



**COTA AUSTRALIA**  
**PRE-BUDGET POSITION STATEMENT**  
**FEDERAL BUDGET 2019-20**

**February 2019**

## **COTA Australia**

COTA Australia is the national consumer peak body for older Australians. Its members are the State and Territory COTAs (Councils on the Ageing) in each of the eight States and Territories of Australia. The State and Territory COTAs have around 20,000 individual members and more than 1,000 seniors' organisation members, which jointly represent over 500,000 older Australians. We focus on national policy issues from the perspective of older people as citizens and consumers and we seek to promote, improve and protect the circumstances and wellbeing of older people in Australia. Information about, and the views of, our constituents and members are gathered through a wide variety of consultative and engagement mechanisms and processes.

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## Introduction

COTA Australia welcomes the opportunity to provide this pre-budget submission of measures that we urge the Australian Government to implement as part of the 2019 Federal Budget. The issues identified in this submission impact many older Australians and the measures outlined here to address these issues have the potential to improve the lives of a large and growing proportion of Australians.

- Older people comprise a significant proportion of the Australian population with the most recent census recording over 3.6 million Australians aged 65 and over, and more than 7.9 million people aged 50 and over (15.7 per cent and 33.9 per cent of the population respectively)<sup>1</sup>. Some projections show that the number of older Australians aged 65 and over may increase to 22 per cent of the population by 2061<sup>2</sup>, from the 15.7 per cent at the 2016 census. Those proportions will increase significantly over coming years.
- The 2018 Federal Budget featured the ‘More Choices for a Longer Life’<sup>3</sup> package of 42 measures designed to address the ageing population for the first time in a comprehensive, positive and proactive way. COTA contributed significantly to the creation and content of this package, which was not intended to be a “one-off” exercise but the beginning of a new policy relationship between the Federal Government and older Australians. We have proposed that the 2019 Budget should contain a progress report on the implementation of ‘More Choices for a Longer Life’ and the next phase of similar measures – many of which are in this Submission.
- In 2017 nearly one-third of Australians aged over 65 were aged 75–84 (30%, or 1.2 million), and 13% were aged 85 and over (497,000). Those proportions will increase significantly over coming years. To assist this growing proportion of ‘older old’ we propose measures that include improving financial literacy, increasing digital inclusion and addressing elder abuse. To support this growing proportion of older Australians, we propose measures that include improving financial literacy, increasing digital inclusion and addressing elder abuse.
- According to official figures, in 2016-17 a total of 239,379 people received permanent residential aged care at any time during the year; 97,516 used a Home Care Package; and 784,927 received services under CHSP/HACC<sup>4</sup>. We have outlined a number of measures to address significant issues that older people are facing in aged care. These include increasing the availability of home care packages, expediting the introduction of consumer directed residential places, and increasing social connections to address isolation and loneliness.
- A high proportion of older Australians live on fixed and low incomes and often have limited ability to afford increases in the cost of living for essentials. Recent figures indicate that close to 2.5 million older Australians are in receipt of the Age Pension<sup>5</sup>; most of whom are on relatively fixed incomes. In recognition of this, we have proposed several measures to improve retirement incomes and housing for older Australians, the latter because appropriate and affordable housing is now widely recognised as one of the four pillars of an adequate retirement income.
- Many older Australians have recently contributed to a nationally representative survey undertaken by COTA<sup>6</sup>, known as “State of the (Older) Nation”. These older people have shared many of their views and life experiences on employment, health, financial security, vulnerability, aged care, and housing. Approximately 32 per cent of respondents to the survey indicated that they are most concerned about health, and around 37 per cent advised that they do not have private health insurance. A third had experienced age discrimination and many plan to continue working well past pension age. In our proposed measures we urge the introduction of dental and oral health support for older Australians on low incomes or living in Residential Aged Care Facilities. This recognises the critical importance of dental and oral health to general health and wellbeing, and the often limited treatment options available to people living in Residential Aged Care Facilities. We also propose measure to tackle age discrimination and support mature age employment

## Proposed Measures

COTA Australia urges the Australian Government to include the following measures in the 2019 Budget to support older Australians. These are listed under the Australian Government portfolios which would likely have the primary responsibility for oversight of their implementation.

### 1. Health Portfolio

#### 1.1 More Choices for a Longer Life package – Phase 2

The *More Choices for a Longer Life* initiative in Budget 2018 had 42 measures which within a consistent and positive framework address a wide range of policy areas relevant to older Australians, including:

- Aged care reform
- Jobs and skills
- Finance for a longer life
- Supporting choice and a healthy long life
- Safeguarding quality and rights

The Department of Health is directly responsible for implementation of 22 measures in aged care and health and is overseeing implementation of the remaining measures through the More Choices for a Longer Life Inter-Departmental Committee.

The development of the *More Choices for a Longer Life* package last year was an important step forward in government's relationship with older Australians and an ageing Australia. As COTA Australia said at the time:

*"For the first time in the financial and policy planning of our nation, we are formally beginning to think of an ageing population as an opportunity rather than a burden, and recognising the contributions that are and can be made by older Australians to everyone's social and economic wellbeing."*<sup>7</sup>

We have proposed to government that in the 2019 Budget, there needs to be a transparent accountability reporting on progress with the 42 measures in *More Choices*. What has been achieved? What has not been but is still progressing, although delayed? What has not been implemented and is unlikely to be, or has been and is showing no success. Such a "report card" on the *More Choices* progress should be an important part of the Budget process.

We have also proposed that there should be a *More Choices Phase 2*, or *More Choices 2019* in the April 2019 Budget. *More Choices* was not designed or meant to be a one-off package, a flash in the pan tilt toward older Australia. Rather it was to set a new direction. That implies follow through, follow up and building upon the initiatives in *More Choices 2018*.

