



12 April 2021

SUBMISSION TO THE 2021/22 FEDERAL BUDGET

The Old Colonists' Association of Victoria welcomes the opportunity to make a submission on the 2021/22 Federal Budget. Even with the ongoing COVID-19 pandemic and its effect socially and economically on Australia, this Budget is of vital importance to and for older Australians.

The findings and insights from the Royal Commission into Aged Care Quality and Safety's final report will have important implications for the Budget. We hope that the Government capitalises on the Commission's findings and makes a clear commitment to older Australians in the Budget. This includes a clear financial roadmap outlining by when the Government's decisions on transforming aged care, following the Royal Commission's recommendations, will be delivered.

About the Old Colonists' Association of Victoria

The Old Colonists' Association of Victoria (OCAV) is a leading not-for-profit retirement village provider offering a continuum of care from independent living, assisted living and aged care in Victoria. Our four villages in Berwick, Euroa, North Fitzroy and St Helena are home to 500 older Victorians in need. The OCAV was established in 1869 by Victorian founding fathers including George Selth Coppin, a Member of Parliament and philanthropist. Coppin was particularly concerned that poorer older Victorians were provided with housing. Our mission continues his vision of providing housing and appropriate support (a variation on Housing First) to older Victorians in need.

Our submission centres on aged care, and income support measures and its impact on housing, and whole of government approach to ageing.

Aged Care Measures:

We urge the Federal Government to commit to a timetable for reform, with clear milestone deadlines and associated funding for these significant reforms. These include:

- **Invest in a new Aged Care Act by July 2023** based on human rights, with a person-centred approach that will provide an essential foundation for genuine change and a transformed aged care system.
- Provide funding for **removing the home care package waiting list** by December 2022, and thereafter offering services based on assessed need within one month of assessment.
- Commit to the development and implementation by July 2024 of a more **developed, integrated, and substantive home care program** to respond to current and increasing future demand, improve outcomes for consumers and expand policy and practice approaches. This should address funding categories, consumer directed care and self-management, flexibility of funding, pricing of service activities, workforce skills, qualifications and training, worker employment and engagement arrangements, service certification, quality indicators and outcome measurement and a consistent reablement approach.

- **Reform and support quality indicators and measures** that define high quality care, inform improvements in the holistic care of older people, enable assessment of provider performance, inform better costing of services, training and professional development for staff and service planning. Measures must not be restricted to clinical outcomes but also relate to quality of life, respect and dignity.
- Invest in and implement a ten-year **comprehensive workforce strategy** for aged care. Based on estimates for the *A Matter of Care* report, this will cost a further \$3.5 billion per year. Funding to support the aged care workforce will need to address a range of issues including:
 - supporting improvements in remuneration
 - significantly increasing the numbers of aged care staff, especially personal care workers and allied health professionals, and in some areas appropriately qualified nursing staff
 - identifying and improving skill gaps, ensuring the appropriate skills mix
 - creating better career pathways
 - education, training and professional development needs
 - competency, accreditation and registration requirements
 - equitable geographic coverage of workforce
 - the role of immigration and changes to visa arrangements
 - minimum staffing requirements and standards
 - research, data, and evaluation
- Provide funding and a timetable for the implementation of the Royal Commission's recommendations to improve access to the services of the wider health system by older people receiving aged care, including a new primary health care model, multidisciplinary outreach services, improvements to the Medical Benefits Schedule and a dental benefits scheme for the age pensioners scheme and residents of aged care homes.
- Establish an independent aged care pricing authority by July 2022 to determine prices for aged care services based on a case-mix classification and funding model and annual costing studies.
- Appoint an Inspector-General of Aged Care, introduce independent standards setting arrangements, and establish an independent taskforce to direct and implement the reforms.

Income Support Measures and Housing:

Evidence from the Retirement Income Review Final Report suggests that inequities in retirement incomes reflect inequities during working life – particularly for low income individuals, single women over the age of 55, and Aboriginal and Torres Strait Islander people.

We urge the Government to commit to:

- Increase the maximum rate of Commonwealth Rent Assistance and commit to consulting on a new model. We argue for an increase in the maximum amount of rent to which Commonwealth Rent Assistance applies by a minimum of 40% and benchmark future rises in CRA to median rents.
- Review the structure of CRA to enable Commonwealth funds to provide maximum assistance to older people experiencing rental housing stress.
- Abolish the Liquid Asset Waiting Period (LAWP) which disproportionately affects older Australians, especially where their intended retirement incomes are kept in financial vehicles such as bonds and shares, and even term deposits. This is in line with recommendations from several reports, including the Henry Tax Review. A strong safety net is needed to ensure the involuntarily unemployed do not have to draw down on their retirement assets during their working years.

Social and affordable housing

No funding was allocated to social or affordable housing in last year's Federal Budget. This was an extraordinary oversight given that housing makes great economic stimulus.

A commitment to start a social housing building program now will boost residential construction, particularly in the apartment market, just as private investment in apartment construction is plummeting and construction jobs are being lost, saving 18,000 jobs per year over the life of the investment.

We urge the Government to commit to:

Partner with State and Territory Governments and through the Social Housing Acceleration Renovation Program to deliver an immediate boost to social housing of 30,000 dwellings over four years and renovate thousands of existing properties. A high percentage of these new building and renovations should be earmarked for older Australians, and especially those living in precarious housing or who are at risk of homelessness.

Building more social housing is also critical to efforts to respond to growing homelessness in Australia. Currently, 55 per cent of people accessing homelessness services cite financial or housing issues as the main reasons for seeking assistance, with each set of issues connected to the difficulty people on low incomes face accessing housing they can afford in the private rental market.

Whole-of-Government Approach to Ageing Measure:

We continue to call on the Federal Government to initiate the development of a whole-of-government strategy for older Australians and an ageing Australia.