



**COTA AUSTRALIA**

**FEDERAL BUDGET 2017-18**

**PRE-BUDGET POSITION STATEMENT**

**February 2017**

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## 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 30,000 individual members 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.

## COTA POLICY DEVELOPMENT AND ADVOCACY POSITIONING

In 2016 COTA Australia did not submit a detailed Pre-Budget Submission and this year we are following the same approach. As we noted last year, 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. However, we recognise the opportunity provided by the Budget process to highlight to our members, stakeholders, and the general public COTA's current priorities on which it is currently working with or presenting to government.

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 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.

We understand that to achieve good outcomes for older Australians full recognition must be given to the significant pressures, constraints and opportunities listed above.

Our concern is that the strategic complexity of this picture is not acknowledged by governments in their broad policy development nor in their short-term Budget processes. 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.

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. 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.

As with our 2016 statement, this Position Statement identifies ‘headline’ concerns related to our current three strategic policy priorities of Retirement Incomes; Health; and Aged Care. We also include a small number of additional ‘headline’ items relating to housing policy, elder abuse response and the delivery of Centrelink services. These are generally matters on which our representations have been and are ongoing.

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

## **2017 FEDERAL BUDGET HEADLINE ITEMS**

The following are ‘headline’ items relevant to the 2017 Federal Budget in our three main strategic policy areas.

### **1. Retirement Incomes**

COTA Australia’s goals in the policy 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 2017 Budget we want the government to:

1. Announce and resource **an independent, integrated, 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. Implement additional **measures to address gender inequity in retirement incomes** including:
  - Continuing to close a range of loopholes in, and redesign features of, the superannuation system that disadvantage women (including, in particular, those identified in the report of the Senate Inquiry into Economic Security for Women in Retirement)
  - Investigate proactive measures across the life course targeted at lifting superannuation outcomes for low-income people, including government payments into superannuation for low wage people early in their working lives
  - Implement the recommendation by Anglicare Australia that superannuation should be paid on government benefits and allowances to all recipients, up to Age Pension eligibility age.
    - Particular priority should be given to implementing this on those allowances that are effectively remuneration for “informal” caring responsibilities, the great majority of which are currently borne by women, and which contribute a benefit in excess of \$60 billion to the Australian economy.
3. **Increase the rate of government income support allowances, especially Newstart, by \$53**

per fortnight for single recipients and index all allowance payments to wage movements.

## 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 2017 Budget we want the government to:

4. Address the worsening oral health crisis for older Australians by taking the lead in COAG for the development of **an Older Australians Oral Health Strategy**, connected to the National Oral Health Plan 2015-2024;
    - with a focus on:
      - adopting and embedding the National Oral Health Alliance's core principle that all Australians should be able to access quality oral health services in the same way they can for diseases of any other part of the body;
      - appropriate and adequate oral health care which targets and supports wellbeing and quality of life for aged care residents;
      - the ongoing development of dental practices that support the oral health needs of people with dementia, including issues associated with patient consent;
      - access to appropriate, affordable and adequate public or private dental and oral health services for low income older people wherever they live;
      - a preventative as well as crisis response approach to oral health needs in older people;
      - a life course approach to oral health that recognises the importance of investing in children's and adolescents' oral health, which will result in better oral health outcomes for future cohorts of older Australians
    - through a consultative AHMAC process that involves key consumer and provider stakeholders, including the National Oral Health Alliance.
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5. Design, fund and implement a **dental benefits schedule targeted to older Australians** (along the lines of the Child Dental Benefits Schedule), called for by the Australian Dental Association in its pre-budget submission.
6. **Increase federal funding to the Adult Dental Services National Partnership Agreement** to support better access to dental care by low income people including many older Australians.
7. Address the mental health care needs of older Australians by taking the lead in COAG for the development of an **Older Australians Mental Health Strategy**, connected to the 5<sup>th</sup> National Mental Health Plan;
  - with a focus on:
    - removing age discrimination against older people in access to and appropriateness of mental health care;
    - older age suicide prevention;
    - replicating or expanding the significant systems of mental health community support introduced under the NDIS (from which people acquiring disability over the age of 65 are excluded) to reach older Australians as well;
    - a well-designed, person-centered system supporting smooth navigation and transitions across mental health care settings (particularly from community health care to residential aged care) for people as they age
  - through a consultative AHMAC process that involves key consumer and provider stakeholders.
8. **Remove the discriminatory exclusion of people living in residential aged care from accessing mental health services under the *Better Access to Mental Health Care* provisions of Medicare.**
9. Support the integrity of the Medicare system – so heavily relied upon by older Australians – by **lifting the freeze on Medicare payments to GPs.**

