

**Commissioner  
for Senior  
Victorians**



# Inquiry into the Social Services and Other Legislation Amendment (Lifting the Income Limit for the Commonwealth Seniors Health Card) Bill 2022 [Provisions]

Submission



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## Executive summary

The Commissioner for Senior Victorians, Gerard Mansour, welcomes the opportunity to provide a submission to the Commonwealth Inquiry into the Social Services and Other Legislation Amendment (Lifting the Income Limit for the Commonwealth Seniors Health Card) Bill 2022 [Provisions] (the Bill).

The Commissioner supports the proposed changes to the Bill which would increase the Commonwealth Seniors Health Card (CSHC) income test limits to \$90,000 a year for a single person and \$144,000 a year for couples (combined).

Ageing is a great achievement, and older people contribute extensively to Australian society and the economy as workers, volunteers, carers, and community leaders and members. However, the combination of a growing population of older people and recent rapid cost of living increases, mean more older people are struggling to afford the goods and services they need to age well.

As the Commissioner's 2020 report *Ageing Well in a Changing World* clearly shows, financial hardship can directly impact older people's health and wellbeing through a lack of access to services and care. It can also indirectly impact on wellbeing and quality of life through an increased risk of isolation and loneliness.

This Bill provides a vitally important and simple measure to reduce the growing financial stress on senior Victorians by enabling more older Australians to access the CSHC, providing cardholders with access to Australian Government health concessions including the lower threshold of the Extended Medicare Safety Net and cheaper medicines listed under the Pharmaceutical Benefits Scheme. This will not only enhance access to key medical support but will also assist in relieving financial pressure and support their aspirations to age well. This means senior Victorians can continue to contribute to our communities to the fullest extent possible.

## Victoria's ageing population

Victoria's population is ageing and will continue to age for the next four decades, with this trend becoming more acute due to declining fertility rates and substantially decreased immigration during the coronavirus (COVID-19) pandemic.

Current generations of older people are living longer on average than prior generations. Those aged over 85 years are the fastest growing population group in Australia, and people who reach 60 years of age, will on average, have nearly a third of their lives left to live.<sup>1</sup>

An ageing population provides several benefits:

- older people are a large cohort among Victoria's volunteers, with 78.9 per cent of Victoria's volunteer-involving organisations including volunteers aged 65 or over.<sup>2</sup>

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<sup>1</sup> Commissioner for Senior Victorians (2020) *Ageing well in a changing world*. <https://www.seniorsonline.vic.gov.au/services-information/commissioner-for-senior-victorians/ageing-well> p. 9 - accessed 11 August 2022

<sup>2</sup> Volunteering Victoria (2020) *State of volunteering in Victoria 2020*

- older people contribute vital unpaid care to family members and loved ones, with 32.4 per cent of female carers and 36.7 per cent of male carers in Australia aged 65 or over.<sup>3</sup>

However, an ageing population also means an increased incidence of age-related disease and disability,<sup>4</sup> and higher numbers of people living on fixed or limited incomes, as they move out of paid employment into retirement and live on savings, superannuation, or a pension.

## Ageing well and ageing in place

In November 2020, the Commissioner released his *Ageing well in a changing world* report,<sup>5</sup> informed by an online survey completed by 4,726 older people and in-person consultation sessions with over 200 older people across Victoria. The report identified eight attributes of ageing well, providing the foundation for positive quality of life. Among these attributes, financial security and the ability to manage one's own health emerged as key priorities.



Source: Commissioner for Senior Victorians (2020) *Ageing Well in a Changing World*<sup>6</sup>

The importance of ageing in place and maintaining independence was also emphasised by older people throughout the Commissioner's consultations. Enabling older people to age in place is a core policy of federal, state and local governments. As the population ages, there will be a growing need for practical in-home support and care so more people can continue to live safely in their own homes and avoid higher public and private costs of residential aged care.

<sup>3</sup> Deloitte (2020) *The value of informal care in 2020*

<sup>4</sup> Australian Institute of Health and Wellbeing (2022), "Older Australians" <https://www.aihw.gov.au/reports/older-people/older-australians/contents/health/health-status-and-functioning> - accessed 12 August 2022

<sup>5</sup> Commissioner for Senior Victorians (2020) Op cit. p.15

<sup>6</sup> Ibid. p.3

## Impact of financial stress on ageing well

Recent sharp increases in the cost of living are causing financial strain for Victorians of all ages. Older people, who are more likely to be on fixed incomes with limited expectation of increased financial resources in future, are particularly vulnerable to cost of living increases and other economic shocks. While this is especially the case for older people on income levels already covered by the CSHC, it is also true for self-funded retirees on moderate incomes.

For older people, financial strain may translate into decreased access to the necessary services and supports they need to age well, and cause or exacerbate the isolation and loneliness experienced by many older people.

In the survey that informed *Ageing Well in a Changing World*, 86 per cent of respondents ranked “adequate financial resources” as a priority issue for their health, social wellbeing, and independence. The survey also found the cost of activities and living expenses was the highest-rated factor reducing older people’s quality of life, chosen by 43 per cent of respondents.<sup>7</sup>

## Access to necessary health care and services

Older people recognise proactively managing their health is one of the most important things they can do to support their quality of life. One respondent to the *Ageing Well in a Changing World* survey described it as “doing everything you can to maintain good health; healthy diet and access to health services when required”.<sup>8</sup>

Successfully managing health and wellbeing, and accessing support services as needed, are key components in older people maintaining independence and the ability to age in place. In this context a broad range of services and supports are relevant, including health care and medications, wellbeing activities such as exercise, transport assistance, home help, personal care, mobility aids and monitoring technology.

