

THE VOICE of Pensioners and Superannuants

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Your pension is going up but not by 3.8 per cent



THE rate of inflation for the twelve months to the June 2021 quarter was 3.8 per cent. At the end of March 2021, this rate was 1.1 per cent.

Inflation rates affect everybody but retired people especially. Higher inflation means two things for retirees: higher term deposit rates and higher pension increases.

The fly in the ointment is that inflation needs to be higher all the time for term deposit rates to go up and stay up.

Term deposit rates are linked to the cash rate set by the Reserve Bank. The Reserve Bank uses the cash rate to control the rate of inflation, putting the cash rate down if inflation is too low and up if it is too high.

But this inflation increase of 3.8 per cent in the June quarter will carry through into the pension when it gets indexed in September

Unfortunately, it doesn't mean your pension is going up by 3.8 per cent.

The inflation increase during the two quarters relevant to pension indexation was 1.4 per cent. That is what will be used in the September indexation. It's still

good, because the previous pension increase was based on a 0.5 per cent increase, so the upcoming increase is almost triple that

Also, the Reserve Bank has dubbed the June quarter inflation number a spike. In other words, the big increase was a one-off. The bank is therefore not touching the cash rate.

That means term deposit rates won't move up just yet and pension increases after the next one in September won't be very much

That is, if the Reserve Bank is right.

Background

The CPI numbers:

Dec 2019 116.2

Mar 2020 116.6

Jun 2020 114.4

Sep 2020 116.2

Dec 2020 117.2

Mar 2021 117.9

Jun 2021 118.8

The upcoming indexation will take Jun 2021 and divide it by Dec 2020: 118.8 over 117.2 , which produces a 1.36% increase.

The previous indexation (March 2021) took Dec 2020 and divided it NOT by June 2020 (because that was when CPI fell) but by Mar 2020: so, not 117.2 over 114.4 but 117.2 over 116.6 , which produced a 0.05% increase

The September 2021 pension indexation will be on the basis of inflation (CPI, that is), because the CPI increase (1.46 per cent) in the March 2021 quarter compared with the September 2020 quarter was greater than the increase in the living cost index (1.2 per cent) over the same period.

How to make your Home Care Package pay for less admin, more care



THE Government is going to conduct home care assurance reviews. A frequent and recurring complaint by people on Home Care Packages is that too much of their Package budget goes on admin, which includes actual administration, coordination and case management. There are claims that more than half of the money funding Packages ends up not paying for actual care.

The theory underpinning Packages is that the care recipient will keep an eye on how their Package money is spent and will complain and make a fuss if they're not happy. But practice is letting the theory down. Even those able to complain about how their Package money is spent will tell you that they're ignored by the provider and that the Complaints Scheme run by the Aged Care Quality and Safety Commission does nothing.

Enter the home care assurance review.

Home care assurance reviews are in addition to home care quality reviews, which assess provider performance against the aged care quality standards.

Home care assurance reviews are about money. They are, in fact, financial audits aimed at stopping providers from defrauding Home Care Package recipients and the Australian Government.

They are to be conducted “from time to time” by the Australian Department of Health. From time to time means that the Department of Health will not conduct these audits regularly but, presumably, only if it smells a rat.

If what people on Packages are saying is anything to go by, there are a lot of rats. The Home Care Packages program is highly likely being scammed on an epic scale, reminiscent of how nursing homes used to (and some would say still continue to) rot ACFI, the Aged Care Funding Instrument.

So, all good, except that the legislation for the new home care assurance reviews does not cover how people are able to report their grievances to the Department of Health.

CPSA suggests that people forward their detailed complaints about Home Care Package providers to the Hon Greg Hunt, Greg.Hunt.MP@aph.gov.au, Minister for Health and Aged Care, PO Box 6022, House of Representatives, Parliament House, Canberra ACT 2600.

Transport inequity: city vs country



THE Regional Seniors Travel Card offers older people in the country \$250 for travel expenses in an attempt to bridge the gap between country and city seniors’ access to public transport but is it enough?

In NSW, people with a Seniors card or a Pensioner card can access the Gold Opal Card which allows for unlimited travel on the NSW public transport network, including bus, train and public ferries for a maximum of \$2.50 a day. In the country it's not as simple.

For local regional bus rides, Senior and Pensioner card holders can use the Regional Excursion Daily (RED) ticket. The RED ticket allows for unlimited local daily bus travel for \$2.50.

For travel between regional areas in NSW on either a train or coach, Senior and Pensioner card holders can access the Country Pensioner Excursion (CPE) ticket. This ticket is intended to offer cheap *regional* travel for older people, so it cannot be used for travel through areas such as Sydney, Wollongong, Newcastle or the Blue Mountains as these areas use NSW TrainLink Intercity or Sydney Trains. If a regional senior or pensioner would like to travel to these areas, they are entitled to a half-fare ticket, although better than full price a half-fare will cost a lot more than \$2.50.

Pensioners can also access Pensioner Travel Vouchers for free travel on regional services plus a metropolitan service so long as it is used to travel to or from your regional service and all services are booked at the same time. Each pensioner is entitled to four one-way or two return trips each year. If you haven't previously used the vouchers call 13 22 32 to register your concession card.

Although there are several discounts on offer for country pensioners and seniors, are they enough to match the mighty Gold Opal Card? Although it depends on the individual, considering the fewer services and different charges for different transport services, even with the Regional Seniors Travel Card, country public transport patrons are generally worse off. Equity can only be reached if the Gold Opal Card is rolled out state-wide with no differences between metropolitan and country services.

Let your local State MP know that you would like to see transport equity installed by rolling out Opal services to the country.