

# Budget 2020 – Older Women

## Older Women Budget Overview

This year's federal Budget contains some measures of direct benefit to older women, with net positive impact in some policy areas, but no improvement in other priority domains.

The measures of most interest and value to older women contained in the Budget include: an increase of 23,000 home care packages; additional health care and aged care funding to respond to the COVID-19 pandemic; the maintenance of supplementary payments in the Aged Pension for another year; and the move to change capital gains tax on Granny Flat arrangements within families.

Overall, however, the 2020 Budget is a missed opportunity to improve the lives of older women who face the greatest difficulties: single, older renters totally reliant on JobSeeker or pension payments; those who are homeless; a significant proportion of those on the long waiting list for home care packages; and those locked out of employment.

It is also another missed opportunity to begin resetting policy to disrupt the structural accumulation of poverty across the life course that reaches its peak with disastrous consequences for so many women in later life.

## What are the particular issues for older women?

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### Poverty alleviation

- At retirement, single older women are more likely to rely on the age pension than single older men. Government pensions and allowances are the main source of income for 69.4 per cent of women over 65 not in the labour force, compared with 63 per cent of men. Women are less likely than men to have a superannuation pension or annuity as the main source of income over 65.<sup>1</sup>
- In 2011, 34 per cent of single women over 60 were in permanent income poverty, compared to 27 per cent of single older men and 24 per cent of couples.<sup>2</sup>
- This is an outcome of combined factors across the life course including the persistent gender wage gap; breaks from the workforce or part time work for family care; and the compounding effect of lower wages and career breaks reflected in significant gender differentials in retirement savings such as superannuation.

### Housing affordability and eradication of homelessness

- In April 2020 the percentage of private rental listings on the national market affordable by a single person on the Age Pension was 0.8 per cent; and by a single person on JobSeeker payment was 0 per cent. This improved respectively to 1 per cent and 1.5 per cent with the COVID-19 supplements included.<sup>3</sup>
- Between the 2011 and 2016 Census, the numbers of women aged 55+ experiencing homelessness rose by over 30 per cent.<sup>4</sup>

### Aged care affordability, availability, quality and safety

- 2 in 3 people receiving aged care services on 30 June 2019 were women (partly reflecting women's longer life expectancy), with more women than men in each type of aged care program.<sup>5</sup>

### Elder abuse eradication

- Research finds that women are more often victims of elder abuse than men, and this is disproportionate to the number of older women in the community. Data collected by helplines in Australia indicates that approximately 70 per cent of elder abuse victims are women.<sup>6</sup>
  - Intergenerational abuse within the family is thought to be the most common form of elder abuse, significantly more highly reported intimate partner violence.

### Employment opportunities and security, and reduction of unemployment incidence and duration

- One of the largest differences between male and female labour force participation rates is in the 60-64 age groups, with 51.8 per cent for women and 65.4 per cent for men.<sup>7</sup>
- Older women are the growing face of unemployment. The share of JobSeeker recipients aged 45 years and older increased from 44 to 56 per cent among females and from 34 to 45 per cent among males between 2007 and 2019. The share of recipients aged 60 and older also increased for both genders, with a larger rise among females.<sup>8</sup>
- While long-term receipt of JobSeeker payment has grown for all age groups, those aged 55 and above have grown to have the highest share of all recipients who have been on the payment for five years or more, closely followed by those aged 45 to 54. By June 2019, 33 per cent of women and 29 per cent of men on JobSeeker aged 55 and above had been on the payment for five or more years.<sup>9</sup>

## Budget measures

The following table sets out priorities for older women and relevant 2020 Budget measures.

<b>Priorities</b>	<b>In 2020 Budget?</b>	<b>Comment</b>
Increase to Commonwealth Rent Assistance	No	(see Housing Section) Older women facing homelessness cannot afford private rents without a significant increase to the CRA.
Funding increases in social and community housing	Minimal impact	(see Housing Section) The National Housing Finance and Investment Corporation guarantee extension may support further building of affordable housing, but it is unlikely to meet the extent of need experienced by older women.
Significant funding required for aged care transformation	Partial, but net positive impact	(see Aged Care Section) Includes new funding to: implement the Serious Response Scheme; to create an independent assessment service for residential care; to extend the Business Improvement Fund to restructure residential care; and commitments to upskilling aged care workers in dementia and funding the Aged Care Workforce Industry Council. These are welcome, but only a first step to transform the sector. The final report of the Royal Commission into Aged Care Quality and Safety will provide a platform for more significant change in 2021.
Funding for improving safety of residents and staff in residential aged care during the COVID-19 pandemic	Yes	(see Aged Care Section) \$746.3 million over four years from 2020-21 to support older Australians throughout the COVID-19 pandemic.
Funding to meet the shortfall in Home Care Packages	Partial, but net positive impact	(see Aged Care Section) 23,000 new packages at cost of \$1.6B, but no commitment to reduce the waiting times for packages.
Industry assistance packages targeted to the care industries	No	(see Machinery of Government Section) Older women are both significant users of care services and a significant component of the care workforce.