Some of the *More Choices 2018* measures have been successfully implemented and could have follow up action. Some can be reshaped because they were not effectively conceived and need revision. And there were measures that did not make it into *More Choices 2018* because there was not time, there was too much complexity to get them up, or for other reasons that may now not prevent their inclusion.

Obviously measures we propose in the rest of this position statement would make good inclusions in a "More Choices for a Longer Life Phase 2". We have developed the proposal in this document on the same principles as the measures in the 2018 *More Choices* package.

## 1.2 Aged Care Reform Measures

### 1.2.1 Aged Care Roadmap

The development of the Aged Care Roadmap by the government's Aged Care Sector Committee was an important step forward in aged care reform. The Roadmap presents the Committee's views on the short, medium and long term actions required to transform the current aged care system into a sustainable, consumer driven and market based system.

The Roadmap was delivered to the Minister for Health and Aged Care in April 2016. Since then the Roadmap has often been referred to positively by Ministers and the Department, but the formal status of the Roadmap remains unclear. The Department website reports that "The Government has shown support for the Roadmap and it was considered in the aged care Budget measures announced in May 2018."

We also note the advice in the Communiqué from the Aged Care Sector Committee's 7 December 2018 meeting that "Members discussed the ACSC's traffic-light report on the Aged Care Roadmap which will be provided to Minister Wyatt for consideration." COTA welcomes this development of an update on progress with the Aged Care Roadmap proposals and looks forward to its release by the Minister.

COTA Australia proposes that in the 2019 Federal Budget the Government ask the Aged Care Sector Committee to update the Aged Care Roadmap and that progress in achieving the proposals in the Roadmap be the subject of an annual review and public report.

### 1.2.2 Aged Care System "Five Fixes" Measures

The aged care system is in need of significant improvement to be more responsive to people's needs and better able to meet current demand. In COTAs "State of the (older) Nation" report a fifth of people (20 per cent) wanting to access aged care services experienced difficulties. Of these, the top three difficulties reported by respondents were:

- the cost of services (24 per cent);
- long waiting lists (19 per cent);
- lack of suitable services available (16 per cent).

Of the 9 per cent of those older people (65+) surveyed who have received home or community care services from external services in the previous 12 months, only a little over half (55 per cent) were completely satisfied with those services<sup>8</sup>.

The government has established the Royal Commission into Aged Care Quality and Safety which COTA supports, and hopes will address major long-term challenges that to date governments of both persuasions have avoided dealing with or been too cautious to do so. The Commission will not present its Final Report until 30 April 2020, its recommendations will then be considered by Government, so it is likely major change will not occur until the 2021 Budget.

However, there are major improvements that can be made to aged care in the meantime. In September 2018 COTA Australia launched its Position Statement "Keep fixing Australia's aged care system ... *taking the next steps in tandem with the Royal Commission*", in which we detailed the five priority fixes that in our view needed to occur in the near future to address well documented failures in aged care while the Royal Commission into aged care is conducting further investigation of the sector<sup>9</sup>.

Based on that paper, but taking into account developments since, COTA is proposing the following measures that we urge the Government to include in the 2019 Budget:

#### More Home Care Packages

- Allocate further funding in the Budget for enough more Home Care Packages (HCPs) so that no one will wait more than 3 months for support and care. We have welcomed the announcement

in MYEFO in December 2018 of 10,000 additional high-level HCPs, and the 10 February 2019 announcement of another 10,000 HCPs being brought forward. These are major steps toward the 30,000 extra HCPs we estimated in the statement, and we suspect the number needs to be higher, provided there is the workforce to deliver them. The key benchmark is the waiting time.

Progress also needs to be made on integrating the HCP Program and the Commonwealth Home Support Program (CHSP) in a series of steps to remove overlap, confusion, anomalies and disfunction and create a single integrated Care at Home program.

#### **Put residential care funding in the hands of consumers and free up ACAR**

- Make a clear commitment in the 2019 Budget to set a definite date for putting residential aged care places in the hands of consumers, not providers – as the Australian Government has already done with Home Care Packages. There was an in-principle commitment in the 2018 Budget subject to an Impact Study, which was not set up until December and will not report back until 30 June. The Impact Study can easily be turned into an Implementation Plan.

#### **Compulsory transparency about services, pricing, staffing, complaints and quality**

- Implement compulsory publication of aged care services staffing levels, price and quality performance by mid- 2019 so that consumers have information and transparency about which service is right for them. The Minister for Aged Care has taken up the issue of lack of pricing and service information for HCPs, but this issue is much wider and must be addressed with a comprehensive strategy that rewards providers who are more transparent and penalises and identifies those who are not.

#### **All quality assessment visits to be totally unannounced with no “windows”**

- Ensure that all quality inspections of aged care providers are totally unannounced at least once a year for all provider, with extra targeted inspections for at risk providers. The Government’s current ‘unannounced’ inspection regime signals to residential aged care providers that they will receive a visit from the Quality Agency in the 90-day window before their accreditation expires. While COTA Australia supports this as an interim step, the Government should move away as soon as possible from known windows to a truly unannounced scheme now that the Quality and Safety Commission has started – with randomised visits occurring at least every year, and targeted visits more often for providers at risk - so older Australians and their families can be assured of quality care every day of the week, every week of the year.

