



COTA AUSTRALIA
PRE-BUDGET POSITION STATEMENT
FEDERAL BUDGET 2018-19

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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 20,000 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.

INTRODUCTION

COTA welcomes the revised timeline for lodging pre-Budget submissions ahead of the forthcoming 2018-19 federal Budget. The new timeline aligns more meaningfully with the government's timeframes for deciding Budget priority areas and increases the opportunity for stakeholders to influence Budget outcomes.

Our brief submission again takes the approach we have adopted over recent years, which is to highlight a relatively small number of high priority proposals on which, among a broad range of matters, we have already been making regular representations to government through many channels. We do not seek here to repeat in what would be a very detailed submission what we are saying to government across many portfolios, and through both direct representation, through advisory bodies, and in alliances with other organisations.

The proposals we address below play a dual role. They call for government action in important areas of need that will improve the lives of older people here and now in Australia. Additionally, the proposals also address COTA's concern that the strategic complexity of population ageing is not yet sufficiently acknowledged by governments in broad policy development nor in short-term Budget processes. As we have said many times, governments will miss a crucial strategic opportunity if they continue to posit population ageing as predominantly a challenge to public expenditures (some of which is not supported by the actual evidence) rather than an opportunity to adaptively and productively respond to demographic change, leading with a positive, inclusive, socially cohesive, long-term vision for our economy and society as it ages.

2018 FEDERAL BUDGET HEADLINE ITEMS

A Whole-of-Government Ageing Strategy

COTA welcomed the announcement by the government - in Ministers Hunt and Wyatt's 14 September media release on the release of the Legislated Review of Aged Care (Tune Review) - that work is underway by a taskforce in the Department of the Prime Minister and Cabinet examining ageing more broadly. COTA has been calling for an integrated, long-term, strategic policy approach by government to ageing for a number of years and is heartened by the establishment of the taskforce and related government processes to examine broader ageing policy. COTA has consulted and is continuing to consult across its networks on input to this initiative and will continue to provide advice to government during the Budget process, including in portfolio areas not headlined in this submission.

In the 2018 Budget we urge the government to demonstrate historic leadership by setting in train an effective, efficient, sustainable, fair policy and program framework around population ageing – a Whole-of-Government Ageing Strategy.

We recommend three essential components to this Strategy:

1. A government narrative on ageing to guide policy development that:
 - a. recognises and values the contribution made by the diversity of older people at all stages of their lives, including in later life;
 - b. celebrates the achievements that increased longevity means for society overall
 - c. actively opposes age discrimination and ageism in all contexts;
 - d. takes a life course approach to later life outcomes in health, economic security, employment, housing, social care, safety and security and a range of other areas of federal government responsibility or influence
 - e. recommits and intensifies efforts to closing the gap in longevity (and other key health, economic and social indicators) between Indigenous and non-Indigenous Australians
 - f. commits to applying the innovation agenda to government responses to ageing issues
2. Priority investments in addressing policy shortcomings and service gaps for older Australians in:
 - a. Aged care reform
 - b. Economic security – employment and incomes
 - c. Health services
 - d. Elder Abuse

3. An integrated whole-of-government approach that
 - a. Addresses both the opportunities and challenges of an ageing society
 - b. Tackles ageism and age discrimination within policy, programs and practice
 - c. Aligns goals and activity on ageing across all portfolios
 - d. Identifies and takes leadership on policy and program responses requiring cross-jurisdictional and national co-operation and action
 - e. Identifies clear governance, leadership, measurement and accountabilities under the Strategy

Aged Care Reform

COTA Australia has played and continues to play a leading role in the reform of Australia's aged care system. Following the Legislated Review of Aged Care (Tune Review) and the Review of National Aged Care Quality Regulatory Processes (Carnell/Paterson) COTA is providing ongoing advice to government directly, and through our membership of the Aged Care Sector Committee, and through the National Aged Care Alliance.

