



**COTA AUSTRALIA  
FEDERAL BUDGET 2016  
POSITION STATEMENT**

**March 2016**

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**COTA Australia**

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## **COTA AUSTRALIA**

COTA Australia is the national policy organisation of the State and Territory COTAs (Councils on the Ageing) in each of the eight States and Territories of Australia that make up the COTA Federation.

The COTA Federation is the national consumer peak body for older Australians and its more than 1,000 seniors' organisation members represent over 500,000 older Australians, in addition to 30,000 individual members.

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.

## **COTA POLICY DEVELOPMENT AND ADVOCACY POSITIONING**

This year COTA Australia did not submit a detailed Pre-Budget Submission. Our experience is that "set piece" submissions have limited value in impacting on policy formulation for federal budgets in today's political, bureaucratic, economic and digital environment.

COTA Australia is intimately involved in the identification of policy issues and their dimensions, discussion and debate about options for moving constructively forward on their resolution, and the generation of stakeholder support for constructive bipartisan outcomes, across a range of key policy areas affecting older Australians.

In the current policy environment these are fluid processes in which fixed positioning is often unhelpful to a constructive outcome. The process of opening up policy options and generating support for viable and sustainable steps forward is as critical as the articulation of theoretically desirable "solutions". Achieving an optimal outcome is often an incremental process for a period of time or over a series of steps until a 'tipping point' is reached and a qualitative shift occurs.

By way of example, COTA Australia has for about two years been arguing for an independent, holistic and comprehensive retirement incomes review, covering pensions, superannuation, taxation, housing, and major retirement costs such as aged care. The Review would be commissioned to propose an equitable, sustainable and income-optimising retirement incomes policy framework that would receive multi-partisan support in respect of its core settings and

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would therefore be in place for the next two to three decades without fiddling. Such a policy framework would engender confidence in the community and across the financial services sector.

If government had responded to that call in early 2014 we would now have before the Australian community such an outcome. Instead over the last two years government and opposition have announced isolated and competing policies and inquiries that are taking place without an overall policy framework. However COTA continues to prosecute the case for a Review and indeed every new isolated development only serves to subsequently underline the need for such a Review.

COTA is centrally involved in all relevant current policy discussions of key interest to us, and processes around them, and will continue to promote coherent, purposeful approaches to policy development which necessarily require a significant degree of stakeholder support if they are to be sustainable.

This Position Statement identifies 'headline' concerns related to our current three strategic policy priorities of Retirement Incomes; Health; and Aged Care. Between now and the delivery of the Federal Budget we will further elucidate our policy positions and fiscal priorities in more detail in each of these areas. We will do this through the release of specific, targeted position statements at appropriate and useful times, and through our continued direct contribution to government policy processes already underway.

Clearly COTA works across a much broader range of federal policy areas than the strategic priorities outlined below, and we will continue to engage with government on these through consultation, advisory processes, active representation, advocacy, collaborations and other means.

We recognise that the construction of this year's Budget, and Budgets over the next decade, will take place in the context of:

- fiscal pressure at all levels of government and across all policy environments;
- economic volatility and challenges to economic and employment growth;
- escalating digital development and disruption impacting on both the economy and the lives of individuals;
- potentially deepening economic and social inequalities;
- impacts of climate change and the imperative to progress further towards a low carbon emission economy;
- continued ageing of the population, with a greater diversity of older people; and
- potential major breakthroughs in healthcare which could continue to impact on longevity, morbidity and service needs.

COTA Australia advocates for the rights and interests of, and concrete, positive outcomes for older Australians. We are looking for practical, realistic and sustainable policies and programs from government that meet community needs and deliver greater fairness and equity across society, and for our particular constituency of older people. We understand that to achieve these outcomes full recognition must be given to the significant pressures, constraints and opportunities listed above.

COTA continues its call for current and future governments to take a long-term, strategic, integrated policy approach to population ageing, and a fair, equitable and productive policy approach towards current and future cohorts of older Australians.

Governments will miss a crucial strategic opportunity if they continue to posit population ageing as predominantly a challenge to public expenditures (often not supported by the actual evidence) rather than an opportunity to adaptively and productively respond to demographic change with a positive, inclusive, socially cohesive, long-term vision for our economy and society.