### 3. Aged Care

Since 2009 COTA Australia has played a leading role in the reform of Australia's aged care system. We will continue to play this role as both the national representative peak policy and advocacy for older Australians, and as a leading Sponsor member of the national Aged Care Alliance (NACA). Our priorities in aged care reform include:

- continuation of steps towards a consumer led, market based aged care system that is fully responsive to assessed need and capacity to pay, and provides integrated consumer support services. This includes full implementation of the already legislated aged care reforms and those currently in collaborative planning, including the Aged Care Roadmap developed by the government’s Aged Care Sector Committee and released in April 2016; and the NACA Blueprint Series statements “Enhancing the quality of life of older people through better support and care”, June 2015 and the NACA Position Statement for the 2016 Federal Election, April 2016
- 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 2017 Budget we want the government to:

10. Announce its intention to proceed expeditiously to:

- **Set a legislated timetable for placing all home care and residential aged care funding in the hands of consumers and their families**, as has occurred from 27 February 2017 for Home Care Packages (the smallest part of the aged care system)
- **Set a timetable to remove the cap on subsidized aged care funding and make funding available to care recipients at their assessed level of need**, so that people assessed as in need receive timely access to fully appropriate levels of support and care
- **Commence the funding and implementation of a set of Integrated Consumer Supports (or Consumer Support Platform)**, so that there is a systemic approach to providing people with access to both peer and professionally provided linkages, information, advice, assistance and advocacy to enable them to be empowered participants in the aged care system
- **Development and implementation by 1 July 2018 of a fair and sustainable pricing framework for aged care, including a coherent, equitable and transparent user contributions regime**, so that aged care is paid for by both government and users according to their capacity to pay, on a basis that is sustainable for both; and
- **Provide the funding required to strengthen My Aged Care to become a fully functional and consumer-friendly and enabling website and back-up contact centre**, with greater comparative capacity.

## 4. Other Key Policies

### Housing

In the 2017 Budget we want the government to:

11. **Increase Commonwealth Rent Assistance by 30%**, addressing the most vulnerable among recipients of Commonwealth pensions and benefits, and as the Grattan Institute has demonstrated an increase in rent assistance would have more impact than any other increase in government income support.
12. Fund and develop a **national plan** with industry, state governments and community providers **to increase the supply of affordable, appropriate housing**, to address this major emergent socio-economic issue in Australia - as also recommended by Anglicare Australia.

### Elder Abuse

In the 2017 Budget we want the government to:

13. Fund and establish a **comprehensive national approach to eradicating the far too hidden scourge of elder abuse** including law reform, a package of measures to support elder abuse prevention and a much greater and more coherent set of response services and a program for attitudinal and cultural change, addressing ageism and familial violence and theft.

### Centrelink Services

In the 2017 Budget we want the government to:

14. **Initiate an independently headed review of the approach taken by Centrelink in all its communications** with low income Australians:
  - with the aim of developing more respectful, reliable, precise, plain English, timely, effective and fit-for-purpose communication methods and styles;
  - taking particular note of the nature, purpose and range of engagements with older Australians and co-designing best practice communication tools and styles with older consumers to achieve effective engagement with older people.