



# **COTA Australia Supplementary Pre-Budget Submission 2020/21**

**Prepared by**

**COTA Australia**

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## About COTA Australia

COTA Australia is the national consumer peak body for older Australians. Its members include the State and Territory COTAs (Councils on the Ageing) in each of the eight States and Territories of Australia. COTA Australia and the State and Territory COTAs have around 40,000 individual members and supporters and more than 1,000 seniors' organisation members, which jointly represent over 500,000 older Australians.

COTA Australia's focus is 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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## Foreword

COTA Australia welcomes the opportunity to provide this supplementary Pre-Budget submission, including COVID-19 related measures that we urge the Australian Government to implement as part of the 2020/21 Federal Budget. COTA Australia submitted an initial Pre-Budget submission in December 2020. COVID-19 arrived as the Federal Government was awaiting the recommendations of the Royal Commission into Aged Care Quality and Safety, the one in a generation Retirement Income Review was underway, and the 2020 InterGenerational Report was being prepared.

COTA Australia re-iterates the measures in our December 2020 Pre-Budget Submission<sup>1</sup>. Given the outbreak of COVID-19, we would also like to propose new priority measures that, if addressed, could minimise the harm and disruption to older people's lives caused by COVID-19.

The *COTA Australia Supplementary Pre-Budget Submission 2020/21* describes these measures. This submission should be considered alongside and in addition to our previous submission. For ease, we have combined the proposed measures from both the Supplementary Pre-Budget Submission and the earlier Pre-Budget submission in Appendix A.

In the COVID-19 response Budget in October, we urge the Federal Government to prioritise the following areas:

1. Pensions and Income Support
2. Future Retirement Income Policy
3. Aged Care Reform
4. Employment of older Australians
5. Housing
6. A whole-of-Government approach to an Ageing Australia

Whilst we reiterate our support for all measures listed in our previous submission, these 6 key areas (including new proposals) must be prioritised at this time.

Older Australians have borne the bulk of the health burden of COVID-19. On the economic front older workers made redundant through COVID-19 are the least likely to return to work. Urgent investment is needed to ensure this cohort are provided with support, and where necessary the skills, they need to thrive in a rapidly changing workforce.

No doubt, meeting increasing costs of living proves a challenge for many older people – particularly for those who have significant out-of-pocket healthcare, energy or communications costs, or are struggling to meet the punishing costs of private rental.

Proactively preparing Australia for its increasingly older population requires a comprehensive plan. Given the breadth of the portfolio areas that touch on older people's lives and are affected by population ageing, COTA Australia's key ask this Budget is for a Whole-of-Government Strategy for Older Australians. This is a call we have made many times before, and we reiterate.

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<sup>1</sup> Available at <https://www.cota.org.au/information/resources/submission/pre-budget-submission-budget-2020-21/>

## Priority 1: Pensions and Income Support

There are range of other pressures on low income people in this pandemic, such as transport costs when it's not safe to travel on public transport, home delivery costs and increased energy costs. Pensioners live very close to the poverty line (and in private rental, below it). No increase in pension payments in September will hurt pensioners already existing cost of living pressures.

Many older Australians find it very difficult to access employment due to barriers such as age discrimination. Prior to COVID-19, around a quarter (24.6%) of Jobseeker recipients were over the age of 50. With the current high cost of living and the extremely low base rate of Jobseeker allowance, these older people find they must draw on their savings 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.

The Coronavirus supplement has made a significant improvement to the lives of older jobseekers, with many now reporting the ability to meet out-of-pocket healthcare costs, and to have three meals a day.

### Provide a third \$750 Economic Support Payment to age and disability pensioners

Australia's world class pension indexation gives pensioners the best of four measures. The "best of three" is that the pension increases by the **higher** of the Consumer Price Index (CPI), Pensioner and Beneficiary Living Cost Index (PBLCI) and 41.76% of Male Total Average Weekly Earnings (for couple pension, effectively 27.7% for singles). The fourth protection is that if the outcome of these three indices is a negative – that is, a fall in value, the pension rate does not fall, it stays the same.

