THE VOICE of Pensioners and Superannuants

3 February 2021

Crying poor and being poor: assistance for retirees

THE Australian Government is thinking about including measures to assist self-funded retirees in its forthcoming May Budget in view of low term deposit interest rates, reports the Australian Financial Review.

At the same time, the Government is resisting a permanent increase of the JobSeeker Payment. If the Government puts up the JobSeeker Payment, it will be doing so kicking and screaming.

There's nothing wrong with helping self-funded retirees who moved their savings out of shares into term deposits following the 2008 Global Financial Crisis and who still won't have a bar of investing their money elsewhere.

Of course, the majority of self-funded retirees know that quite good investment returns *are* available elsewhere and have moved their savings accordingly.

They don't need help.

Self-funded retirees don't qualify for the pension because they have well over half a million dollars in savings if they are single or more than $850,000 if they are partnered. Is it right to help them financially, but not help the more than

300,000 people over 55 who are on the JobSeeker Payment with limited to no prospect of finding a job ever again?

Certainly, with annual term deposit rates at around half a per cent, $850,000 will only get you $4,250 in interest income. However, a return rate of 5 per cent or more is very common for people holding shares in good companies, for example. That produces $42,500 in income a year, or $817.31 a week, which is a lot more than the pension and spectacularly more than the JobSeeker Payment.

The poverty line for a single pensioner was $455.07 a week in the June 2020 quarter, while the pension on a weekly basis was $472.15, just above the poverty line. An increase here wouldn't go amiss!

For pensioner couples combined, the poverty line was $750.75 a week, while the pension was $711.80. That's under the poverty line! Again, an increase wouldn't go astray!

But for people-over-55 on the JobSeeker Payment (excluding the temporary coronavirus supplement), the single rate is $337.25, while the poverty line is $561.22. Their income was a massive 40 per cent under the poverty line!

For couples, the rate is $518.70, while the poverty line is $750.75. That's 30 per cent under the poverty line.

So, if the Government is going to rescue self-funded retirees, shouldn't it be rescuing pensioners and people on JobSeeker, too?

Even the Reserve Bank of Australia's Governor, Dr Philip Lowe thinks so. This is what he said:

"I think there is a wide consensus in the community that the previous level (of JobSeeker Payment) should be increased permanently, and I've said on previous occasions that I would join that consensus".

Dr Lowe is not one for using a few words.

CPSA is:

Raise the rate!

NSW retirement village law shakeup

ON 11 November 2020, the *NSW Retirement Villages Amendment Bill 2020* was made into law, introducing some welcome changes for retirement village residents.

The main changes apply to exit entitlement orders, aged care payments and recurrent charges.

Changes to exit entitlement orders include:

Former retirement village residents can apply to the NSW Department of Customer Service to receive estimated exit entitlement money before their property is sold if the operator of the retirement village has ‘unreasonably delayed’ the sale of their property.

Sydney metropolitan residents must wait at least six months to apply for this request, whilst those in other areas must wait twelve months, an additional 40-day notice period must be given regardless of resident location. As the new law applies from 1 January 2021, the earliest a resident (from the Sydney metropolitan area) may apply for this order is 1 August 2021.

Changes to aged care payments include:

From 1 January 2021, a retirement village resident moving into aged care can request that their retirement village operator make daily accommodation

payments for their aged care facility by drawing down on their estimated exit entitlement money, until their property is sold.

More than 60 per cent of retirement village residents move straight into aged care. This change will mean residents won't have to delay the move to an aged care facility if they can't cover their care costs before their property is sold. This change is not available to residents who entered an aged care facility before 1 January 2021.

Changes to recurrent charges include:

From 1 July 2021, residents will stop paying recurrent charges for general services 42 days after they leave their retirement village. Between 1 January and 30 June 2021 only, former residents can ask for their recurrent charges to be deducted from their exit entitlement money.

The new laws only apply to registered interest holders with a long-term registered lease that gives them at least 50 per cent of any capital gain.

For current retirement village residents unsure of how the recent law changes may affect their circumstances, a contract check-in with the retirement village operator can be arranged. A resident or nominated representative is entitled to one check-in each year.

The NSW Seniors Rights Service which provides independent, free and confidential legal advice, information and advocacy on retirement village living. The service can be contacted on 1800 424 079.

Aged care standards are substandard standards

Table 14.2 **Australian Government subsidised aged care services that achieved all relevant expected outcomes, 2019-20 (per cent)[a]**

Data are comparable (subject to caveats) across jurisdictions.

Data are complete (subject to caveats) for the current reporting period.

	NSW	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
Residential aged care									
Standard 1	73.3	99.2	96.4	89.1	78.7	92.3	85.7	100.0	87.1
Standard 2	58.7	89.4	84.5	89.1	80.3	92.3	57.1	75.0	77.7
Standard 3	50.7	90.2	71.4	82.6	63.9	92.3	42.9	75.0	70.4
Standard 4	78.7	94.7	96.4	93.5	86.9	100.0	57.1	100.0	88.7
Standard 5	82.7	97.0	92.9	100.0	98.4	100.0	100.0	100.0	92.6
Standard 6	80.0	97.0	92.9	95.7	90.2	92.3	85.7	100.0	89.9
Standard 7	69.3	93.2	91.7	95.7	80.3	84.6	42.9	100.0	83.5
Standard 8	62.7	93.9	83.3	89.1	73.8	92.3	57.1	75.0	79.1
Number of reviews conducted	150	132	84	46	61	13	7	4	497

THERE are eight standards in aged care in Australia. These apply in both nursing homes and in your own home if you have a Home Care Package.

You can split these eight standards into two categories. One category contains standards you might call personal. The other contains standards you might call corporate.

Personal standards are *Consumer dignity and choice* (Standard 1), *Personal care and clinical care* (Standard 3) and *Services and supports for daily living* (Standard 4). These standards are about what care you get.

Corporate standards are about how a nursing home goes about making sure it meets those personal standards. *Ongoing assessment and planning with consumers* (Standard 2), *Organisation's service environment* (Standard 5), *Feedback and complaints* (Standard 6), *Human resources* (Standard 7) and *Organisational Governance* (Standard 8) are about the processes necessary to make sure the resident has dignity and choice, receives good personal and clinical care and is well-supported in their daily lives.

The Productivity Commission, which puts out a report on Government services each year, published a curious table of how aged care providers were doing against those eight standards.

It turns out that only 70.4 per cent of aged care providers meet the Personal care and clinical care standard, while 84.5 per cent are meeting all the corporate standards, which are there to ensure good personal and clinical care.

How can this be?

It means that 14.1 per cent of providers are really good at doing corporate stuff but incompetent at doing what matters, providing good personal and clinical care.

That 14.1 per cent is on top of the providers who are lousy at corporate processes as well as lousy at providing good personal and clinical care.

Yet, another take on this is that these eight aged care standards are not worth the paper they are written on. How can a Government assessor come to the conclusion corporate processes are good when they produce a bad outcome?