

THE VOICE of Pensioners and Superannuants online

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Do you support a review of the pension?



THE review of the Age Pension in 2008 led to a one-off increase in the single rate pension across the Age Pension, the Disability Support Pension and Carer Payment.

The same review also saw the creation of an additional pension indexation mechanism, the Pensioner and Beneficiaries Cost of Living Index.

There is no doubt that the 2008 review improved the lot of single people relying on the pension, but it didn't address the plight of partnered people and it didn't address endemic issues that arise with dependence on a pension-type payment as the sole source of income.

While full rate pensioners are already struggling to cover ordinary living expenses, it's the big items that often prove to be killers. Literally, in some cases.

What has become clear over the last dozen years or so since the pension review is that pensioners whose sole source of income is the pension have great difficulty meeting the cost of home maintenance (if they are homeowners), replacement of whitegoods and essential appliances and furniture, the rent (if

they rent privately), the cost of healthcare and the cost of transport (if they have no option to run their own car or have to use taxis).

Healthcare is of particular concern. CPSA members report major problems with accessing healthcare. They report being unable to afford consultation with medical specialists and unable to pay for the more expensive diagnostic tests. Certain prescription medications are not available under the Pharmaceutical Benefits Scheme. At the same time, simple clean-and-check-up visits to the dentist are unaffordable for many full rate pensioners, let alone dental therapies.

Quite often this means they forgo medical attention beyond bulk-billed services.

While it is true that the majority of expensive medical and dental services are available under public health programs, these programs are universally under-resourced, which means lengthy waiting lists. Quite often, the waiting times are so long that health conditions have deteriorated to the point where therapy can no longer be effective. No records are kept but how many people die while they are on the waiting list for cataract surgery.

Also, the poverty faced by well over a quarter of a million Australians aged over-55 but not yet of pension age is severe. Despite the recent, one-off increase in JobSeeker, their payment is still well below the pension: 35 per cent below the pension for singles and 21 per cent below the pension for couples.

It is clear that the majority of this age group will never find a permanent job. They are condemned to eking out an existence until they reach pension age. At that point, they will merely move from a state of extreme poverty to a state where they are unable to fund anything beyond their daily needs.

It is clear that the time has come for a review into the social security arrangements for people of all ages on low, fixed incomes such as the Age Pension, the Disability Support Pension, Carer Payment and JobSeeker for the long term. CPSA has written to the Australian Government advocating such a review. If you support this, email us with your support on voice@cpsa.org.au .

If you think enduring powers of attorney are simple, you should read this



EVERYBODY would agree that preventing financial abuse of older Australians is important. But one of the things that can play a major role in doing that is in a terrible mess.

We're talking about enduring powers of attorney.

A power of attorney (without the 'enduring') gives an agent the power to act for another person (the principal) to make decisions about the principal's property, finances, or medical care. A power of attorney is often used when the principal can't be present to sign necessary legal documents for a financial transaction.

A power of attorney sets limits to what the agent can do on behalf of the principal and often the period in which the agent can act.

An enduring power of attorney, on the other hand, remains in effect if the principal becomes ill or disabled and cannot act personally.

An enduring power of attorney is most often used where people lose mental capacity. People suffering from advanced dementia often have enduring powers of attorney in place.

Enduring powers of attorney are in a terrible mess in Australia on several counts.

First, the eight states and territories that make up the Australian federation all have their own laws governing enduring powers of attorney, and they are all different.

Second, it is not always clear (to banks, for example) if an enduring power of attorney document is real, revoked or a forgery. The federal Government has

undertaken work to put in place a National Register of Enduring Powers of Attorney.

However, we still have eight sets of laws for eight jurisdictions. Obviously, these laws need to be the same wherever you go. This has been done for other things. For example, defamation laws are state and territory laws but they're the same everywhere. It can be done.

Third, because of all the different laws, it is difficult to educate people about how enduring powers of attorney should be used.

This is a huge problem in itself and allows enduring powers of attorney to be exploited by savvy and unscrupulous people. It is common for a person holding a power of attorney to sign over property to themselves, change a will to their advantage and restrict access by friends and family members to the person they are meant to be helping.

It obviously needs quite a bit of thought and consideration before the enduring powers of attorney are assigned to someone. If things go wrong with an enduring power of attorney, they most often go wrong at this point. The consequences can be devastating, emotionally, psychologically and financially.

CPSA and other organisations, including the Human Rights Commission, is seeking a commitment from the federal, state and territory governments to reform this area of law.

Have you been stapled to your super fund?



A SURVEY conducted on behalf of Industry Super Australia has found that 80 per cent of Australians do not know about super stapling.

Stapling means that a worker who doesn't pick a super fund themselves stays with that fund even if and when they change employer.

The stapling reform is a positive step that stops workers being put into a new fund every time they change jobs. They end up with more funds than they can keep track of and pay fees to each of these funds.

Stapling prevents this.

There are a number of default funds for workers who don't pick a fund themselves. These are called MySuper funds.

MySuper funds all undergo a performance test. Unfortunately, not all MySuper funds perform well. Some even perform very badly.

So, while being stapled to a fund is good if you don't want to pick a fund yourself, you do need to make sure you're not stapled to a dud fund.

Arguably, dud MySuper funds will be forced out of the industry eventually, but by then you will have lost money and lots of it.

So, even if you super bores you to tears, make an effort and make sure you're in [a good MySuper fund](#).