This approach saw the single age pension (including supplement) rise by \$10.90 per fortnight in March 2020. However, as the relevant indices that apply to a September 2020 adjustment are all negative the age pension will neither increase nor decrease in September. We accept this.

During the COVID-19 pandemic period prices affecting pensioners have fluctuated for a variety of reasons. For example, essential fruit, vegetables and meat prices have seen increases far beyond the normal range. We understand that this is also partly due to drought and bushfires. The impact of increased costs has been compounded by a reduced number of "specials" or "discounts" to the ticket price for many food items, and reduced access to "specials" by cost conscious pensioners when they are following government advice to stay at home and shop from home. In doing so they have also incurred the additional costs of home delivery. While the CPI has gone down because of the impact of items like childcare this does not help age pensioners.

There are range of other pressures on low income people in this pandemic, such as transport costs when it's not safe to travel on public transport. Pensioners already live very close to the poverty line and in private rental, below it. Whilst the two previous \$750 payments have been very welcome, pensioners have ended up with less than people on the increased level of Jobseeker. Accordingly, we urge the Government to provide an additional \$750 stimulus payment as part of your economic stimulus measures.

## Increase the maximum rate of Commonwealth Rent Assistance and improve indexation

The maximum rate of Commonwealth Rent Assistance must also be increased, so that both older renters on JobSeeker and age pensions can continue to put a roof over their head. To more adequately subsidise low-income tenants with high rental costs, COTA Australia urges an increase in the maximum amount of rent to which Commonwealth Rent Assistance applies by 40%. This would mean retaining the current calculation of paying \$0.75 of CRA for every dollar of rent paid over \$124.60. The maximum amount of rent paid used in this calculation would increase 40% from \$310.73 per fortnight to \$435.02 per fortnight. This would result in an increase of the maximum Commonwealth Rent Assistance payable (depending on the amount of rent you pay) increasing from \$139.60 per fortnight to \$232.82 per fortnight, or an extra \$93.22.

The Government should also establish a rental index that reflects median rental prices and benchmark the CRA rate accordingly.

## Permanently abolish the Liquid Assets Waiting Period

To assist jobseekers during COVID-19, the Liquid Assets Waiting Period has been temporarily removed. This welcome removal has prevented older unemployed people having to draw down on their retirement savings before qualifying for income support. By supporting older Australians on Jobseeker to retain their existing financial resources leading up to retirement, the measures have potential to reduce later pressures on the Age Pension.

There is currently legislation before the parliament to extend the maximum waiting time of the Liquid Assets Waiting Period (LAWP) from 13 weeks to 26 weeks. We urge the Government to withdraw this legislation that pushes older mature age unemployed workers further towards poverty. Under the proposal, the maximum six-month waiting time will apply where a person's liquid assets reach \$18,000 for a single person with no dependent children, and \$36,000 for couples. The LAWP disproportionately affects older Australians, especially where their intended retirement incomes are kept in financial vehicles such as bonds and shares, and even term deposits. COTA Australia vehemently opposes this legislation. COTA Australia supports the abolition of the LAWP altogether, in line with recommendations from several reports, including the Henry Tax Review<sup>2</sup>. At the least it should be abolished for people over 55 years of age, for whom it constitutes a retirement income tax.

## Raise the rate of Jobseeker and improve indexation

COTA Australia urges the Government to implement a permanent and adequate increase to the base rate of Jobseeker. This must include improvements to the indexation. While a range of options are available, one approach could be to benchmark Newstart against Male Total Average Weekly Earnings (as the single parenting payment now is). An alternative is to apply the same indexation to Newstart that is applied to the Aged Pension. Nonetheless, COTA Australia recognises that the age

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<sup>2</sup> Henry K, Harmer J, Piggott J, Ridout H, Smith G (2009). *Australia's future tax system: report to the treasurer*. Canberra: Commonwealth of Australia;

pension is indexed much closer to the true fluctuations in basic costs of living than the current CPI-only approach applied to Newstart.