#### **Build the capacity of the aged care workforce**

- Make available substantially more funding to build the capacity of the aged care workforce to deliver higher quality care, tied to the achievement of workforce KPIs developed by the Aged Care Industry Workforce Council, which is currently being established after the recommendations of the Aged Care Workforce Strategy Taskforce, on which COTA was represented. The report of that Taskforce (“A matter of care”) identified considerable challenges within the aged care industry associated with<sup>10</sup>:
  - shortages of people to meet the current and projected future demand for skilled staff in the aged care sector, including in rural and remote locations
  - key capability gaps and misalignment of skills and competencies;
  - casualisation of the workforce, particularly in home-based care;
  - undervalued jobs with poor market positioning.

The Report made 14 recommendations as an integrated strategy for reform and development of the aged care workforce, which COTA has supported.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Provide funding to implement the recommendations of the Aged Care Workforce Taskforce made in its “A matter of care” report<sup>11</sup>, especially to build the capacity of the aged care workforce to deliver higher quality care

- Link increases in aged care funding to workforce outcomes. Consider increases in funding to service providers that provide aged care support to enable them to employ staff at higher wages, create better career paths, and increase staff numbers
- Implement strategies to encourage Australian residents to pursue a career in aged care, including strategies that counter ageism in the Australian community
- Integrate aged care workers and skills development into the Australian migration program to increase the supply of well qualified staff for aged care.

### **1.2.3 Social isolation and loneliness**

Social isolation, loneliness and finding friendship can be major issues for people living in Residential Aged Care Facilities. Older people receiving aged care at home can also be vulnerable to loneliness, even though they may have access to social support.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Develop approaches to increase social connections, reduce loneliness and foster friendships for people living in Residential Aged Care Facilities and those receiving aged care support at home, including but not limited to increased participation in the Community Visitors Scheme.
- Develop approaches to help the community identify loneliness, or the risk of loneliness, in the community; and upskill the community to address it early before loneliness becomes serious and results in poor quality of life and health outcomes.

The measures have the potential to greatly improve the quality of older peoples' lives, and for some older people, to improve their health outcomes

### **1.2.4 Access, navigation and engagement in Aged Care**

As COTA and others have repeatedly demonstrated, consumers can experience considerable difficulty accessing and navigating the age care system, particularly when consumers may not have good access to the internet, or digital literacy, or family and friends to assist. The Aged Care System Navigators Pilot project, led by COTA, will test some of the measures that COTA and the National Aged Care Alliance proposed in the paper Integrated Consumer Supports Discussion Paper<sup>12</sup>, but we need a commitment to this being ongoing, broadened and sustainable.

COTA advocated forcefully and successfully for the inclusion in the Aged Care Quality and Safety Commission Act of an object of the Act to be to “promote engagement with aged care consumers about the quality of care and services provided by approved providers of aged care services; and service providers of Commonwealth-funded aged care services.”, and for consumer engagement functions “(a) to develop, in consultation with aged care consumers and their representatives, best practice models for the engagement of approved providers of aged care services, and service providers of Commonwealth-funded aged care services, with their aged care consumers and the representatives of those consumers; and (b) to promote those best practice models to such approved providers and service providers.

Consumer (including families) engagement in aged care is a critical factor in changing the culture of the industry into the future. This is a notoriously opaque industry with the exception of a few very progressive providers. Creating a more engaged industry will be a key to higher quality.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Commit funds for the seamless rolling out of the Aged Care System Navigators Pilot into a more substantial, comprehensive, ongoing sustainable program.
- Commit additional funds to the Aged Care Quality and Safety Commission to enable it to develop and implement consumer engagement models and strategies alongside accreditation and enforcement activity, as provided for in the new provisions on engagement in the Aged Care Quality and Safety Commission Act.



These measures have the potential to significantly improve the experience of people – consumers and their families - when they are engaging with age care, to help them select and receive services which are most appropriate to their needs; and facilitating greater understanding of and engagement with those aged care services.

### **1.2.5 Access to Palliative Care**

Too many older people currently do not receive adequate access to palliative care, and this includes people living in residential aged care facilities and receiving home care services. COTA Australia welcomed the measures in the 2018-19 Budget to invest additional funding over four years to improve palliative care for older Australians living in residential aged care. However, we urge greater focus on palliative care for all older Australians with a specific focus within that on people in residential and home care.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Identify and address barriers to improved access to palliative care for people living in residential aged care facilities.
- Implement approaches to support service providers of residential aged care facilities to provide access to palliative care services, rather than for instance, transferring patients to hospitals.
- Implement initiatives to provide staff employed in residential aged care facilities and home care programs with information and training on palliative care.
- Finalise an updated National Palliative Care Strategy and ensure funding is available to support initiatives that improve access to, and the quality of, palliative care for people living in residential aged care and home care (the existing strategy dates back to 2010).
- Implement regular and ongoing data collection to better identify the provision and quality of palliative care for all who should receive it, including on an equal footing those living in residential aged care and receiving home care.
- Implement measures to ensure that the education and training of all aged care workers includes “end of life care” as a basic competency and is included in the core curricula of all courses.

These measures would offer major improvements to the quality of life for many people living in Residential Aged Care Facilities. They would help to reduce unnecessary suffering and provide vital support to people in need of palliative care.

### **1.3 Oral and Dental Health Measures**

The oral and dental health system and funding options in Australia are currently structured similarly for all the adult population, yet the associated health, economic and service access issues are considerably different for older people, particularly for those on low incomes and those living in Residential Aged Care Facilities.

- Research suggests that the health implications associated with oral and dental health issues are significant for older people, and potentially greater than for the overall adult population. There are co-morbidities associated with chronic disease in older people, and the addition of poor oral health further compromises healthy ageing<sup>13</sup>.
- Older people can have less available options to increase their income (than the broader adult population) to self-fund private dental and oral health services or to fund private health insurance that includes dental cover. In the State of the (older) Nation survey recently undertaken by COTA 64 per cent of people surveyed, on low incomes of \$30,000 or less, did not have private health insurance<sup>14</sup>. Many older Australians are on relatively fixed incomes, and

access to paid employment can reduce for older Australians due to barriers such as age discrimination.