Priorities	In 2020 Budget?	Comment
Innovative measures to assist older women to regain and retain employment in the current economic crisis and beyond	No	(see JobMaker Section) There are no targeted Budget measures to assist older women into employment, despite the impact of the pandemic on the sectors where older women tend to be mostly employed and the pre-pandemic high and growing levels of unemployment experienced by older women. (Note however, the pre-existing Restart Program for workers over 50 remains in place.)
Permanent increase in JobSeeker rates	No	(see relevant Social Security sections) The JobSeeker rate without the COVID supplement places recipients <u>below the poverty line</u> . <sup>10</sup> Older women are living on JobSeeker for longer periods than other groups and are struggling to survive.
Funding to increase speed and impact of government initiatives to reduce elder abuse in COVID-19 context	Partial, but net positive	(see Housing Section) Capital gains tax (CGT) exemption will be provided for granny flat arrangements where there is a formal written agreement with an older Australian or an individual with a disability. The measure is designed to mitigate against the financial abuse of vulnerable Australians. This is a welcome response to an issue highlighted by the ALRC in Recommendation 6-2 its <u>landmark report of elder abuse in Australia</u> <sup>11</sup> .  But it is a disappointment that work under the <u>National Plan to Respond to the Abuse of Older Australians [Elder Abuse] 2019-2023</u> <sup>12</sup> was not fast tracked. Improving community awareness and furthering safeguards against elder abuse have become more urgent in the current pandemic and accompanying economic crisis.

For Recommendations, see relevant Sections of this Gender Lens on the Budget 2020-2021.

## References

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- <sup>2</sup> Feldman, S. and Radermacher, H. (2016). Time of Our Lives? Lord Mayor's Charitable Foundation. March 2016. p1 <https://www.lmcf.org.au/getmedia/23a2ebd6-b2dc-48b1-bc81-59e1bc0f27cd/2016-03-07-LMCF-Time-of-Our-Lives-Report.pdf.aspx>
- <sup>3</sup> Anglicare Australia. (2020). Rental Affordability Snapshot: National Report April 2020. p9 <https://www.anglicare.asn.au/docs/default-source/default-document-library/rental-affordability-snapshot-2020.pdf?sfvrsn=4>
- <sup>4</sup> Australian Human Rights Commission. (2019). Older Women's Risk of Homelessness: Background Paper. Australian Human Rights Commission 2019. p4
- <sup>5</sup> Australian Institute of Health and Welfare. (2019). GEN Aged Care Data: People using aged care, 30 June 2019. <https://www.gen-agedcaredata.gov.au/Topics/People-using-aged-care> Accessed 10 October 2020
- <sup>6</sup> Seniors Rights Victoria. Elder Abuse, Gender and Sexuality. p3 <https://seniorsrights.org.au/wp-content/uploads/2018/05/Elder-Abuse-Gender-and-Sexuality.pdf> Accessed 10 October 2020
- <sup>7</sup> Australian Bureau of Statistics. (2019) Gender Indicators, Australia. Released 1 November 2019 <https://www.abs.gov.au/statistics/people/people-and-communities/gender-indicators-australia/latest-release#economic-security>
- <sup>8</sup> Parliamentary Budget Office. (2020). Jobseeker Payment. Understanding economic and policy trends affecting Commonwealth expenditure. Report No. 03/2020. Commonwealth of Australia 2020. p9
- <sup>9</sup> Ibid p17
- <sup>10</sup> Phillips, B., Gray, M., & Biddle, N. Winding Back JobKeeper and JobSeeker will push 740,000 Australians into poverty. *The Conversation*. 11 September 2020
- <sup>11</sup> Australian Law Reform Commission. (2017). Elder Abuse – A National Legal Response, Final Report. Commonwealth of Australia 2017. p13
- <sup>12</sup> Council of Attorneys-General. National Plan to Respond to the Abuse of Older Australians (Elder Abuse) 2019-2023. <https://www.ag.gov.au/sites/default/files/2020-03/National-plan-to-respond-to-the-abuse-of-older-australians-elder.pdf> Accessed 10 October 2020