However, access to necessary services and supports, and the ability to exercise choice in providers, can be dependent on financial resources. This is particularly an issue for older people, who typically have higher and more complex health care and support needs than other age groups. As an *Ageing Well in a Changing World* survey respondent explained, “[it is] not possible to access all services or needs due to financial limitations. Choice and access to services is sometimes reliant on having sufficient money”.<sup>9</sup>

While some health care expenses are already fully or partially subsidised by governments, older people can still incur significant private costs for accessing services. Increasing the income test level for the CSHC will ameliorate this challenge by directly reducing the cost of pharmaceutical benefits and medical appointments for older people on moderate incomes, and in so doing, will increase the amount of income they have available for other necessary services and supports.

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<sup>7</sup> Ibid. p.19

<sup>8</sup> Ibid. p.35

<sup>9</sup> Ibid. p.33

## Addressing isolation and supporting social connections

Strong social connections are essential to every person's quality of life and wellbeing, and older people are no different. The *Ageing Well in a Changing World* report emphasised older people's desires to contribute their time, skills and experiences to their communities and the importance of being a respected and valued member of their community.<sup>10</sup>

However, many older people do not have the level of social connection they want. In 2016, the Commissioner released his report *Ageing is everyone's business: a report on isolation and loneliness among senior Victorians*, which estimated one in ten older Victorians experience significant detrimental impacts from isolation and loneliness. The impacts of loneliness and social isolation include both mental and physical ill-health, and lessened capacity to cope with adversity and stress.<sup>11</sup>

While there are many factors contributing to isolation and loneliness for older people, including increased fragility and limited mobility, several respondents to the *Ageing Well in a Changing World* survey indicated financial constraints were a concrete limitation on their ability to participate in their communities and engage in social activities. One respondent explained "there are costs in having social connections and participating but we can't afford this"<sup>12</sup>, while another put their circumstance more bluntly, saying there is "almost nothing left to live on or socialise after the rent is paid".<sup>13</sup>

Not only will the extension of the CSHC income limit provide cardholders with access to Australian Government health concessions including the lower threshold of the Extended Medicare Safety Net and cheaper medicines listed under the Pharmaceutical Benefits Scheme, it will also provide some financial relief. This will support social participation and inclusion among older people by increasing the disposable income available to participate in social events and activities. This in turn has the potential to improve older people's quality of life, enabling them to continue their journey of ageing well.

## Conclusion

In a time of increasing financial uncertainty and stress, it is important for governments, at all levels, to consider measures to support Australians who are most impacted by increases in costs of living. Older people, as a cohort, are more likely to be impacted by unexpected increases in the costs of goods and services due to their unique economic situation. This in turn can have detrimental impacts on their wellbeing and can force them to delay, or forego, necessary care and support.

The Social Services and Other Legislation Amendment (Lifting the Income Limit for the Commonwealth Seniors Health Card) Bill 2022 [Provisions] provides practical financial relief to older Australians and facilitates greater access to the health care and services integral to ageing well.

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<sup>10</sup> Ibid. pp.4-6

<sup>11</sup> Ibid. pp.12, 22

<sup>12</sup> Ibid. p.30

<sup>13</sup> Ibid. p.34

## Appendix 1: Commissioner for Senior Victorians

Gerard Mansour was appointed Victoria's first ever Commissioner for Senior Victorians in August 2013. The Victorian Government created this role as part of its response to the Victorian Parliamentary *Inquiry into Opportunities for Participation for Victorian Seniors*.

At the end of 2016, as part of the Victorian Government response to the Family Violence Royal Commission, the Commissioner was asked to play an additional role as Ambassador for Elder Abuse Prevention.

In May 2019, the Victorian Government announced the reappointment of Mr Mansour as the Commissioner for Senior Victorians for another four years.

The Commissioner for Senior Victorians provides advice to the Victorian Government on issues relevant to senior Victorians and positive ageing and participation, as well as being an independent public voice to educate the community on seniors' issues, actively promote the positive contribution of seniors and encourage seniors to fully participate in our community.

A key component of the role is to actively advocate for a "seniors' perspective" in government deliberations on issues relevant to senior Victorians including positive ageing, participation, and the needs of vulnerable, at risk and disadvantaged seniors.

The Commissioner meets regularly with seniors and seniors' organisations from across Victoria to discuss a wide range of matters relevant to people as they age, provides an independent public voice to educate the community on seniors' issues including prevention of elder abuse, actively promotes the positive contribution of seniors, encourages seniors to fully participate in our community and seeks to building greater respect for the rights of older people.

In November 2020, the Commissioner's report *Ageing well in a changing world* was released. Background research included an online survey, responded to by 4,726 individuals, who were asked to rank factors that research has identified as being important to independence as one ages.

The Commissioner also promotes community awareness and understanding of other matters such as advance care planning, powers of attorney and loneliness and isolation.

As the Ambassador for Elder Abuse Prevention, he has provided significant policy advice on the prevention of elder abuse, and the importance of supporting multicultural and emerging communities.