**Measures:**

- Provide a third \$750 Economic Support Payment to age and disability pensioners
- Increase the maximum Commonwealth Rental Assistance (CRA) by 40% and benchmark future rises in the CRA to median rents.
- Review the structure of CRA to ensure that Commonwealth funds provide maximum assistance to the most vulnerable, generally in the private rental market.
- Remove the Liquid Asset Waiting Period, at least for unemployed people over the age of 55 years. In the meantime, Government should remove legislation proposing to increase the waiting period from 13 weeks to 26 weeks currently before the Senate.
- Increase the maximum single rate of JobSeeker and review the indexation

## Priority 2: Retirement Incomes

There is a need to improve the adequacy, equity and sustainability of retirement incomes. In a 2018 survey of older Australians (aged 50 and over) undertaken by COTA, more than one in two (53 per cent) people felt that the rising costs of living were 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>3</sup>

A major challenge is to ensure that the retirement income system into the future will produce adequate income for people to live on comfortably in retirement; and that is efficient, equitable and fiscally sustainable.

A holistic approach is needed 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. A body independent of Government, that includes representatives of older Australians, should be established to provide advice and impact modelling to Government on proposed changes once every 5 years.

### Consult on any proposed changes following the Retirement Income Review

On 27 September 2019, Federal Treasurer Josh Frydenberg announced a comprehensive Retirement Income Review, for which COTA Australia had been pushing for several years. The Final Report of this Review is currently before the relevant Federal Ministers. We note that the Review did not issue any draft report or test its findings with the retirement income sector or the community more widely, and we believe this needs to occur before any decisions are made by government.

We believe therefore that the Review's independent advice to Government should be followed by a second step in which Government engages in consultations on the findings of the Review, in order to test these, to generate discussion about their implications, and to discuss future options for retirement income policy reform off the back of the Review's Report. Such consultation is essential prior to any decisions by government on any measures as a result of this review..

It is also essential that such consultations include structured and properly facilitated consultations with consumers regarding the Review's findings and implications, and that this be adequately funded.

### Consult on commencement of the Retirement Income Covenant

The More Choices for a Longer Life package (2018-19 Budget) included a commitment to the introduction of a Retirement Income Covenant in the *Superannuation Industry (Supervision) Act 1993*. The Retirement Income Covenant is a first step toward a more robust set of retirement

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<sup>3</sup> State of the (older) Nation, 2018. <https://www.cota.org.au/policy/state-of-the-older-nation/>



income products and services to generate adequate income in retirement. It provides the basic framework for this to become a priority for all superannuation funds.

The Government has deferred the commencement of the Retirement Income Covenant from 1 July 2020 to **1 July 2022** to allow additional consultation and legislative drafting. In the development of the Covenant there must be must consultation that includes consumers, and we urge funding to be included for this.

**Measures:**

- Provide funding for structured consultations – including with consumers - on the findings of the Retirement Incomes Review and any potential measures that might follow.
- Include consumers in future consultations on the Retirement Incomes Covenant.

## Priority 3: Aged Care

The COVID-19 pandemic has highlighted many longstanding as well as new issues in aged care and put a spotlight on the need for continuing reform. The response to the pandemic has provided lessons and insights for aged care at the community and service delivery level and at a systemic or big picture level. At the community and service level this includes inadequate infection control training and preparedness by providers, gaps in service communication and information processes, inconsistent home care service delivery and pricing, increasing concern about loneliness and the mental health of vulnerable older people in the community, access to respite, and challenges related to access and use of technology. At the systemic or big picture level this includes challenging ageist attitudes and emphasising human rights, strengthening quality assurance, regulation and compliance, reforming service governance and culture, clarifying and improving coordination between aged care and health care, supporting funding and service flexibility by learning from local service responses and growing consumer engagement culture and expanding mechanisms.

### Provide an urgent and substantial increase in the number of Home Care Packages

We urge the Government to take further action on the Aged Care Royal Commission Interim Report. This means an urgent and substantial increase in the number of Home Care Packages. Funding must be provided so that no person must wait more than 2 months to receive the care they need.