- Adequate access to oral health services and support for people living in Residential Aged Care Facilities is frequently a significant issue. Research has found that dental care for older people in various types of residential aged care is often conducted on an ad hoc basis with little structure to such services<sup>15</sup>. Moreover, despite the oral health of older people in aged care facilities being poor, limited public services have been identified as being available and accessible, with few Australian dental services designed with a geriatric focus<sup>16</sup>.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Introduce an oral and dental health support scheme for older Australians on low incomes, and for people living in Residential Aged Care Facilities. Consider a scheme that would be similar in supports to the existing Child Dental Health Scheme but designed for older Australians.
- Implement a new National Partnership on Public Dental Services for Adults (the existing partnership expires 30 June 2019)<sup>17</sup>, with the inclusion of performance benchmarks to provide adequate support for people in Residential Aged Care Facilities. Moreover, consider the inclusion of increased support for mobile dental services to people living in Residential Aged Care Facilities.

For this group of older people on low incomes or living in Residential Aged Care Facilities, these measures would significantly contribute to improved oral and dental health, leading to an improved quality of life and a potential reduction of other related health issues. Moreover, the dental and oral health support scheme measure would incentivize the private market to deliver more flexible and accessible oral health service options for older people, and thereby help to reduce the demand on the public dental health system, which is overstretched in a number of jurisdictions.

#### **1.4 Additional Health Measures**

In general, older people have greater health care needs than the younger adult population and with increasing complexity in health care, there is a considerable need to improve health literacy for older Australians and ensure access to health promotion, for instance to address issues such as obesity and diabetes. The State of the (Older) Nation report indicated that more than a third of those surveyed get less than an hour of exercise a week, and approximately one in ten (9 per cent) rated their diet as unhealthy<sup>18</sup>. Less than one hour exercise a week is generally considered not to be sufficient for good health.

Navigating the pathways through the health system and other care support systems for older people can be a significant issue, for instance, when an older person is in hospital and needs to decide on their next place to live due to health and mobility consideration. This may be aged care in a residential facility or in their home with support, living with family members, or with support from the community.

Recent changes that require older people to seek referral to specialists to access MRIs (Magnetic Resonance Imaging) under Medicare for knee injuries places a significant cost and time waiting burden on older people, particularly those on low incomes. These changes raise the risk that some older people may forgo or delay treatment, leading to more health issues.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Reinstate direct access through General Practitioners to MRIs (Magnetic Resonance Imaging) for knees for people aged over 50.
- Include in the priority populations (the focus groups) of the National Women's and National Men's Health Strategies: older Australians aged 65 and over who are on low incomes or living in Residential Aged Care Facilities; and include oral and dental support for this group of older Australians in the Strategies.

- Increase preventative programs to support the health of older Australians in regard to health literacy and health promotion. Consider the use of peer education and advocacy models which would potentially incorporate facilitation by older volunteers to engage older people on sensitive topics, enabling the sharing of information, and provision of practical tools. Peer education can provide initiatives with localised engagement and extended reach.
- Develop greater coordination and integration in the health system with other care support systems, such as aged care, home care, and community support. Consider advocacy models to support older people negotiating the health system maze.
- Extend the Better Ageing initiative (Move it AUS program) period by an additional two years with additional funding<sup>19</sup>.

These measures would help to support and enable older people to have a more active role in their health care and maintain good physical activity. For older people moving within and between care supports systems (such as hospitals, home care, aged care, and community support) the measures would enable them to do this in a more informed and empowered way that meets their needs.

## **2. Treasury, Finance, and Social Services Portfolios**

### **2.1 Retirement Incomes Measures**

In the “State of the (Older) Nation” report, more than one in two (53 per cent) older people felt that the rising cost of living is leaving them behind. For those renting their homes this was 71 per cent, and for those living with a disability 65 per cent. One in five (20 per cent) of older people surveyed indicated that they do not have any money to spend on leisure or social activities. Moreover, one in four of those surveyed felt insecure about their finances being able to meet their needs for the rest of their lives. A total of 12 per cent advised they had overdue bills due to payment difficulties<sup>20</sup>.

Despite various reforms, there is still significant complexity and room for improvement in the retirement incomes policy space, especially in regard to the interactions between the age pension, superannuation, housing and taxation. There are still significant issues about adequacy for certain cohorts, incentives and disincentives, equity and what the purpose of retirement income policy is in relation to matters such as housing, health and aged care.

Almost half (48 per cent) of those in the above survey indicated that they found it difficult to understand the changing rules around retirement income and superannuation. There is a need for the retirement income system to be structured and communicated so that people are better able to understand and navigate the system to plan and access optimum and appropriate benefits. Moreover, related concessions and employment incomes people receive leading up to retirement can significantly affect retirement incomes.

A major challenge is to ensure that the retirement income system into the future will be adequate for older people to live on with a level of comfort, able to meet predictable needs, equitable, and fiscally sustainable.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Commission a comprehensive, independent Retirement Incomes Review to review the development of the retirement income system and recommend to government to make it adequate, equitable and sustainable. Include in the review:
  - the adequacy of the age pension, overall and for specific population groups;
  - the development of a more equitable superannuation system (including tax concessions) for low income earners and women;
  - the interaction between the age pension, superannuation and taxation systems to identify and remove anomalies, unintended consequences and perverse effects;

- how adequate and appropriate housing should be included within retirement income policy;
- retirement income policy in relation to health and aged care costs;
- the appropriate place of the principal residence in retirement income policy and the role of equity release.
- Any other relevant and/or related matters

We believe that following such a Review and decisions on the recommendations, government should be able to provide greater confidence for older people who have carefully planned their retirement incomes - by maintaining arrangements for longer periods of time and by grandparenting provisions when they do change.

