

# RECOMMENDATIONS

## Chapter 8

### *Base pension levels*

#### **Recommendation 1**

8.34 The committee recommends that the Government review the suitability of the base pension levels through economic analyses of amounts required to achieve at least a modest standard of living for retired Australians, with particular consideration given to the adequacy of the percentage rate for single older people receiving the age pension compared to couples. (*Chapter 3*)

### *Standardisation of indexation*

#### **Recommendation 2**

8.35 The committee recommends that:

- (i) the Government review and standardise the indexation methodology of pensions, social security and other government retirement benefits to ensure they maintain their relative levels. In particular, the Government should note limitations highlighted during the inquiry about the use of the Consumer Price Index, as well as other possible indexation mechanisms such as the Australian Bureau of Statistics' Household Expenditure indices.
- (ii) the review should also address the particular financial disadvantage of single women, many of whom have had a life of broken working patterns and an inability to access superannuation arrangements.
- (iii) while the review is undertaken and to ensure immediate relativity, the Government should index Commonwealth funded superannuation benefits and the military pension to Male Total Average Weekly Earnings or the Consumer Price Index, whichever is the higher, as is currently the practice with the age pension. (*Chapter 3*)

### *Superannuation*

#### **Recommendation 3**

8.36 The committee recommends that the Government continues its review of incentives and initiatives related to superannuation savings, especially aimed at facilitating and encouraging greater savings for older people in vulnerable groups. In particular this review should consider measures that will ensure a reasonable standard of living for older people, especially women, those on below average incomes, those who have lived with long-term chronic illnesses and those whose earning capacity has been greatly limited by their caring responsibilities. (*Chapter 3*)

### *Reverse mortgages*

#### **Recommendation 4**

8.37 The committee recommends that the Government monitor the usage and impact of older people accessing reverse mortgages and other similar products, including their effect on the eligibility of older people for government benefits and pensions. (*Chapter 2*)

### *Indirect benefits including concessions and rebates*

#### **Recommendation 5**

8.38 In order to increase the capacity of indirect benefits to meet the needs and ameliorate financial stress experienced by older people, the committee recommends that:

- (i) the Government review the efficacy of indirect benefits.
- (ii) governments at all levels should provide services, subsidises, rebates and concessions for older people which recognise the limited incomes available to this age group and should ensure these indirect benefits are set at a fair and appropriate level and are sufficiently indexed to maintain their real value.
- (iii) the financial thresholds for eligibility for indirect benefits, including the Commonwealth Seniors' Health Card, should also be set at a fair and appropriate level, and be indexed to maintain their relative accessibility.
- (iv) in order to achieve greater national uniformity, Commonwealth, State, Territory and local governments work together to develop a nationally recognised senior's card to provide concessions and benefits to eligible older people and to negotiate reciprocal arrangements across jurisdictions with respect to public transport concessions. (*Chapter 4*)

### *Residential aged care*

#### **Recommendation 6**

8.39 The committee recommends that the Government review the access and funding arrangements for concession residents in residential aged care facilities under the hardship provisions of *The Aged Care Act 1997*. In particular, it should determine the amount required to finance basic needs such as pharmaceuticals – including medication not covered under the Pharmaceutical Benefits Scheme – clothing, toiletries, and some discretionary spending to allow necessary social participation and at least a decent quality of life. (*Chapter 6*)

#### **Recommendation 7**

8.40 The committee recommends the Government review the disparity in the fees paid by those people entering residential aged care requiring high level care

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and those requiring low care to ensure that all people in residential aged care are treated equitably. (*Chapter 6*)

### *Housing*

#### **Recommendation 8**

8.41 The committee recommends that the Government review current arrangements, incentives and initiatives related to the housing of older people and develop a strategy to ensure a diversity of affordable housing options for older people. This strategy should include the availability of public housing, an enhancement of the capacity of housing associations, local government, religious groups, community organisations and the private sector to assist older people.

8.42 In particular, the review should consider initiatives that would improve the situation of those in the most vulnerable economic situations – such as the adequacy of rental assistance for pension recipients in private rental accommodation – and ensure that subsidies and rental assistance are adequate to cope with rental cost increases and allow access to affordable and appropriate housing. (*Chapter 5*)

### *Dental care*

#### **Recommendation 9**

8.43 The committee recommends that the Government consider the appropriateness of current dental care arrangements for older people. The consideration should involve engagement with the State and Territory governments and aim to introduce measures to increase access to adequate dental care and include a cost-benefits analysis of the impact of inadequate access to dental care on other aspects of the health care system. (*Chapter 5*)

### *Volunteers*

#### **Recommendation 10**

8.44 The committee recommends that the Government consider financial initiatives to assist older people in continuing to contribute to the community as volunteers. Such measures should recognise the benefits derived by the community from such participation and address the increasing cost burdens met by volunteers. (*Chapter 6*)

### *Labour market participation*

#### **Recommendation 11**

8.45 The committee recommends that the Government continue developing initiatives and incentives to encourage greater involvement in the labour market among older people to improve the quality of life of their retirement, contribute to the economy's productivity and reduce the strain on the Government's social security budget. (*Chapter 7*)

*Same-sex couples*

**Recommendation 12**

8.46 The committee recommends that the Government amend *The Aged Care Act*, Commonwealth supported superannuation schemes, taxation measures and other relevant Commonwealth legislation and mechanisms to remove any actual or potential discrimination against same-sex couples. This should ensure such couples experience identical opportunities to heterosexual couples in achieving quality of life in retirement, meeting cost of living pressures and enjoying retirement benefits. (*Chapter 6*)

*Financial advice and other information*

**Recommendation 13**

8.47 The committee recommends that the Government review the range of financial advisory options for older people, including those planning for retirement, and enhance information programs that aim to inform and educate older people about their entitlements and ways to manage and maximise personal finances.

*Financial institutions, businesses and other professional services*

**Recommendation 14**

8.48 The committee recommends that the Government encourage financial institutions, businesses and other professional services structure their customer services, fees and penalties to take into account the position of pensioners and other older people with limited capacity to pay and, wherever possible, assist them to take advantage of low-fee plans and options.

*Kinship care*

**Recommendation 15**

- 8.49 The committee recommends that:
- (i) the Government investigate the circumstances of grandparent carers, with particular concern for the type and level of support available to those taking on the role of primary carer through both formal adoption and informal kinship care.
  - (ii) governments at all levels increase the level of support and respite available to older Australians undertaking kinship care, particularly for those taking on the role of primary carer to younger children. (*Chapter 6*)