COTA acknowledges that more than 50,000 new Home Care Packages (HCPs) have now been funded by this Government in and since the 2018-19 Budget. Indeed, a further 6,105 new HCPs were announced in July 2020. But this is still well short of what is required. Even with these additions, many tens of thousands of people will be left waiting for more than 12 months before they receive the high care package for which they were assessed.

We anticipate that the Royal Commission's Final Report will provide the Federal Government with clear advice on measures to improve aged care and the rationale for substantial and immediate investment in aged care. However, the Federal Government need not wait for the findings of the Final Report to fund more HCPs, as they were recommended in the Interim Report.

In testimony to the Royal Commission, the Department of Health provided an estimate of \$2.0 - \$2.5 billion dollars per year to meet COTA's then nominated target of not more than three months wait time. Minister Colbeck subsequently articulated a target of no more than 2 months. If the two home care programs are combined to create a new care at home program, there is a single independent assessment service, and home care packages are individually tailored, the cost is likely to be lower. However, demand is likely to continue to increase, both because that is the clear trend, and because COVID-19 experience will accelerate that trend. In addition the maximum subsidy should rise to be the same as residential care direct care costs. On this basis, COTA Australia proposes a figure of approximately \$2.5 billion per annum to address the current gaps and reduce the wait times to no more than 2 months. This target needs to be met within 2 years.

### Abolish Aged Care Approval Rounds

The Aged Care Approvals Round (ACAR) regulatory system is no longer fit for purpose. There is an urgent need to end the ACAR, replacing it instead with a new arrangement putting more choice and

control in the hands of consumers. The Government has already decided in principle to do this in the 2018 'More Choices for a Longer Life' Budget package. It has dragged its feet on implementing it.

ACAR has been the means of allocating new funding for aged care places. However, for many years it has had the effect of encouraging uniformity, holding back innovation, and stifling consumer choice and control. Specifically the ACAR bed allocation process prevents good quality providers from expanding to respond to consumer preference for their service, and it protects poorer quality providers by propping up demand for their services in the absence of sufficient good quality alternatives.

The Australian Government currently has before it the commissioned Impact Study on the removal of the ACAR. COTA understands that the report sets out several steps that should be taken to facilitate the abolition of the ACAR within the two-year timeframe recommended by David Tune in his report on the Legislated Review. These include a significantly improved assessment process, a much-strengthened process of, and criteria for, assessing and monitoring Approved Provider status, greater information and support for consumers, greater flexibility in regard to additional services, and ensuring rural and remote consumers have equitable access to services.

**Measures:**

- Fund an additional \$2.5 billion per year in home-based care services to reduce wait times so that no consumer will need to wait more than 60 days and develop an implementation plan to deliver this within two years.
- Replace the Aged Care Approvals Round process with new arrangements that place control in the hands of consumers and families and encourage good providers to expand and assist the exit of poorer providers, by implementing the recommendation of the Impact Study.

## Priority 4: Mature Age Employment

Many older Australians seek to remain in employment for long periods for reasons such as income, connection to colleagues and community, and professional skills development. For some older Australians it can be vital to continue employment to a very mature age due to factors such as low savings and superannuation, high living costs, family circumstances and being housed in the private rental market. Moreover, active employment in the years leading up to retirement contributes significantly to the subsequent financial security of older people in retirement and result in less need to rely on the full rate of the Age Pension, capacity to retain private health insurance, capacity to part fund care and support, etc.

Research from Deloitte Access Economics in 2015 found the flow-on effects of a longer work life can mean increased retirement savings, reduced welfare costs for future governments, better social inclusion and improved health outcomes over time. Other economic research indicates that higher levels of mature age employment increase economic productivity.

The 2016 Golden Age index by PwC found that if Australia's employment participation rate for workers aged 55 years plus (52 per cent) was to increase to Swedish levels (74 per cent), the potential gains to the Australian economy could be about \$69 billion. Of that, \$57 billion could be achieved by increasing employment participation for people age 55-64.

However, once an older person becomes unemployed, they find it much more difficult to re-enter employment than younger people. People aged 55–64 years spend on average 36 weeks looking for work until they find employment, compared to 14 weeks for all age groups.