- Remove the \$450 per month pay threshold on the Superannuation Guarantee.
- Remove the ban on voluntary superannuation contributions for people aged 75 and over.
- Expand the eligibility of the Commonwealth Seniors Health Card and associated concessions to a greater proportion of self-funded retirees on lower incomes.
- Increase the transparency of the indirect costs to the Budget in areas such as retirement incomes, taxation deductions, concessions and superannuation. This would contribute to a better understanding of the real costs to taxpayers - that is, both the direct and indirect costs - so as to support better planning of the retirement income system.

These measures would support the adequacy, equity, sustainability and accessibility of retirement incomes for older Australians, and provide a framework that contributes to retirement income policy planning.

### **3. Jobs & Small Business, Education & Training, Prime Minister & Cabinet Portfolios**

#### **3.1 Mature Age Employment Measures**

In the COTA 'State of the (Older) Nation' Report, 58 per cent of those surveyed indicated that creating meaningful employment for older Australians, including tackling ageism and age discrimination in the workforce, would make a fair bit to great deal of difference. A total of 38 per cent are in paid employment, and 28 per cent would like to work more. Moreover, of those working, 29 per cent think that they will never retire<sup>21</sup>.

Many older Australians seek to remain in employment well beyond the "preservation age" of eligibility for access to superannuation, or the age pension age, for reasons such as generating extra income, keeping connection to colleagues and community, maintaining or developing professional skills, or just keeping on being busy at what they enjoy. For some older Australians it can be vital to continue employment to a very mature age for financial reasons due to factors such as low superannuation or other savings, high costs of living, and living in the private rental market.

Active employment in the years leading up to retirement is critical to generating financial security in retirement, including paying off mortgages and other debts, building up a small nest egg for emergencies, replacement of key capital such as a new car or whitegoods. However, there are barriers to employment for older people which include ageist attitudes that deny opportunities to reskill, or even get an interview, and major industry changes such as the end of the car industry. In the above survey, one in ten older people surveyed indicated that they had experienced age discrimination in their workplace and almost two in ten (18 per cent) while seeking employment (a net total of 22 per cent).

Furthermore, employment for all ages has changed with full-time employment no longer necessarily the norm for many. Moving to part time or casual employment can make it difficult for some older people to maintain a reasonable quality of life, and many wish to work more (as mentioned above).

We acknowledge that there were a number of measures in the More Choices for a Longer Life package in the 2018 Budget. However there has been no information provided to us or anyone about progress in achieving these measures. So a number of our proposals likely replicate what may be happening but we and no-one else outside of government know about it.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Implement initiatives to reduce and ultimately prevent age-related bias and unlawful discriminatory practices towards older people in employment, including strengthening the Age Discrimination Act by including provisions for action based on evidence based data showing employers do not employ staff of certain ages.
- Provide practical guidance to employers on mature age employment retention and attraction.
- Annually publish the proportion of successful applicants aged 50 and over accepted for employment (permanent and contract) in the Australian Public Service (APS) as compared to all applicants of the same age cohort (aged 50 and over) to the APS. For compare purposes, publish the proportions of successful applicants aged 49 and under accepted for employment to the APS, in relation to all applicants of the same age cohort (49 and under).
- Introduce voluntary targets of employment of older people aged 50 and over for each Australian Government Department and Agency.
- Implement other approaches within the Australian Public Service to encourage employment of older people.
- Strengthen efforts to address the gender pay gap. Consider encouraging companies that work with and contract to the Australian Government to implement policies that seek to reduce the gender pay gap.
- Review and publish the participation rates in the Skills Checkpoint for Older Workers Program.
- Integrate the Skills Checkpoint for Older Workers with the Better Ageing – 45 and 65 year online check-up.
- Increase skills development support for older people, including in the area of retraining.
- Develop initiatives to address underemployment of older Australians.

For many older Australians, these measures would support them to remain engaged in employment and with colleagues and the community, and to meet their costs of living. Moreover, these measures would potentially reduce the need for some older Australians to access financial supports such as the Age Pension.

## **4. Social Services Portfolio**

### **4.1 Commonwealth Rental Assistance and Affordable Housing Measures**

There has been a significant decline in housing affordability in recent years and increasing costs of living in basics such as energy. This has made it very difficult for many older Australians who are renting their homes to make ends meet. It is estimated that just over 44 per cent of low income households in Australia were spending more than 30 percent of their gross income on housing costs in 2015-16<sup>22</sup>, and that older people represented a significant proportion of the Australian population (more than 7.9 million people aged 50 and over, or 33.9 per cent of the population<sup>23</sup>).

A major challenge for many older people who are renting their home is being able to afford increasing costs for other essentials such as electricity, gas, food, medical and dental expenses. Moreover, economizing too far on these essentials can lead to increased health risk and social isolation. People living at this marginal level are at increased risk of homelessness. In the COTA 'State of the (Older) Nation' Report a quarter (25 per cent) of those surveyed rated their current living arrangements as

relatively low in affordability. Of those surveyed who were renting their homes, 45 per cent reported that they were living with financial insecurity. A total of 55 per cent of those surveyed felt that ensuring crisis accommodation is available for single older women facing homelessness would make a fair bit to a great deal of difference<sup>24</sup>.

