PRIME MINISTER

FOR MEDIA

23 April 1986

EMBARGOED UNTIL 100pm ITALIAN TIME, 900pm AEST

The Prime Minister of Australia, and the Prime Minister of Italy, Signor Craxi, today signed an historic treaty on social security matters.

Mr Hawke said that discussions between the two countries had been proceeding in a desultory fashion since 1952 but there have always been obstacles in the way of progress.

He said "my Government which came to office in March 1983 has shown the initiative and determination to find the solutions. We have consulted widely with migrant communities in Australia and the solutions we have found have widespread support".

The Italian and Australian social security systems are quite different. Italy has a contributory system whereas the Australian system is funded from taxation revenue. Italy pays a pension based on periods of contribution combined with level of earnings (with a minimum level of pension) whereas Australia pays a fixed rate pension. The Italian system applies generally to income earners whereas the Australian system applies to all adults who have resided in Australia.

The Australian Government has had to pass legislation introducing a system of proportional portability of pensions to create a basis on which it could negotiate agreements.

Mr Hawke said "the completion of this agreement will be a major benefit to Italians and Australians who have spent some time in both countries. It overcomes gaps in coverage of the two social security systems which have led to inequities in treatment in the past.

"It is a major social advance.

"Over 20,000 people in Australia and Italy are expected to benefit directly. These people will include:

- people who have spent less than the minimum qualifying period in one of the countries (eg less than 15 years employees contributions in Italy or less than 10 years residence in Australia),
- people who have spent some time in Australia but who have returned to Italy before they have become due for a pension.

"I am delighted that this Agreement will enable Australia to pay pensions to many people who have contributed to society in Australia but who have chosen to retire in Italy.

"Australia is proud that some 500,000 Italians have chosen to migrate and to make Australia their new home. They have made a major contribution to economic, social and cultural development in Australia and hence to its progress as a nation. This agreement brings us closer together and enables people who have moved their country of residence to receive better rewards for a lifetime of work.

"Officials from the two countries are now working on administrative processes to ensure that the Agreement can be ratified, and come into force at the earliest possible time.

Mr Hawke paid tribute to the work done by Mr Howe, the Minister for Social Security, for the work done in bringing these negotiations to finality. He said that without his interest in the welfare of ethnic communities and his initiative we would still be dithering as other Ministers had done since 1952.

He added that Mr Howe will issue statements from time to time advising the public of progress with other agreements.