Our priorities in aged care reform include:

- continuation of steps towards a consumer led, market based, quality incentivized aged care system that is fully responsive to assessed need, consumer choice, and capacity to pay, including full implementation of the aged care reforms currently underway and those now in planning following the Tune and Carnell/Paterson reviews;
- development of strong and effective consumer support and empowerment services and programs, including stronger consumer protection, increased advice and information, system navigators and outreach services, opportunities 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 2018 Budget we want the government to announce the next substantive phase of comprehensive aged care reform through implementation of a coordinated and timetabled package of reforms that are based on the Aged Care Roadmap and the Tune and Carnell/Paterson Reviews' recommendations. Within that overall package COTA places specific priority on the inclusion in it of:

1. A firm timetable to moving residential care onto a consumer controlled and demand driven platform, with "portable bed licenses" allocated to consumers, not providers,

and with providers free to expand their services in response to consumer demand; as we have had since February 2017 in Home Care Packages;

2. Substantial additional short-term funding in aged care to implement urgently a major increase in high level Home Care packages, partly by rejigging the mix of those to be released in the next few years, but with extra funding required until a switch of places from residential care to home care can be implemented - preceding development of a single seamless care funding program that is agnostic to where the care is delivered – at home or in a potentially wide variety of residential settings;
3. The phased introduction over three years of an integrated set of consumer supports, including system navigators and outreach services, but developing into a full suite of support programs as set out in the National Aged Care Alliance’s “Integrated Consumer Supports” paper and recommended by David Tune in the Legislated Review report.
4. Funding for major improvements to My Aged Care, implemented in a more flexible and creative digital environment, to make it more functional for consumers and other users, including implementing the Tune recommendations requiring all aged care providers to populate their My Aged Care entries with service and fees information that consumers can use for comparative purposes, based on uniform terminology and like for like unit pricing.
5. Implementation of the intent of the recommendations of the Carnell/Paterson report on Quality Regulatory Processes by establishing the Aged Care Quality and Safety Commission, including especially the new Consumer Commissioner; a regime of fully unannounced site visits; support for a tripartite - consumer, provider, government – managed quality rating system that incentivises continuous quality improvement that is driven by consumer experience and consumer co-creation; and a transparent and enhanced complaints regime.
6. Initiation of a strategy to increase the resourcing of aged care so it can compete for the best quality staff and modernize building stock and systems, including putting consumer contributions on a sensible, fair and sustainable footing.

Improved economic security for older Australians

Economic security is essential to people’s wellbeing, and in particular being able to work in a meaningful and equitably remunerated job, and having income support when jobs are not available and into retirement. COTA Australia’s goals in the area of economic security for older Australians are:

- an increase in workforce participation and employment of people over 50 years, including beyond superannuation preservation age and age pension eligibility age;
- 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, addressing:

- inadequacy caused by the structural inequality experienced by population segments such as women and people experiencing significant periods of unemployment and underemployment
 - unsustainable housing costs for many of those who do not own their home
 - government policy settings effective in increasing retirement incomes on an equitable basis
 - government policy settings that assist management of longevity, investment and life event risks
 - improvement to financial literacy and financial advice
- a livable rate of income support for all unemployed people including the significant numbers of older jobseekers, who, as a group, experience much longer periods of unemployment than younger cohorts.

In the 2018 Budget we want the government to:

1. Strengthen support for increasing the **workforce participation** of people over 50, including programs:
 - to encourage greater retention of mature age workers, including tackling the myths and practices of ageism and age discrimination, as well as providing practical guidance to employers on mature age retention and attraction strategies;
 - that provide triggers and support for career and skills review and potentially change of employment or careers in mature years;
 - that provide more sharply focused and timely support to unemployed workers or those about to be unemployed to provide immediate assistance through a variety of means appropriate to the employment and personal circumstances;
 - that strengthen efforts to address the gender pay gap that is one of the key causes of gender inequity in retirement incomes (and see other measures below)
 2. Establish and resource an integrated Australian Government **retirement incomes policy framework** and process (with broad political support) that addresses the age pension, superannuation, taxation, housing, health and aged care costs and the interactions between these - with the intention of achieving a retirement incomes system that is fair, sustainable and will bring long term stability to retirement planning.
 3. 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 those identified in the
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report of the Senate Inquiry into Economic Security for Women in Retirement)

