



Delivering for Seniors

Julia Gillard and Labor
Let's move Australia forward



DELIVERING FOR SENIORS

Federal Labor's *Delivering for Seniors* package will support and encourage older Australians in the workforce, tackle age discrimination, support grandparent carers and help meet the costs of living.

Delivering for Seniors builds upon our first term achievements that include the biggest reforms to the age pension in more than a hundred years.

Federal Labor has always stood for fairness for older Australians.

Our *Delivering for Seniors* package includes:

- \$6,500 improved Work Bonus for age pensioners who choose to do part time work.
- \$4,000 worth of training and assessment to support 7,500 mature age workers.
- A dedicated Age Discrimination Commissioner.
- New peer support for grandparent carers.
- New rules for reverse mortgages to protect seniors.

Our pension reforms have driven increases now worth an extra \$100 a fortnight for single pensioners and an extra \$74 for couples combined.

Federal Labor improved pension indexation so that pensions better keep up with the cost of living, and we increased the Utilities Allowance by \$400.

We have also delivered increased support for self-funded retirees – including a new Seniors Supplement now worth \$795 a year. We delivered a national transport concessions scheme to give State Seniors Card holders concessions when they travel interstate, and we have provided more seniors access to free internet in their community through a national rollout of our Broadband for Seniors program.

Our *Delivering for Seniors* package will build on this record through around \$100 million in new commitments.

IMPROVED WORK BONUS FOR AGE PENSIONERS

Many age pensioners take on part time and occasional work and should be encouraged and rewarded for these valuable contributions to our community.

The Work Bonus allows pensioners to keep more of the money they earn from part time work. It disregards an amount of employment income from the pension income test. The Work Bonus was introduced as part of Federal Labor's 2009 pension reforms.

Many age pensioners want to undertake part time, seasonal or contract work but are concerned about the impact on their pension.

What we will do

The Gillard Labor Government will introduce a new, more generous Work Bonus for age pensioners from 1 July 2011.

It will increase the amount an age pensioner can earn before affecting their pension. The new Work Bonus will allow age pensioners to earn up to \$250 a fortnight without it being assessed as income under the income test.

Under these changes, the Work Bonus can be 'annualised'. This means pensioners will now be able to build up any unused amount of their \$250 bonus every fortnight for up to 12 months. The unused amount can carry forward between years, up to a total of \$6,500.

This Income Bank will offset more earnings when they do work, meaning that a pensioner could then earn up to \$6500 a year extra without it affecting their pension. It could be regular work each fortnight or, for example, over a six week period before Christmas.

The Work Bonus will also be improved by disregarding every dollar of income up to \$250 a fortnight, rather than the 50 cents in each of the first \$500 arrangement that currently exists.

Analysis of pension income has shown that more pensioners would benefit by a straight dollar for dollar reduction. All pensioners who work will benefit from these improvements.

This operates in addition to the pension income free area – worth \$146 per fortnight for singles, equivalent to \$3,976 a year.

Who will benefit

These changes will benefit around 30,000 age pensioners each year, with an average benefit for those who work of just under \$100 a fortnight in increased pension payments in addition to the extra earnings not assessed under the income test.

The Income Bank will particularly benefit the many age pensioners who work seasonally, for example acting as tax agents or marking school exams.

John is an age pensioner with a regular part time job earning \$400 a fortnight. Under current rules, half of his income is disregarded (\$200) by the Work Bonus so that only \$200 is assessed as income under the pension income test. Under the improved Work Bonus, a full \$250 will be disregarded, and only \$150 assessed, so John will keep an extra \$50 of his earnings a fortnight.

John's pension will also increase by \$25 a fortnight due to a lower amount of income being assessed under the pension income test.

Mary is an age pensioner who only works for six weeks a year as an accountant at tax time. During the six week tax season she earns \$1,250 a fortnight, for a total of \$3,750. As Mary has not worked at all in the year since the last tax season, she will have accumulated \$6,500 of Work Bonus in her 'bank'. Therefore during this tax season she will be able to keep the full \$3,750 she has earned and it will not affect her pension. Mary's pension will not be affected as she has no income that is assessed under the pension income test, despite earning \$3,750 in the six week period.

How much will it cost

The improved Work Bonus will cost \$94.3 million over the forward estimates.

MORE HELP FOR MATURE AGE WORKERS

Seniors have so much to offer Australian workplaces. We need to encourage more Australian employers to appreciate the extra benefits that older workers bring to the workplace, such as a strong sense of loyalty, experience, reliability and an extra depth of insight. We want to help mature age workers get the skills needed to stay employable.

What we will do

A re-elected Gillard Labor Government will dedicate \$30 million in additional funding to the *Experience Plus* program, to deliver more workplace based training for workers age over 50.