A recent report on retirement income by the Grattan Institute<sup>25</sup>, while arguing that most retirees will have adequate incomes and there is no need to increase retirement income across the board, nevertheless found that “the retirement incomes system is not working for some low-income Australians who rent, particularly in Sydney and Melbourne. And this problem will get worse because on current trends home ownership for over-65s will decline from 76 per cent today to 57 per cent by 2056. To boost retirement incomes for the poorest Australians, the report calls for a 40 per cent increase in the maximum rate of Commonwealth Rent Assistance – worth more than \$1,400 a year for a single retiree.<sup>26</sup>

The Fix Pension Poverty campaign<sup>27</sup> is calling on the Government to increase Rent Assistance by at least 30% for couples and 50% for singles, and to index the payment to rental costs.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Increase Commonwealth Rental Assistance (CRA) by 40%.
- Link Commonwealth Rental Assistance support to median rents in state and territories, urban and regional areas, as there is considerable variation in the rents across these locations.
- Increase investment in social housing (public and community housing) to support older Australians at risk of homelessness, including older women who are renting and are increasingly at risk of homelessness.
- Implement initiatives to increase the availability of affordable housing initiatives or schemes to provide much needed housing for people on low incomes.

These measures would help to reduce the levels of housing affordability stress faced by many older Australians on low incomes and support them to afford an adequate level of essentials (such as food and energy).

#### **4.2 Newstart Allowance**

Many older Australians find it very difficult to access employment due to barriers such as age discrimination. When they are under the Age Pension age, many who are without employment need to rely on a Newstart allowance to help meet their essential costs of living. However, with the current high cost of living and the extremely low Newstart allowance, these older people find they have to draw on their savings, superannuation or other assets to meet living costs. This is particularly the case for those older Australians who are renting their homes who can have significantly higher living costs.

Where these older people do not have sufficient financial resources to meet the deficit gap between the high cost of living and the low Newstart allowance, there is a substantial risk of these older Australians living in poverty and sometimes becoming homeless.

For older Australians that do have sufficient financial resources to meet the deficit gap between the high cost of living and low Newstart allowance, there is the risk of them expending a significant proportion of their savings, or other assets, by the time they reach the age where they are eligible for the Age Pension. This can be particularly the case for older women who often have not been able to build up substantial savings or superannuation due to, for instance, periods where they have undertaken unpaid care giving roles, and due to the gender pay gap. Research in 2018 found that the median superannuation balance for women aged 55 was approximately \$50,000, whereas the median balance for men aged 55 was estimated at \$120,000. By the age of 65 (about the Age Pension age) the median superannuation balances for women had reduced to approximately \$10,000<sup>28</sup>.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Increase the Newstart allowance by \$75. This is in line with the measure sought by the “Raise the Rate” campaign coordinated by the Australian Council of Social Service (ACOSS)<sup>29</sup> and supported by a wide range of organisations,
- Review the Newstart means test for older people who are unemployed so that they do not have their Newstart allowance reduced so quickly when they have other income or assets. That is, support older Australians in receipt of a Newstart allowance to retain their existing financial resources to help support them when they reach retirement.

These measures would help to support many older Australians out of financial stress, and in some cases help prevent them from becoming homeless. Moreover, by supporting older Australians on Newstart to retain their existing financial resources leading up to retirement, the measures have potential to reduce later pressures on the Age Pension.

## **5. Attorney General’s Portfolio**

### **5.1 Elder Abuse Prevention Measures**

Elder abuse has very serious impacts on any older person who experiences it and can have very serious consequences. It can result in loss of health, trust and wellbeing; it can result in major financial loss, and may lead to social isolation and withdrawal. Elder abuse has been described as “a single, or repeated act, or lack of appropriate action, occurring within any relationship where there is an expectation of trust, which causes harm or distress to an older person”<sup>30</sup>. Elder abuse can take various forms such as financial, physical, psychological and sexual. It can also be the result of intentional or unintentional neglect.

There is limited information available about the prevalence of elder abuse in Australia, however internationally it is estimated that up to 15.7% of people aged 60 and older are subjected to abuse; and that these prevalence rates are likely to be underestimates as many cases of elder abuse are not reported<sup>31</sup>. Elder abuse can occur in institutions, families, caring settings; accommodation settings, and the community.

In the State of the (Older) Nation survey undertaken by COTA, 53 per cent felt that providing older people who are experiencing abuse with effective tools and services to live free from abuse would make either a fair bit to a great deal of difference<sup>32</sup>.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Increase efforts to identify and prevent elder abuse, including reducing the barriers to reporting of elder abuse.
- Continue efforts to develop and implement a National Plan to address elder abuse and facilitate state and territory engagement and participation in the National Plan. Include consideration of the impact of ageism in contributing to elder abuse; and develop evidence-based approaches to reduce and ultimately prevent ageism. Commence implementation of the National Plan to address elder abuse in the first half of 2019.
- Undertake research to identify the levels and types of elder abuse in Australia and approaches to reduce and eliminate elder abuse.
- Develop a National Register for Power of Attorney (to which we urge States and Territories to collaborate in best faith and promptly).
- Consider the use of peer education models and advocacy pilot programs, to support older Australians who may be facing, or at risk, of elder abuse<sup>33</sup>.

These measures would enhance the process of working towards a national approach to eliminating elder abuse and through research provide better targeted responses to elder abuse, including approaches to measure progress. They would help to ensure the dignity and safety of older Australians.

## **6. Treasury Portfolio**

### **Financial Literacy Measures**

The level of financial literacy required for older people to effectively manage their financial security has become greater in recent years due to factors such as the increased numbers of older people and retirees; the growth in online financial services and reduction in face to face services; people needing to plan for a retirement income over longer periods with a more complex mix of age pension and superannuation; availability of more complex retirement income products; and the common poor standards of consumer engagement and service provision by financial services institutions, including superannuation funds.

