



# National Seniors Australia Federal Budget Priorities 2019–20

## A Budget for older Australians

Older Australians have invested heavily in Australia. Through life-times of employment, raising families, consuming, investing, volunteering, building, defending and passing on knowledge and wisdom they continue to make an important contribution to this country, expanding the nation's prosperity and wellbeing.

### Help seniors to help themselves

In this Budget, the federal government can build on and nurture these assets for the benefit of all. Seniors don't want a handout. They want the means and resources to enable them to be self-sufficient and socially and economically included in the ongoing mission of building the nation.

### This submission offers solutions to issues of national concern

Implementing our recommendations is not a cost. It is an investment that can generate additional economic benefit as well as build a healthier society that is more independent and less reliant on taxpayer-funded services. Implementing these recommendations will ensure older Australians are treated with dignity and respect.

### We're here to help older Australians

National Seniors represents the interests of older Australians through advocacy, research and provision of information and services. The recommendations in this submission reflect our members' views.

***National Seniors urges the government to adopt these recommendations, not just for the betterment of older Australians but for benefit of the nation.***

## Action points:

- ▶ Better housing
- ▶ Government services
- ▶ Retirement income
- ▶ Energy affordability
- ▶ Fix pension poverty
- ▶ Aged care
- ▶ Elder abuse
- ▶ Health costs

# Fix pension poverty

## Australians want a fair go for pensioners.

A strong welfare safety net is part of our national ethos. National Seniors is calling on the Australian Government to:

- Independently set the Age Pension;
- Assist pensioners to access the private rental market;
- Support pensioners to get online; and
- Help pensioners meet the cost of essential dental services.

## Recommendations

1. Establish an Independent Age Pension Tribunal.
2. Increase the maximum rate of Commonwealth Rent Assistance.
3. Provide a subsidy to connect to the NBN or another appropriate internet service.
4. Expand the provision of basic dental care for pensioners.

Pension spending as a proportion of GPD:

AUSTRALIA

4.3%



OECD AVERAGE

8.2%



## Pension vs Rental Costs

	Single	Couple
Pension	\$453.15	\$690.70
Max CRA*	\$67.90	\$128.00
Pension + CRA*	\$521.05	\$818.70
Weekly rent (median)	\$373	\$440
Housing as % of income	71.6%	53.7%

\* Commonwealth Rent Assistance

# Aged care

## Urgent action is needed to improve the aged care system now.

The failings of the Australian aged care system are top of mind for older Australians. Most have direct experience of aged care either by receiving services themselves or through close family and loved ones.

National Seniors calls on the Australian Government to:

- Address home care shortages;
- Provide consumers with information about staffing levels in residential care; and
- Ensure people with dementia are better supported.

## Recommendations

5. Double the number of Level 3 and 4 home care packages.
6. Require that aged care providers publish staff-to-resident ratios.
7. Ensure all aged care staff in direct care roles have dementia training.

12 months PLUS

Estimated maximum wait time for a Level 2, 3 and 4 home care package (30 Sep 2018)

Total number of people waiting for a home care package suitable to their needs (30 Sep 2018)

126,732

Number of people waiting for a Level 3 home care package (30 Sep 2018)

41,937

Number of people waiting for a Level 4 home care package (30 Sep 2018)

50,065

# Retirement income

*Retirees want a retirement income system that encourages people to save and invest.*

Governments want people to be self-funded in retirement but make changes to the rules that undermine confidence in the system and penalise those who save.

National Seniors is calling on the Australian Government to retain access to franking credit refunds to promote self-sufficiency and investment in Australian companies and create a retirement income system that restores coherent savings incentives for retirees.

## Recommendations

- 8. Retain access to franking credit refunds for self-funded retirees.
- 9. Reduce the Age Pension asset test taper rate from \$3.00 to \$2.00.

“ We have worked hard and saved for our self-funded retirement, only to see the goal posts moved continually. ”

# 840,000

Estimated number of self-funded retirees who would be affected by scrapping franking credit refunds

# Energy affordability

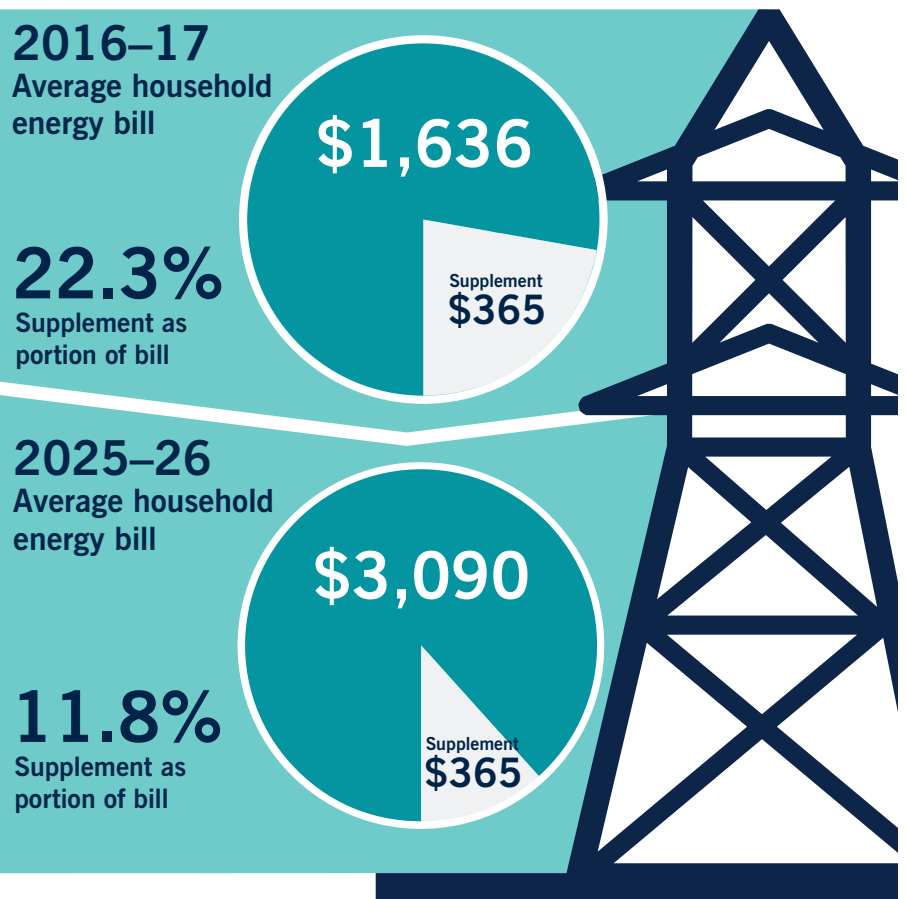
*Pensioners continue to be hardest hit by escalating energy prices.*