This additional funding for *Experience Plus* will allow for significant up-skilling of up to 7,500 mature age workers. Each worker will receive \$4,000 in training and assessment assistance.

The new measure forms part of the highly successful 'Enterprise Based' streams of Federal Labor's Productivity Places Program.

Organisations with mature age workers will be able to submit proposals under the *Experience Plus* program for Recognition of Prior Learning, and funding for training to up skill.

Funding will be provided through existing uncommitted funds in the Productivity Places Program, which are already provided for in the budget.

This builds on Federal Labor's earlier \$43 million investment to support older Australians who want to stay in the workforce, through quality job training and mentoring of young Australians.

Who will benefit

This proposal would allow for significant up-skilling of 7,500 workers aged 50 and over who are currently employed. Each worker will receive a skills assessment through a streamlined Recognition of Prior Learning process. The funded skills assessments (up to \$2000) are delivered within a short timeframe by Trades Recognition Australia in partnership with registered training organisations.

Then, based on the identified skills gap, the worker will be connected with an appropriate training provider.

The Gillard Labor Government will contribute up to \$2000 towards that training and the employer will fund the rest.

What will they receive

Mature workers will receive a skills assessment which will result in either an Australian Qualifications Framework (AQF) qualification or a statement of attainment if they have not met all of the requirements for the qualification.

This will be particularly useful for workers with hands on skills in industries that need to be updated to accommodate new equipment or technologies, such as manufacturing.

The statement of attainment will allow them to identify gaps in their skills and to source appropriate training to meet the requirements of their trade. This training will be subsidised by the Federal Government and their employer.

How much will it cost

Funding will be provided through existing uncommitted funds in the Productivity Places Program, which are already provided for in the budget.

TACKLING AGE DISCRIMINATION

One of the key barriers to mature age workers participating in the workforce is age discrimination.

Federal Labor understands that age discrimination is a significant issue that affects not only those who are discriminated against, but can also deprive our community of the experience and productivity that senior employees can bring.

What we will do

The Gillard Labor Government will create a new, dedicated position of Age Discrimination Commissioner at the Australian Human Rights Commission from 1 July 2011. The new commissioner will advocate for the rights of older Australians, educate the community and industry and handle complaints under the *Age Discrimination Act*.

A national Age Discrimination Commissioner will provide greater emphasis on tackling the attitudes and stereotypes that can contribute to age discrimination. In particular, this new position will be able to focus on addressing barriers to equality and participation faced by mature workers and older Australians when compared with young people.

These include discrimination in getting a job or applying for a promotion, enrolling at a TAFE or university, applying to rent a house, or accessing utilities such as a bank, superannuation fund, insurance company, or government service.

This new role builds on Federal Labor's amendments to the *Age Discrimination Act* in 2009, to strengthen the protections for older Australians. These amendments send a clear message that discrimination on the basis of age is not only unacceptable, it is also unlawful.

The amendments were necessary because the former Coalition Government introduced weaker protections for age discrimination in 2003, compared to other areas of discrimination.

Who will benefit

An Age Discrimination Commissioner will be able to assist all older Australians who face discrimination across all areas of public life, including employment, services and facilities, accommodation and legislation.

However, this initiative will particularly benefit mature age workers and jobseekers who often experience discrimination either in the workplace, or when trying to find a job, from employers and colleagues.

How much will it cost

From 1 July 2011, we will provide \$3 million over the forward estimates in additional funding to the Australian Human Rights Commission to support this position.

SUPPORTING GRANDPARENT CARERS

Grandparents who are caring for their grandchildren make enormous sacrifices.

Grandparent carers can find themselves primary carers of their grandchildren unexpectedly and through family trauma or disruption. For these grandparents, particularly where the grandchild is not on a formal child protection order, there is little support or information available.

What we will do

The Gillard Labor Government will deliver more support for grandparents who care for their grandchildren by establishing a new peer support program specifically for grandparent carers from 1 July 2011.

The new program will expand the popular and successful MyTime peer support network with new MyTime for Grandparents groups. Twenty-five groups will be established initially, with an evaluation in 2013-14.

These groups will give grandparents the opportunity to share their experiences in a supportive environment, find out about available community support services and research based parenting information. The groups would meet, on average, once a fortnight during school term.

The funding supports a peer support group, including a facilitator for the group and a carer to supervise children while the grandparents participate.

And to ensure grandparent carers receive the extra care and understanding they need, a re-elected Gillard Labor Government will also provide three new dedicated grandparent advisors in Centrelink offices in Melbourne, Brisbane and Sydney.

The new advisors will focus solely on the needs of grandparent carers, working to improve their access to Centrelink payments and services. They will also provide information and referral to other government and community services. These advisors will build on the existing Centrelink grandparent advisor that has been operating in Perth since 2005.

