

## **APPENDIX 3**

### **RECENT GOVERNMENT INITIATIVES**

FaHCSIA's supplementary submission dated March 2008 provided details of recent initiatives by the new Labor Government following the change of government after the 2007 election. The information provided is reproduced in this appendix.

A number of measures being introduced by the Australian Government are aimed at improving the well-being of older Australians and assisting them in meeting the cost of living.

#### **Age Pension Indexation**

In recognition that the cost of living increases for pensioners be different to the general increases in the cost of goods and services, the Government has committed to index pensions by the ALCI for Aged Pensioner Households produced by the ABS, the Consumer Price Index or 25 per cent of MTAW, whichever is the greater. This will provide extra assurance for pensioners that when pensioners' living costs increase faster than those of the broader community as measured by the CPI, their costs will be taken into account in the indexation process.

#### **Utilities, Telephone, Seniors Concession Allowances**

On 14 February 2008 the Minister for Families, Housing, Community Services and Indigenous Affairs introduced the Social Security and Veterans' Affairs Legislation Amendment (Enhanced Allowances) Bill 2008 to implement the Government's \$4 billion election commitment to help older Australians, carers and people with disability make ends meet. The Bill will assist over three million people with four key initiatives to commence from 20 March 2008. These are set out below.

#### **Increase in the rate of Utilities Allowance**

The Bill provides for an increase in the annual rate of Utilities Allowance from \$107.20 to \$500 for singles and couples combined. This will be paid in quarterly instalments of \$125 for singles and eligible couples combined, starting from 20 March 2008.

#### **Extension of eligibility for Utilities Allowance**

The Bill proposes extending Utilities Allowance to people under pension or qualifying age, and receiving Carer Payment, Disability Support Pension, Invalidity Service Pension, Partner Service Pension, Income Support Supplement, Bereavement Allowance, Widow B Pension or Wife Pension. For these groups this represents a new payment of \$500 for singles and couples combined to be paid quarterly as outlined above.

### **Increase in the rate of Seniors Concession Allowance**

The Bill increases the rate of Seniors Concession Allowance, which is paid to Commonwealth Seniors Health Card or Veterans' Gold Card holders, from \$218 to a total annual payment of \$500 for each card holder. This will be paid in quarterly instalments of \$125 starting from 20 March 2008.

### **Higher Telephone Allowance for home internet connections**

Recognising the increasing importance of the internet as a means of communication and of accessing services, the Bill provides for a higher rate of Telephone Allowance for older Australians, carers and people with a disability if they receive income support and have an internet connection at home. The new rate of \$132 a year for singles and couples combined, an increase from the standard rate of Telephone Allowance of \$88 a year, will be available to those who have a home internet connection.

This higher rate of Telephone Allowance will also be available for eligible veterans and their dependants who have an internet connection at home.

### **National Reciprocal Transport Concessions for State Seniors Card holders**

The Government has committed funding of \$50 million over four years from 2008-09 to establish National Reciprocal Transport Concessions in cooperation with the State and Territory Governments. The aim is to allow State Seniors Card holders to travel at concessional rates anywhere in Australia. These arrangements are expected to be in place by 1 January 2009.

The goal of the policy is to enable an estimated 1.3 million State Seniors Card holders, to access general public transport concessions that apply in the State or Territory they are visiting. The proposal is to include long distance rail travel on Great Southern Railway routes such as the Indian Pacific, the Ghan and the Overland.

### **Petrol Commissioner**

As part of the Government's election commitment to promote competition and transparency in Australia's petrol market the Government has given the Australian Competition and Consumer Commission (ACCC) formal monitoring powers over petrol prices, and has announced the appointment of a Petrol Commissioner.

Under the new arrangements the ACCC now has formal monitoring powers to use at its discretion, including the power to subpoena relevant documents and compel witnesses to give statements.

The Petrol Commissioner will predominantly be responsible for overseeing the ACCC's monitoring of fuel prices in Australia as well providing an annual report on the ACCC's findings.

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In addition the Government is reviewing options raised by the ACCC in its recent report on petrol prices, including measures to increase retail price transparency.

### **Inquiry into grocery prices**

The Government announced on 22 January 2008 that it had directed the ACCC to commence a formal inquiry into grocery prices.

The inquiry will consider the current structure of the grocery industry at the supply, wholesale and retail levels including mergers and acquisitions by the national retailers; the nature of competition at the supply, wholesale, and retail levels of the grocery industry; and the competitive position of small and independent retailers. It is required to report by 31 July 2008.

The ACCC was also asked to advise by the end of February on how it may deliver a periodic survey of grocery prices at supermarkets for a typical shopping basket; and how best to establish a dedicated website on grocery prices as well as any other methods that could be used to provide information to the public.

### **Other initiatives**

In addition to these specific policies the Government is working with the States and Territories through the Council of Australian Governments (COAG) on a range of measures which have a direct impact on the living costs and well-being of older Australians. Three specific areas of work are important in this context:

- a Working Group on Health and Ageing has been established “To improve health outcomes for all Australians and the sustainability of the Australian health system”;
- a National Health and Hospitals Reform Commission has been established to provide advice on performance benchmarks and practical reforms to the Australian health system; and
- a Housing Working Group has been established “To improve housing affordability for home buyers and ease rental stress, particularly for low to moderate income households.”

*Source:* Submission 138, Supplementary submission March 2008, pp.16-18 (Department of Families, Housing, Community Services and Indigenous Affairs).