We have also seen past examples of older workers being unable to re-join the workforce after global economic downturns, as we expect to see in coming months as the economy recovers from COVID-19. Older workers becoming 'discouraged workers' are disproportionately concentrated amongst retail and manufacturing industries. These industries have been hard-hit by COVID-19. In addition, 50% of sales assistants, and 30% of carers are in casual employment, many of whom are ineligible for Jobkeeper payments.

### Providing incentives to employers of older workers

The Treasurer has announced a 'JobTrainer Fund', to provide up to an additional 340,700 training places to assist job seekers access short and long courses. JobTrainer will also expand and extend the Supporting Apprentices and Trainees wage subsidy. The subsidy is a 50% wage subsidy, up to \$7,000 a quarter (\$28,000 per year).

Whilst COTA Australia supports this initiative, we are concerned that systemic barriers such as endemic ageism will lock out older workers from retraining opportunities and employment more broadly. Programs such as the Restart Wage Subsidy are essential for encouraging the employment of older workers and reducing these barriers. However, the Restart Wage Subsidy also showed that many older employees find their employment has been discontinued after a relatively short employment period, once the initial boost from the subsidies lapse.

In terms of financial incentives, COTA believes an ongoing reduction of tax on small to medium businesses for each mature age employee may be a sustainable, long-term alternative to the Restart

Wage Subsidy, that encourages retention of mature age employees for longer periods and is worth trialling.

### Support and Promote the Career Transition Assistance Program

The Career Transition Assistance Program is designed to provide skills and support to unemployed Australians aged over 45, to build skills and confidence whilst job searching. COTA Australia supports this program to assist people to overcome some of the barriers of ageism and discrimination faced by older workers and to narrow the gap between the time older workers spend job searching compared to younger workers.

The Department of Employment, Skills, Small and Family Business introduced an improved funding structure in May 2020 which provides greater opportunity for workers over the age of 45, who are not in receipt of Jobseeker, to benefit from the Career Transition Assistance Program. COTA Australia welcomes this improvement and commitment to funding the CTAP. As a result of the previous funding model, the CTAP has been primarily used by those who have Mutual Obligations involving job agencies. There is a need to more actively promote Career Transition Assistance to all mature age employees from the moment they lose their job. Given the forecast of unemployment, enough financial resources must be made available to cover the forecast number of people who will benefit from this activity.

Our base reports that newly unemployed older Australians assume that they must wait until they are in receipt of income support before they are eligible to benefit from the CTAP. We know that this is not true. The message that you do not need to be in receipt of, or even eligible for, income support to receive this type of assistance is not reaching older Australians. To that end, COTA Australia advocate for an increased awareness of the Career Transition Assistance Program, possibly through an advertising campaign. Jobactive providers must also be supported and encouraged to actively refer participants to this service.

### Find innovative ways to match mature jobseekers with potential employers

Older workers report difficulty finding jobs that are targeted at, or suitable for them. Equally, would-be employers describe difficulties finding suitable older workers to recruit or positions that are particularly suitable for them. To that end, COTA Australia raises the prospect of several low-cost Budget measures that would promote innovation and match mature jobseekers with potential employers.

Recruiters are often hesitant to including wording in job advertisements that specifically encourage mature applicants to apply. Understandably, they raise concerns about the legal implications of using positive discrimination in their language. Consequently, we are advocating for provision of legal advice, potentially through the Office of the Solicitor-General, to confirm the language that can be used in job advertisements. This may include examples, such as 'mature applicants encouraged to apply'. This would provide assurance to recruiters that they are able to take positive steps to recruit older applicants.

Mature jobseekers report difficulty finding roles that are suitable for older workers. COTA Australia sees a proactive role from Government and recruitment search engines to better match these

workers. There is an opportunity to explore ways to match jobs where employers actively seek mature age employees and jobseekers who self-identify as mature age using job search platforms online.

Specifically, COTA Australia proposes that funding could be allocated to build a mature age employer/employee match into all relevant government jobs boards, including [jobsearch.gov.au](http://jobsearch.gov.au), [apsjobs.gov.au](http://apsjobs.gov.au) and [defencejobs.gov.au](http://defencejobs.gov.au).