Who will benefit

Across Australia, there are more than 14,000 families where grandparents are the primary carers of children.¹

The new MyTime Peer Support Groups will support around 300 families each year. Hundreds more will be able access the support of a Centrelink grandparent advisor.

How much will it cost

The grandparent peer support groups will cost \$900,000 over the forward estimates. Centrelink will absorb the costs of the new grandparent advisors.

GREATER PROTECTION FOR SENIORS WITH REVERSE MORTGAGES

Federal Labor also recognises that special protections are needed for older Australians who are using equity in their homes to gain access to credit.

What changes will be introduced?

Reverse mortgages and home reversion schemes do not currently include protections that recognise their special nature.

We will provide greater protection to older Australians by ensuring:

- Protection is extended for reverse mortgages and home reversion schemes, including greater disclosure of the features and fees on these products.
- Statutory protection against negative equity so consumers aren't left with a debt significantly greater than the value of their property.

When will the changes be implemented?

The changes will be implemented by mid 2012.

¹ Australian Bureau of Statistics 2008, Family Characteristics and Transitions in Australia 2006-07 Cat 4442.0, Canberra.

FEDERAL LABOR'S RECORD

Federal Labor has always stood for fairness for older Australians.

A Gillard Labor Government is committed to a strong and secure economy so we can provide services to older Australians, such as world class hospitals and age care facilities.

Federal Labor delivered the biggest reforms to the age pension in more than a hundred years. Over the last year, our pension reforms have driven increases for pensioners now worth an extra \$100 a fortnight for single pensioners and an extra \$74 for couples combined.

We increased the Utilities Allowance by around \$400 to provide support with the increasing cost of gas, water and electricity.

New pension indexation arrangements will make sure that the pension keeps pace with the cost of living. Federal Labor has increased the single pension from 25 per cent to 27.7 per cent of Male Total Average Weekly Earnings, and will keep the benchmark at this higher level. And we have introduced a new Pensioner Living Cost Index. Our changes were affordable and sustainable.

The Commonwealth Seniors Health Card was introduced by a former Federal Labor Government, and the Gillard Labor Government has continued to deliver for self-funded retirees.

We have delivered a new Seniors Supplement for self-funded retirees who have a Commonwealth Seniors Health Card - now worth \$795 a year.

We have also delivered a national transport concessions scheme to give State Seniors Card holders concessions when they travel interstate, and provided more seniors access to free internet in their community through a national rollout of our Broadband for Seniors program.

As part of our economic plan, Federal Labor will also give seniors a tax break on savings accounts.

A new 50 per cent tax discount on up to \$1,000 of interest earned by individuals, including interest earned on deposits held in banks, building societies and credit unions and annuity products will benefit around 740,000 self-funded retirees and age pensioners.

And to help mature age workers to save for their retirement, Federal Labor will allow individuals aged 50 and over with total superannuation balances below \$500,000 to make up to \$50,000 per annum in concessional superannuation contributions. This will start 1 July 2012, and doubles the cap of \$25,000 which was scheduled to apply.

Federal Labor also acted decisively to protect self-funded retirees from the full impact of the Global Financial Crisis, providing draw-down relief for three consecutive years, as well as economic stimulus payments.

FINANCIAL IMPACT

	2010-11	2011-12	2012-13	2013-14	Total
Improved work bonus	-3.7	-29.2	-30.5	-30.9	-94.3
More training for mature aged workers	*	*	*	*	*
Age Discrimination Commissioner	-	-1.0	-1.0	-1.0	-3.0
Support for grandparent carers	-	-0.3	-0.3	-0.3	-0.9
Greater protection on reverse mortgages	-	-	-	-	-

*Funding totalling \$30 million will be provided through uncommitted funds in the Productivity Places Program.

Funding for this commitment will be fully offset over the forward estimates, consistent with the Gillard Labor Government's commitment to return the budget to surplus in three years.

THE COALITION'S RECORD

- ✘ **Failed to increase the base pension** beyond indexation in 12 years and Tony Abbott and the Cabinet of the former Coalition Government actively **rejected a proposal to increase the single age pension.**
- ✘ When he was Shadow Minister, Tony Abbott said he thought Federal Labor's pension increase wasn't affordable – but he will make pensioners pay more for their groceries to pay for his unfair paid parental leave scheme.
- ✘ **Tony Abbott's new tax** on thousands of Australian companies like supermarket, petrol stations and power companies, will increase prices for pensioners.
- ✘ Tony Abbott will **scrap Federal Labor's reforms to superannuation** including lower fees, tax breaks on savings and incentives for mature age workers that will give more Australians increased support in their retirement.

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