



MEDIA RELEASE

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Older Australians reflect on Federal Budget

Council on the Ageing (COTA) Australia, the peak advocacy body for older Australians, says tonight's budget will help the hip pocket and aged care, but more accountability of providers' aged care spending is needed.

COTA Australia Chief Executive Ian Yates AM said tonight's budget sets the scene for a Federal Election campaign over the coming weeks, with the hope of older Australians now pinned on election announcements for vital services like oral and dental health.

Improving cost of living pressures for older Australians

Tonight's budget includes a \$1.5 billion investment to provide a one off \$250 paymentⁱ to around 6 million Australians, around half of whom are pensioners. Also announced was a 50% reduction to the fuel excise for 6 months, reducing the price of petrol by 22.1 cents per litre. These new investments build on the 2.1% indexation to increase the age pension by \$20.10 for singles and \$30.20 for couples per fortnight announced earlier in March 2020 which is based on historical cost increases over July to December 2021.

"Tonight's \$250 one off pension payment is a welcome relief for pensioners struggling with the surging cost of living," said COTA Australia Chief Executive, Ian Yates.

"\$250 to be paid in late April is an important supplement to help pensioners who are struggling with the severe increase in everyday costs like groceries and petrol. Waiting another six months for indexation to catch up to the price hikes being experienced now would not have been a viable option for many people living from pension payment to pension payment.

"We continue to call on Government to consider a permanent solution for pensioners on the cost of digital engagement. In the modern world, the cost of internet connections, computers, mobile phones are no longer optional. For many people on welfare payments who don't own their home, these things are out of reach, and the consequences are awful.

"We were disappointed that the Government's cost of living relief for middle income wage earners, did not include low to middle income self-funded retirees living only off their superannuation.

"COTA Australia supports flexible arrangements for Older Workers. Lots of people want to retire completely, others want to continue working part time. The pension should accommodate both without disadvantage. So we were surprised that calls for policies to relax the pension wage income test for at least a year, to further incentivise retirees into the workforce, was not included as part of the Government's economic recovery plan announced tonight."

Maintaining momentum in reforms to aged care

Tonight's budget reaffirmed the Government's commitment to the aged care reform process based on the recommendations of last year's Royal Commission into Aged Care Quality and Safety. The budget announced a further \$468.3 million to support aged care services, bringing the total investment to \$18.8B.

The continued investment maintains the rolling out of 80,000 home care packages over 2021-2023, funds 33,800 new training places for aged care workers, 8,400 new respite service and delivers

COTA Australia is the peak policy development, advocacy and representation organisation for older Australians, representing COTAs in every State and Territory and through them over 500,000 older Australians.

funding to link nursing homes with community pharmacists and on-site pharmacists to improve medication management and safety.

“We are pleased to see the Government maintain the momentum toward reforming aged care in a way that improves outcomes for older people,” said Mr Yates.

“We continue to look to the Government for its response to the Royal Commission’s recommendation for a Seniors Dental program. Funding oral health is critical to maintaining quality of life in aged care and in the community. We are disappointed such a program was not in tonight’s Budget. It is long overdue.”

Funding for 200 minutes of care welcome, but more transparency needed

The Government will also implement, from 1 October 2022 a new residential aged care funding model that includes an additional \$36.40 per bed, per dayⁱⁱ. Each nursing home around the country will have a target for the number of minutes of care they must deliver based on the clinical needs of their residents. This will be based on the initial stage recommended by the Royal Commission of 200 minutes per resident per day. The new star rating system will score a nursing home out of five on how well they met their target without publishing the exact minutes of care they should have delivered for the funding they received, versus the number of minutes they actually delivered.

“While the increased transparency included in the Government’s reform package is appreciated, more transparency is required to ensure funding is being spent as it is intended, said Mr Yates.

“Australian families deserve to know if the Government is spending on average \$225 per day to deliver 200 minutes of care, that their aged care provider is actually delivering that care the taxpayer funded. We call on the Government to commit to publishing this information for every nursing home across the country as part of their star rating system.”

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ⁱ The \$250 income tax exempt payment will be paid to a number of people including age pensioners, people who receive the carers allowance, Commonwealth Seniors Health Cardholders and Pensioner Concession Cardholders.

ⁱⁱ The current Aged Care Funding Instrument (ACFI) average per bed per day funding is \$188.60. The average resident under the new Australian National Aged Care Classification is expected to be funded approximately \$255 per day.