In the forthcoming Budget and those in coming years COTA Australia will target the issues and government responses that we consider will deliver the greatest wellbeing to older people over the long term and contribute to a stronger nation overall.

## **2016 FEDERAL BUDGET HEADLINE ITEMS**

The following are indicative lists of ‘headline’ items of COTA focus relevant to the 2016 Federal Budget in our three main strategic policy areas. In the spirit of the preceding discussion these are subject to negotiation and adaptation in the policy development process.

### **1. Retirement Incomes**

COTA Australia’s goals in the area of retirement incomes are:

- an integrated, sustainable retirement incomes system, including pre-retirement arrangements, that delivers adequate retirement incomes for all older people on an equitable and sustainable basis, including addressing:
  - inadequacy caused by the structural inequality experienced by particular population segments such as women, and people experiencing significant periods of unemployment and underemployment; and
  - unsustainable housing costs for many of those who do not own their home;
  - government policy settings being effective in increasing retirement incomes on an equitable basis;
  - government policy settings that can assist management of longevity, investment and life event risks;

- the need to improve financial literacy and financial advice.
- an increase in workforce participation and employment of people over 50 years; including beyond superannuation preservation age and age pension eligibility age.

In the 2016 Budget we want the government to:

1. announce and resource an independent, holistic retirement incomes review that includes the age pension, superannuation, taxation, housing, paying for health and aged care; and the interactions between these - with the intention of achieving broad political support for a retirement incomes policy that will be fair, sustainable and will bring long term stability to retirement planning
2. Invest in the creation and implementation of a comprehensive National Mature Age Workforce Participation Strategy;
3. Remove direct age discrimination against workers 65 years and over in taxation legislation in regard to tax concessions associated with redundancy payments.

## 2. Health and Wellbeing

COTA Australia's priorities in the area of healthcare are:

- an end to age discrimination in healthcare;
- accessible and affordable services for the diversity of older Australians in the following areas, in which Australia underinvests for older people:
  - mental health
  - oral health
  - health promotion and illness prevention
  - increased self-care capacity in primary care
  - palliative and end-of-life care and control.

In the 2016 Budget we want the government to:

1. Expand its recently announced mental health reforms supporting people with a disability arising from a mental illness, to ensure equitable services are delivered for older Australians within the aged care or health systems (for those ineligible for the NDIS because of their age);
2. Ensure that funds are available under the forthcoming National Dental Plan for an Older Australians Oral Health Strategy;
3. Fund the three priority project areas to achieve high quality end-of-life care identified by Palliative Care Australia in its Pre-Budget Submission – in particular we strongly support the PCA proposal that the government fund a project on 'Quality of Death in Residential Aged Care'.

### 3. Aged Care

COTA Australia has played and continues to play a leading role in the reform of Australia's aged care system. Our priorities in the area of aged care include:

- continuation of steps towards a consumer led, market based aged care system that is fully responsive to assessed need and capacity to pay, including full implementation of the current aged care reforms and those currently in collaborative planning;
- development of strong and effective consumer support and empowerment services and programs, including stronger consumer protection, increased advice and information, opportunity for consumer partnership and control, and better measures of aged care quality; and
- the maintenance and expansion of government support to those without sufficient means to self-fund necessary care in older age and to ensure equitable access to high quality care.

In the 2016 Budget we want the government to:

1. announce a timetable for putting residential aged care funding in the hands of consumers and families, as it will do with Home Care packages in February 2017 and all home care from July 2018. This should happen as fast as possible.
2. announce its in-principle support for the recommendations in the Aged Care Roadmap developed by its Aged Care Sector Committee and the fastest possible timetable for taking forward its key recommendations, including the lifting of restrictions on the timely and equitable supply of aged care funds to older people who have been assessed by the Commonwealth as being in need of support.
3. commission the development of a consumer support platform that encompasses in an integrated framework better consumer advice, peer education and aged care literacy, peer support, advocacy and access to financial and legal advice
4. commission the Aged Care Financing Authority to review and recommend to government the appropriate level of aged care pricing and subsidies in a market based system, taking into account issues such as payment for language services, additional costs for remote services, when provision of case management is essential; and dealing with "thin markets".