An older person can be particularly affected if their partner passes away and that partner handled much of the family finances.

Moreover, financial stress can result from difficulties living on reduced incomes and lack of family support. This can for instance contribute to some older people being placed in the situation where they go short of food if they want to turn on the electricity.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Introduce support to assist older Australians understand, navigate, plan and manage finances in the current financial environment. Particularly include a focus to provide support for older Australians on low and modest incomes.
- Introduce approaches to early identification of older people facing financial hardship or in significant need of support in planning and managing their finances.
- Consider as one of a number of strategies the use of peer education models to support older Australians<sup>34</sup>, including a focus to support vulnerable people.
- The Australian Securities and Investments Commission (ASIC) and the Australian Competition and Consumer Commission (ACCC) may potentially contribute to the delivery of measures. Despite funds having been allocated by ASIC to Financial Literacy Australia little has been achieved in this area.

These measures would support many older Australians to navigate a complex financial environment by providing information that helps them make appropriate and well-informed financial choices.

## **7. Social Services, Human Services, Health and Prime Minister & Cabinet Portfolios**

### **7.1 Digital Inclusion Measures**

The increasing move to a digital online environment for services and support is creating a significant challenge for many older Australians, a significant cohort of whom are inexperienced in using computers and smart phones, and many are not be in a position to afford the ongoing costs of internet plans.

Often a reduction in offline and shop front services accompany service moves to an online environment, which can leave older Australians with fewer options to access services and support. Furthermore, many government services and supports have already and are increasingly transitioning to an online environment.

Approximately 73 per cent of older Australians in the COTA 'State of the (Older) Nation' report indicated that improving the affordability of services (like internet, phones and energy) for older people



would make a fair bit to great deal of difference. A total of 47 per cent of older people surveyed were not sure, or did not feel confident, about their consumer rights regarding “online shopping” (compared to 25 per cent for “in person shopping”)<sup>35</sup>.

These issues have the potential to result in a digital divide for many older Australians that can lead to social and economic inequality.

Measures that we urge the Australian Government to include in the 2019 Budget:

- Introduce an Internet Supplement for older Australians on low and modest incomes.
- Develop and implement strategies and initiatives to support digital access for older Australians.
- Develop initiatives to support older Australians transition to government online services. Include appropriate digital inclusion for older Australians accessing government services; and the continuation of, and improvements to, offline service delivery.
- Consider the use of peer education initiatives to support older Australians<sup>36</sup>, including a focus to support vulnerable Australians.
- The Australian Government Digital Transformation Agency (DTA) and the Australian Competition and Consumer Commission (ACCC) may potentially contribute to the delivery of these measures.

These measures would contribute to ensuring that the benefits of online services and supports can be appropriately accessed by a greater proportion of older Australians.

## **8. Minister for Senior Australians**

### **8.1 Proposed Areas of Responsibility**

We propose that the responsibilities of the Minister for Senior Australians would include oversight of the following measures to support older Australians.

- Raise awareness of and challenge ageism and ageist stereotypes. Seek government support for developing government policies and programs that challenge rather than reinforce ageism and ageist stereotypes. Develop evidence-based approaches to reduce and ultimately prevent ageism (with funding to support the approaches).
- Plan and promote the inclusion of new longevity and modern ageing paradigms in policies, programs and the community; to balance or complement those approaches that focus on disease, care and support models.
- Implementing financial literacy initiatives for older Australians. These measures are detailed above under the Treasury Portfolio and may include support from the Australian Securities and Investments Commission (ASIC) and the Australian Competition and Consumer Commission (ACCC) to contribute to the delivery of the measure. Despite funds having been allocated by ASIC little has been achieved in this area.
- Increase efforts to identify and prevent elder abuse, including reducing the barriers to reporting of elder abuse; implementation of the National Plan to address elder abuse currently in development; research to identify the levels and types of elder abuse in Australia and approaches to reduce and eliminate elder abuse; development of a National Register for Powers of Attorney. These measures are currently under the Attorney General’s portfolio.
- Develop approaches to increase social connections for people receiving aged care – to reduce loneliness and foster social connections. Increase participation in the Community Visitors Scheme. Develop approaches to help the community identify loneliness, or the risk of loneliness, among older people; and upskill the community to address it early before loneliness becomes serious and results in poor quality of life and health outcomes.

- Develop and implement a whole of government approach to support people trying to access and navigate support at the interface of the disability, health and aged care services.

## Notes

<sup>1</sup> The Australian Bureau of Statistics; 2071.0 Census of Population and Housings; Table 3 Age and Sex, Counts of persons; 2011 and 2016;

<sup>2</sup> Australian Bureau of Statistics; 3222.0 Population Projections; (2012 (base) to 2101; Page 4;

<sup>3</sup> More Choices for a Longer Life links:<https://budget.gov.au/2018-19/content/factsheets/index.html>;  
<https://campaigns.health.gov.au/longliveyou>

<sup>4</sup> Sixth Report on the Funding and Financing of the Aged Care Sector, Aged Care Financing Authority, July 2018 page xvi

<sup>5</sup> 2,494,060 older Australians in receipt of the Age Pension; Department of Social Services; Demographics; March 2017;

<sup>6</sup> State of the (Older) Nation 2018; A nationally representative survey prepared by the Council of the Ageing; December 2018; Newgate Research; Page 11; Link: <https://www.cota.org.au/policy/state-of-the-older-nation/>

<sup>7</sup> COTA Australia: Link <https://www.cota.org.au/wp-content/uploads/2018/05/Policy-Alert-No-16-COTA-Response-to-Budget-May-2018.pdf>