Similarly, COTA Australia proposes that a roundtable could be established including consumers and Job Search Engines to assist them to provide technical solutions which match employers and mature employees.

**Measures:**

- Promote the uptake of the Career Transition Assistance Program, including funding for an advertising campaign
- Provide advice, potentially through the Office of the Solicitor General, regarding job advertisements for mature-age workers
- Establish a roundtable to discuss technical solutions to matching employers and employees using online job boards
- Build a mature age employee/employer match into government job boards

## Priority 5: Housing

### Support older Australians to age in place

Older Australians must be supported to age in place, whether or not they own their own home. This is particularly true for older women, many of whom are in social and economic circumstance that lends itself to being particularly vulnerable to unemployment, disruption, and ultimately housing crisis. Further, the role of housing in creating a comfortable and stable retirement is being explored as part of the Retirement Incomes Review. There is a strong economic and social argument to increase investment in both public and community housing.

Greater numbers of people renting in retirement necessitates a strong safety net to protect older people from poverty, housing affordability stress, and, in extreme cases, homelessness. There is an urgent need to raise the maximum rate of Commonwealth Rent Assistance and improve indexation. Security of tenure in private rental can also be supported through abolition of no-ground terminations of leases and offering public subsidies to landlords that allow five-year leases (or more) to eligible tenants. Home modifications must be made affordable.

### Explore co-ownership models

Consideration must also be given to the role of low-deposit and low-interest loan packages aimed at lower income households, in providing security of tenure in later life. Co-ownership models would provide security of tenure and facilitate access to a pool of equity later in life to low-income individuals. COTA Australia notes that there are successful co-ownership models at a state and territory level including Key Start in WA, HomesVIC in Victoria and the Shared Equity Scheme in the ACT.

There appears to be a gap in Australia for co-ownership models designed specifically for older Australians. Strong consideration should be given to the implementation of a program similar to the UK's Older People's Share Ownership program, designed for over 55-year-olds. COTA Australia proposes that such a program could be delivered through BuyAssist, as a wholly owned subsidiary of the National Affordable Housing Consortium (NAHC) which assists people on low and middle incomes to purchase a dwelling by providing up to 25% of the purchase price. BuyAssist could be expanded to include products explicitly targeted to older people in the private rental market, or potentially be used to progressively purchase the entry contribution to a retirement living setting (e.g. a retirement village, land-lease or lifestyle village). To that end, COTA Australia proposes that feasibility study for such a program be included in this Budget.

#### Measures:

- Increase investment in social housing (public and community housing) and implement initiatives to increase the availability of affordable housing.
- Consider measures to improve security of tenure
- Ensure that housing modifications are affordable
- Increase the maximum rate of Commonwealth Rent Assistance and improve indexation
- Undertake a feasibility study of co-ownership options (such as a BuyAssist product tailored to older Australians)

## Priority 6: A Whole-of-Government Approach to Ageing

### Provide a Whole-of-Government Strategy for older Australians

COTA Australia has long identified the need for a Whole-of-Government Strategy for older Australians. The strategy would act as a high-level strategic plan that guides development of future measures to address identified issues and challenges faced by older people and coordination and alignment of relevant government policy and programs across portfolios.

The point of a whole-of-government strategy is to create a principles based policy framework that sets out strategic public policy goals for government in seeking to enable optimal contributions of older Australians to Australian society socially, culturally and economically; supporting their full inclusion in all aspects of Society; and to tackle proactively, efficiently and in a coordinated way the challenges that an ageing society brings in addition to the benefits.

The flow-on economic and social advantages of the fullest inclusion of older people in our society in all its facets are substantial in terms of indicators like economic productivity, social contribution, community resilience and intergenerational cohesion. We do suffer from endemic ageism that diminishes the capacities and contributions of many older people and a comprehensive strategy would seek to equitably elevate the status of older people in all arenas of community life.

