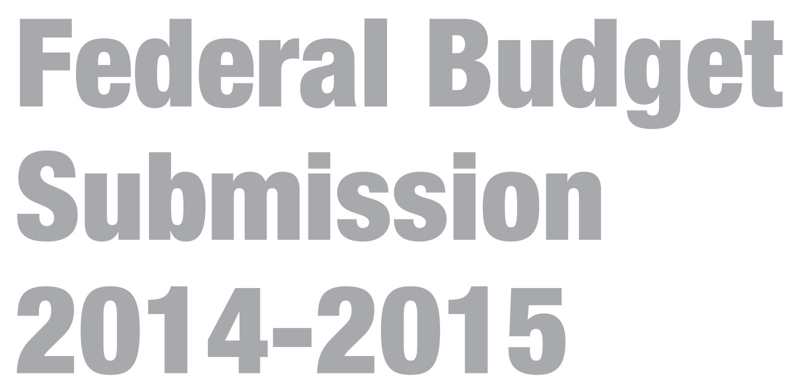

National Seniors
Australia

Who we are

With more than 200,000 individual fee-paying members aged 50 plus across the country, National Seniors is the consumer lobby for older Australians and the fourth largest organisation of its type in the world.

Our members trust us to fearlessly and independently reflect their views to government, business, media and society. And this we do.

The policy recommendations in this document are drawn from the membership grassroots through surveys, letters, emails, phone calls, volunteer state advisory groups and a diverse and experienced Board.

The development of these recommendations is supported by highly qualified policy staff and our respected Melbourne based research arm, the National Seniors Productive Ageing Centre.

National Seniors stands for:

- Social and economic inclusion, including employment
- Sustainable world class services including health and aged care
- Decent safety nets for those who are unable to provide for themselves
- Recognition for those who work and sacrifice to provide for themselves in retirement
- Fairness and equity across generations
- Certainty in retirement income policy
- Ageing with dignity, security and purpose.

National Seniors Australia
GPO Box 1450 Brisbane QLD 4001
Email: policy@nationalseniors.com.au
Web: nationalseniors.com.au

National Seniors Australia

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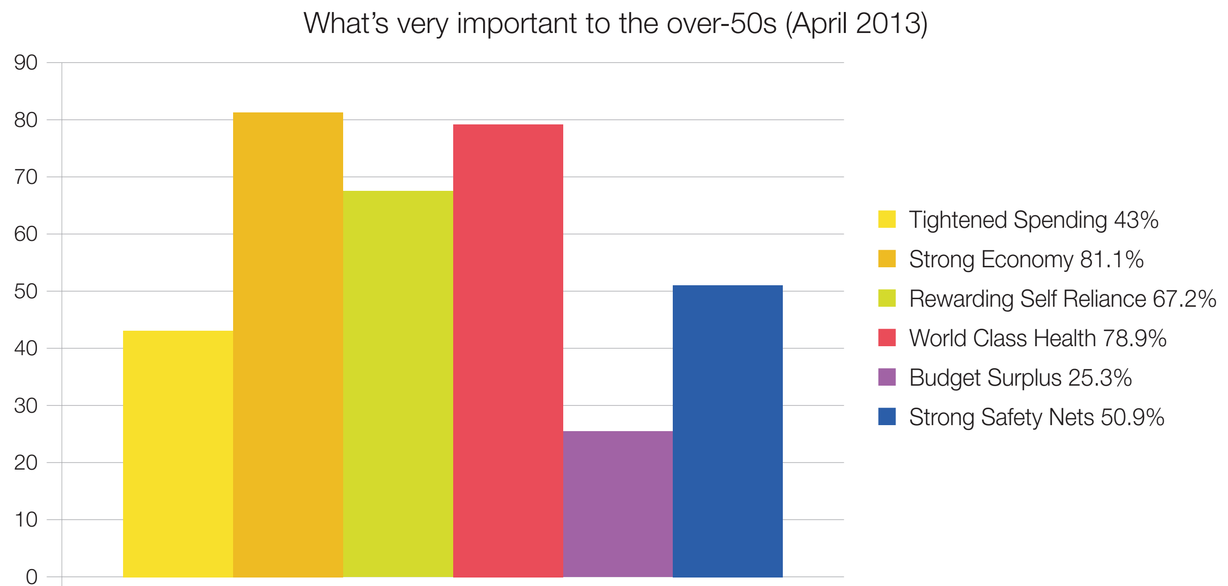
Introduction

Health (78.8%) and the economy (81.1%) were the top two priorities for the over-50s according to a National Seniors poll conducted before the 2013 federal election. Not so important was the rush to a budget surplus (23.3%).