This not only impacts their ability to keep warm in winter and cool in summer, but also on their capacity to spend on other non-energy related essentials, such as food, clothing and shelter.

National Seniors is calling on the Australian Government to assist pensioners by indexing the Energy Supplement in line with the energy component of CPI. This will help low-income households meet rising energy costs and encourage government action to keep energy prices stable.

## Recommendations

- 10. Reinstate indexing of the Energy Supplement.



# Better housing

*Many older Australians need support to help them downsize for a better and safer life in retirement.*

National Seniors is calling on the Australian Government to allow retirees with limited superannuation or assets to unlock the wealth held in the family home. Quarantining downsizing proceeds from the Age Pension means test and directing them to superannuation will boost the incomes of older people and allow them to live in more suitable housing. This will also increase the supply of housing.

## Recommendation

11. Exempt up to \$250,000 of home sale proceeds from the Age Pension means test.

## Downsizing



**1 in 5** older Australians who don't want to downsize would consider doing so if the extra money did not affect their pension.

2015 – 16	
<b>50%</b> of men aged 60–64 at retirement had	<b>50%</b> of women aged 60–64 at retirement had
less than <b>\$110,000</b> in superannuation	less than <b>\$36,000</b> in superannuation

# Government services

*Excessive wait times for essential services such as Centrelink are unacceptable.*

Telephone waiting times and Age Pension processing times are unnecessarily long. This causes significant problems for older Australians who are waiting extraordinary periods to receive basic government services.

National Seniors calls on the Australian Government to ensure that call waiting and processing times for Centrelink meet community expectations so that older Australians can access services and assistance in a timely manner.

## Recommendation

12. Cut Centrelink telephone waiting times and reduce Age Pension processing times.

# 36.3 million unanswered calls to Centrelink




2017–2018

# 23 minutes



average waiting time for the Older Australians line

# 42.5%



People dissatisfied with the Centrelink experience



# Elder abuse

*No older person should suffer from abuse.*

National Seniors is calling on the Australian Government to expedite its efforts to strengthen protections against financial elder abuse.

Federal, state and territory governments must protect people from elder abuse by working together to develop nationally consistent Powers of Attorney laws and a single national register to improve access to Powers of Attorney documents.

## Recommendation

13. Expedite efforts to create nationally consistent Powers of Attorney legislation and a single national register for these documents.

“**Financial abuse appears to be the most common form of abuse experienced by elderly people.**”

**2-14%**

Proportion of older people estimated to have experienced financial elder abuse in a given year (the incidence of neglect is potentially higher)

# Health costs

*Out-of-pocket health care costs are the biggest concern of older Australians.*

Health costs are rising at rates far above inflation. Much of the underlying cause is the rising cost of private specialist services and the lack of transparency in this market.

National Seniors is calling on the Australian Government to ensure older Australians can continue to retain private health coverage by addressing rising health care costs.

## Recommendations

14. Require that all specialists publish fees on a public register and all GPs make patients aware of choice when referring to a specialist.
15. Restrict private health insurance premium increases to no more than CPI.

**85%** GP bulk billing rate

**VS**

**30%** Specialist bulk billing rate

**\$79.95**

Average patient contribution for a specialist attendance (2017-18)

**66%** Rise in health premiums in the past 10 years

**VS**

**22%** Rise in CPI

**\*\$315** AMA listed fee

**VS**

**\*\$150** Medicare Benefits Schedule Fee

\*Initial consultation with a specialist (2015)

# Recommendations

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3. Provide a subsidy to connect to the NBN or another appropriate internet service
4. Expand the provision of basic dental care for pensioners
5. Double the number of Level 3 and 4 home care packages
6. Require that aged care providers publish staff-to-resident ratios
7. Ensure all aged care staff in direct care roles have dementia training
8. Retain access to franking credit refunds for self-funded retirees
9. Reduce the asset test taper rate from \$3.00 to \$2.00
10. Reinstate indexation of the Energy Supplement
11. Exempt up to \$250,000 of home sale proceeds from the Age Pension means test
12. Cut Centrelink telephone waiting times for older Australians and reduce Age Pension processing times
13. Expedite efforts to create nationally consistent Powers of Attorney legislation and a single national register for these documents
14. Require that all medical specialists publish fees on a public register and all GPs make patients aware of choice when referring to a specialist
15. Restrict private health insurance premium increases to no more than CPI

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