- Take action on proactive measures across the life course targeted at **lifting superannuation outcomes for women** and other low-income people, including:
 - provide women and other low-income earners with an additional \$1000 contribution annually into their super
 - remove the \$450 monthly pay threshold for Superannuation Guarantee eligibility
 - pay super on parental leave (the only form of mandatory leave on which it is not paid)
 - measure and publish the impact that any future changes in superannuation would have on women
 - allow much greater scope for “catch up” payments in later earning years for people with super balances lower than average
 - pay super on all government benefits and allowances up to Age Pension eligibility age, with particular priority on those allowances that are effectively remuneration for “informal” caring responsibilities, the great majority of which are currently borne by women.
4. Increase the rate of **Newstart** and related payments for single people and sole parents by \$75 per week and index allowance payments the Pension and benefit cost of living index, CPI and wage movements.
5. **Increase Commonwealth Rent Assistance by 30%** to address the difficult situation of pensioners in the private rental market, which the work of Anglicare and others shows almost always results in significant housing stress and therefore stress on all other aspects of a pensioner’s wellbeing due to reduced resources for other essentials of daily living.
6. Take steps itself and through ASIC to increase **financial literacy programs** targeted specifically to mature age people both in terms of better preparing financially for retirement, and optimizing their circumstances in retirement. This has not to date been given the priority needed, despite that it would be a win-win for government if retirees were more financially literate and utilized this in optimizing retirement incomes and asset management.

Health and Wellbeing

Health is a primary concern for older Australians and having high quality, timely and effective health services is often cited by them as a higher priority than improvements in income support. Yet although older Australians are the principle users of our health care system, their specific needs are far too frequently ignored or receive lower priority than others, as evidenced

in each of the areas we highlight here.

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 2018 Budget we want the government to:

1. 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.
 2. 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.
 3. 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
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Australians.

4. 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 5th National Mental Health Plan
 - a. 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-centred 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
 - b. through a consultative AHMAC process that involves key consumer and provider stakeholders.

5. Noting that people living in **residential aged care** are precluded from **accessing mental health services** under the *Better Access to Mental Health Care* provisions of Medicare, either remove this discriminatory exclusion or provide alternative access by residents to mental health services on an equitable basis with other Australians.

Elder Abuse

Elder abuse is a cancer in Australian society that needs to be tackled now with strong Federal leadership and concerted and coordinated action by the Commonwealth and State and Territory Governments. Elder abuse takes a myriad of forms, including psychological abuse, financial abuse, physical abuse, neglect and sexual abuse; too often carried out by family members but also by carers and other trusted individuals. Abuse is experienced at home, in residential aged care and through the financial system including banking, superannuation and Wills and estates.

COTA Australia's priorities in the area of elder abuse are:

- Development of a national framework and plan for tackling elder abuse;
 - Greater awareness of, research into, and comprehensive action to prevent elder abuse, stop it when it is occurring, and redressing its impacts.
 - A focus on tackling elder abuse that rejects treating older people as intrinsically vulnerable, but bases its approaches on strengthening and protecting the autonomy and agency of older Australians.
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In the 2018 Budget we want the government to:

1. Take leadership in the swift implementation of the key recommendations of the Australian Law Reform Commission's (ALRC) Report "Elder Abuse – A National Legal Response". The report provides a comprehensive, considered and proactive blueprint for seriously tackling elder abuse across Australia and reversing the growing incidence of abuse suffered by far too many older Australians.
2. In particular the Federal Government should create incentives and provide leadership in the development of a comprehensive National Plan based on a national policy framework, involving all levels of government and ranging from addressing ageism to detailed proposals for addressing abuse in aged care, in use of powers of attorney, in management of superannuation funds, in banking and in family accommodation arrangements, and more.