In the coming year significant focus of the Government will rightly be directed to the recommendations of the Aged Care Royal Commission and consideration of the findings of the Retirement Income Review. While these are critical priorities and key pillars of a framework for positive ageing they do not stand alone, and a comprehensive framework is essential to ensure an integrated and complementary suite of policy settings that will support and strengthen such key initiatives. Employment and housing policies, for example, are a key underpinning of an effective retirement income policy. Good primary health care has a significant influence on aged care demand.

A first step in this direction was taken with the 'More Choices for a Longer Life' Budget package in 2018, co-designed with COTA Australia and comprising 42 measures across a range of portfolios. It included action on:

- Aged Care;
- Jobs and skills;
- Finance for a longer life;
- Supporting choice and a healthy long life; and
- Safeguards, quality and rights

This package of measures was being monitored and followed through by the More Choices for a Longer Life Inter-Departmental Committee (IDC), which in the latter part of 2019 was being transformed into a cross government Ageing Policy IDC. However the momentum of 'More Choices' has not been sufficiently followed through and needs more status, resources and political commitment

We therefore propose that the groundwork for such a Whole-of-Government Strategy be laid in the 2020/21 Budget, for further development in the 2021/22 Budget next May.



**Measure:**

- Initiate the development of a whole-of-government strategy for older Australians and an ageing Australia

## Appendix 1. Full list of Measures

### Summary of COTA Australia proposed budget measures – original submission January 2020 and supplementary submission August 2020

Below is the full list of measures relevant to each Government Department, combining COTA Australia's priorities in both the 2020/21 Pre-Budget Submission (available at <https://www.cota.org.au/information/resources/submission/pre-budget-submission-budget-2020-21/>) and this 2020/21 Supplementary Submission.

Where a similar proposed measure is in both submissions, we have consolidated them as far as possible. In a few cases the proposal in the supplementary submissions superseded that in the original submission and in that case the original has been omitted here.

#### Department of Prime Minister and Cabinet measures:

- Develop a whole-of-government strategy for older Australians and an ageing Australia.
- Develop and publish a check list of progress made on implementing the *More Choices for a Longer Life* measures.
- Fund the development of peer education initiatives to support older Australians, including a focus to support vulnerable 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.

#### Department of Health (Dental and Oral Health) Measures:

- That the Commonwealth increase its contribution towards the *National Partnership Agreement on Public Dental Services*, in order to reduce wait times for vulnerable cohorts such as older Australians and include performance benchmarks to provide support for people in Residential Aged Care Facilities. Such increased funding should include a requirement for state and territory contributions to remain at current levels or increase; the publication of annual wait times from point of registration; that a portion of funding be used to reduce waitlists using private dental services; and that a portion of funds be used to trial mobile dental services that deliver services to aged care facilities.

#### Department of Health (General and Mental Health) Measures:

- Design programs for 'older Australians aged 65 and over who are on low incomes' and 'older Australians living in Residential Aged Care Facilities' as two focus groups within the National Women's and National Men's Health Strategies.
- Increase preventative programs to support the health of older Australians - such as health literacy, and health promotion. Consider the use of peer education and health advocacy models.
- Develop greater coordination and integration in the health system with other care support systems, such as aged care, home care, and support from the community.
- Increase funding and support for Advanced Care Planning and Advanced Care Directives education. Fully and equitably consider the mental health needs of older people in the development, funding and implementation of all mental health strategies.

### Department of Health (Aged Care Measures):

- Fund an additional \$2.5 billion per year in home-based care services to reduce wait times so that no consumer will need to wait more than 60 days and develop an implementation plan to deliver this within two years.
- Replace the Aged Care Approvals Round process with new arrangements that place control in the hands of consumers and families and encourage good providers to expand and assist the exit of poorer providers, by implementing the recommendations of the Impact Study.
- Allocate in the 2020-21 budget funding provisions to support the implementation of the Royal Commission recommendations from December 2020.
- Provide funding for consumer consultation and input into the design and implementation of the future aged care system.
- Fund the transition of the existing *Aged Care Navigators* pilots to a full program of Navigators available across the country.