<sup>8</sup> State of the (Older) Nation 2018; A nationally representative survey prepared by the Council of the Ageing; December 2018; Newgate Research; Pages 63, 64; Link: <https://www.cota.org.au/policy/state-of-the-older-nation/>

<sup>9</sup> COTA Australia: Link <https://www.cota.org.au/wp-content/uploads/2018/09/Policy-Paper-Five-Fixes-Aged-Care-September-2018-FINAL-SOFT-COPY.pdf>

<sup>10</sup> A matter of care; Australia's Aged Care Workforce Strategy Report of the Aged Care Workforce Strategy Taskforce; June 2018; Page 5;

<sup>11</sup> A matter of care; Australia's Aged Care Workforce Strategy Report of the Aged Care Workforce Strategy Taskforce; June 2018;

<sup>12</sup> National Aged Care Alliance July 2017 Link: <http://www.naca.asn.au/Publications/NACA%20Integrated%20Consumer%20Supports%20Discussion%20Paper.pdf>

<sup>13</sup> Improving the oral health of frail and functionally dependent elderly; A Lewis, J Wallace, A Deutsch, P King; Australian Dental Journal 2015; 60 (1 Suppl); 95-105;

<sup>14</sup> State of the (Older) Nation 2018; A nationally representative survey prepared by the Council of the Ageing; December 2018; Newgate Research; Page 58; Link: <https://www.cota.org.au/policy/state-of-the-older-nation/>

<sup>15</sup> Successful Ageing and Oral Health; Incorporating dental professionals into aged care facilities; Linda Slack-Smith, Angela Durey, Clair Scrine; Australian National University, The University of Western Australia; July 2016; Page 5;

<sup>16</sup> Successful Ageing and Oral Health; Incorporating dental professionals into aged care facilities; Linda Slack-Smith, Angela Durey, Clair Scrine; Australian National University, The University of Western Australia; July 2016; Page 18;

<sup>17</sup> The existing National Partnership on Public Dental Services for Adults will expire on 30 June 2019;

<sup>18</sup> State of the (Older) Nation 2018; A nationally representative survey prepared by the Council of the Ageing; December 2018; Newgate Research; Page 61; Link: <https://www.cota.org.au/policy/state-of-the-older-nation/>

<sup>19</sup> The existing Better Aging Funding (Move it Aus) is over two year period with total funding of 22.5 million;

<sup>20</sup> State of the (Older) Nation 2018; A nationally representative survey prepared by the Council of the Ageing; December 2018; Newgate Research; Pages 50, 51, 52; Link: <https://www.cota.org.au/policy/state-of-the-older-nation/>

<sup>21</sup> State of the (Older) Nation 2018; A nationally representative survey prepared by the Council of the Ageing; December 2018; Newgate Research; Pages 97, 39, 45, 42; Link: <https://www.cota.org.au/policy/state-of-the-older-nation/>

<sup>22</sup> Australian Bureau of Statistics; 41300, Table 22, Housing Occupancy and Costs; Australia, 2015-16;

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<sup>23</sup> The Australian Bureau of Statistics; 2011.0 Census of Population and Housings; Table 3 Age and Sex, Counts of persons; 2011 and 2016;

<sup>24</sup> State of the (Older) Nation 2018; A nationally representative survey prepared by the Council of the Ageing; December 2018; Newgate Research; Pages 68, 51, 97; Link: <https://www.cota.org.au/policy/state-of-the-older-nation/>

<sup>25</sup> Money in retirement: more than enough; Grattan Institute; November 2018

<sup>26</sup> Grattan Institute Media Release 6 November 2018 "Fear not: Australians are likely to be comfortable in retirement"

<sup>27</sup> Benevolent Society Fix Pension Poverty see [https://www.fixpensionpoverty.org.au/living\\_in\\_private\\_rental](https://www.fixpensionpoverty.org.au/living_in_private_rental)

<sup>28</sup> Centre of Excellence in Population Ageing Research (CEPAR); Retirement incomes in Australia; Part III – Private Resources; section: Super Balances – Median balances by gender; Page 16; CEPAR research brief, November 2018;

<sup>29</sup> Link: [www.acoss.org.au/raisetherate](http://www.acoss.org.au/raisetherate)

<sup>30</sup> World Health Organisation (WHO); Link: [https://www.who.int/ageing/projects/elder\\_abuse/en/](https://www.who.int/ageing/projects/elder_abuse/en/)

<sup>31</sup> World Health Organisation (WHO); Link: [https://www.who.int/ageing/projects/elder\\_abuse/en/](https://www.who.int/ageing/projects/elder_abuse/en/)

<sup>32</sup> State of the (Older) Nation 2018; A nationally representative survey prepared by the Council of the Ageing; December 2018; Newgate Research; Page 97; Link: <https://www.cota.org.au/policy/state-of-the-older-nation/>

<sup>33</sup> Peer education may incorporate facilitation by older volunteers to engage older people on elder abuse, enabling the sharing of information, and provision of practical tools. Peer education can provide initiatives with localised engagement and extended reach;

<sup>34</sup> Peer education would potentially incorporate facilitation by older volunteers to engage older people on sensitive topics such as financial literacy, enabling the sharing of information, and provision of practical tools. Peer education can provide initiatives with localised engagement and extended reach.

<sup>35</sup> State of the (Older) Nation 2018; A nationally representative survey prepared by the Council of the Ageing; December 2018; Newgate Research; Page 97, 76; Link: <https://www.cota.org.au/policy/state-of-the-older-nation/>

<sup>36</sup> Peer education would potentially incorporate facilitation by older volunteers to engage older people on digital inclusion, enabling the sharing of information, and provision of practical tools. Peer education can provide initiatives with localised engagement and extended reach.