### Department of the Treasury Measures:

- Provide funding for structured consultations – including with consumers - on the findings of the Retirement Incomes Review and any potential measures that might follow.
- Fund consumer consultations about any proposed policy changes to retirement income policies in light of the fact base established by and findings of the Retirement Income Review.
- Include consumers in future consultations on the Retirement Incomes Covenant
- A body independent of Government, that includes representatives of older Australians, should be established to provide advice and impact modelling to Government on proposed changes to retirement incomes and a report on retirement incomes once every 5 years.
- Fund financial literacy programs that educate older Australians (including those with low and modest incomes) on how to manage their finances in current financial environments. Consider use of peer education models.
- Introduce a budget impact report that includes a reinstated Women’s Budget Statement and the gross and net expected taxation revenue for a range of different taxation policies.

### Department of Education, Skills and Employment Measures:

- 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 comparative 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).
- Model benchmark mature-age employee levels by all Australian Government Departments and trial approaches within the Australian Public Service to retain and employ mature age workers.
- Provide practical guidance to employers on mature age employment retention and attraction.
- Implement initiatives to reduce and ultimately prevent age-related bias and unlawful discriminatory practices towards older people in employment.

- Improve the Skills Checkpoint for Older Workers program by publishing the statistics of participant response to the online tool and integrate the program with the Better Ageing 45 years and 65 years check-ups.
- Increase skills development support for older people, including in the area of retraining.
- Promote the uptake of the Career Transition Assistance Program, including funding for an advertising campaign
- Provide advice, potentially through the Office of the Solicitor General, regarding job advertisements for mature-age workers
- Establish a roundtable to discuss technical solutions to matching employers and employees using online job boards
- Build a mature age employee/employer match into government job boards
- Develop specialist job seeker agencies specifically skilled in the needs of older unemployed people.
- Develop further initiatives to address the underemployment of older Australians in collaboration with older people, employer peaks, and the COTA Federation.

#### Department of Social Services measures:

- Provide a third \$750 Economic Support Payment to age and disability pensioners
- Increase the maximum Commonwealth Rental Assistance (CRA) by 40% and benchmark future rises in the CRA to median rents.
- Review the structure of CRA to ensure that Commonwealth funds provide maximum assistance to the most vulnerable, generally in the private rental market.
- Remove the Liquid Asset Waiting Period for unemployed people over the age of 55 years. In the meantime, Government should remove legislation proposing to increase the waiting period from 13 weeks to 26 weeks currently before the Senate.
- Increase the maximum single rate of JobSeeker and review the indexation.
- Make Australians with a disability over the age of 65 years a key demographic considered by the National Disability Strategy 2020 and beyond.
- Increase investment in social housing (public and community housing) and implement initiatives to increase the availability of affordable housing.
- Consider measures to improve security of tenure
- Ensure that housing modifications are affordable
- Undertake a feasibility study of co-ownership options (such as a BuyAssist product tailored to older Australians)
- Introduce an Internet Supplement for older Australians on low and modest incomes.
- Provide more funding and support to address social isolation, both in the wider community and in residential aged care Consider measures to improve security of tenure

#### **Attorney General's Department measures:**

- Provide six monthly reporting on the progress of the National Elder Abuse Prevention Strategy For the next three years and annual reporting thereafter.
- Seek ways to strengthen the human rights protections of older Australians.
- Amend the Age Discrimination Act to ensure that employers are clear they may proactively seek mature age applicants on a non-exclusive basis.
- Develop practical guidance to employers on mature age employment recruitment, retention and attraction.

#### **Department of Infrastructure, Transport, Cities and Regional Development measures:**

- Implement the recommendations of the Telecommunications Consumer Safeguards Review.

#### **Department of Industry, Science, Energy and Resources measures:**

- Implement the ACCC recommendations on energy concessions in a manner that delivers a uniform national approach to electricity concessions.

#### **Department of Foreign Affairs measures:**

- Elevate Australia's engagement within the United Nations Open-Ended Working Group on Ageing to a point where Australia is seen as a regional leader on the need for an international mechanism on the rights of older people.