Source: National Seniors Election Priority Survey, April 2013

Since then, the rhetoric, conditions and government have changed.

Interest rates are low, the housing market has new puff and consumer sentiment is steady.

But unemployment is on the rise, wages are lower than expected and the economy is in slow transition to non-resource-based growth.

After six consecutive years of budget deficits – the latest expected to nudge $50 billion – most Australians want a surefooted economy and to be rid of the debt.

However, without policy changes, says Treasury's mid-year update, budget deficits are projected every year to 2023-24.

The new government is on a mission. Through its audit commission, it is determined to uncover inefficiencies and tighten Australia's spending belt.

It is a message that resonates with retirees living off investments and the 50-somethings still building their nest eggs. For both groups, a strong, stable economy and an efficient, sustainable, world class health system are paramount.

a strong, stable economy and an efficient, sustainable, world class health system are paramount

All Australians deserve certainty in retirement planning. In the spirit of a 'fair go', self-sufficiency should be encouraged and rewarded.

Those people who've spent a lifetime working, raising families and paying off mortgages should not be made easy targets in fixing budget shortfalls.

It is in this context that National Seniors' budget submission is set.

We have pared back requests, focussed on productivity and, for the first time ever, identified areas of saving across portfolios.

For the record, National Seniors remains *strongly opposed* to several proposals floated in the commission of audit process.

They are:

- Including the family home in the age pension assets test;
- Raising the Age Pension age without real improvements to the employment prospects of older workers;
- Raising the superannuation preservation age without real improvements to the employment prospects of older workers;
- Increasing the Medicare Levy;
- Using the family home via a reverse mortgage to pay for aged care as proposed by the Productivity Commission in 2011.

Also, as stated by the Treasurer, National Seniors expects no negative changes to superannuation in the Abbott Government's first term.

Productivity

Much is said about the costs of population ageing and very little about the massive contributions, both formal and informal, that older people already, and will continue to, make to the economy.

In 2012, National Seniors research revealed that, every year, the over-50s transfer $50 billion in time and money to younger and older generations.

half of children aged three and under with working parents are cared for by their grandparents

More recently, the Institute of Family Studies reported almost half of children aged three and under with working parents are cared for by their grandparents – a figure in line with formal day care.

Mature age employment rates compare well against youth rates with OECD figures recording the youth (15-24) unemployment rate at 11.7% and those aged 55 to 64 at 3.5% in 2012.

However, *long term unemployment* rates amongst the over-50s are consistently higher than other age groups, and, when compared internationally, their workforce participation rates, at 63.6%, are much lower than in countries like New Zealand (77%) and Sweden (77.1%).

a 5% increase in paid employment of Australians aged 55 plus would add $48 billion per annum to the economy

The result for Australia is a loss to the economy of $16.2 billion a year in not utilising the skills and experience of older people who want to work.[1] Just a 5% increase in paid employment of Australians aged 55-plus would add $48 billion per annum to the economy.[2]

For over a decade, both sides of politics have committed to raising mature age participation rates. But despite training programs, employer inducements such as the Senior Employment Incentive Payment and information campaigns, long term unemployment persists. The reality is, many older workers still end up in a disability-pension-supported defacto retirement. The implications extend beyond GDP to ill health, depression, social exclusion and poverty in old age.

The barriers to employment are many and varied. Age limits on superannuation, workers compensation, professional insurance and licensing are a direct disincentive for older people to work. For older carers, employer inflexibility makes paid work a distant dream. More pervasive and notoriously difficult to prove is age discrimination which occurs not only in the workforce but during the recruitment process.[3]

A decade of political will is slowly reversing the cult of early retirement and giving those who want to work the opportunity to do so well beyond pension age. But, ultimately, the required change is attitudinal, and it must be driven in concert with business, government and society.

Under the heading "Productivity" we recommend a mix of initiatives that will enable the over-50s to not only formally contribute to the economic growth of the nation but also age with dignity and purpose. An investment in mature age workers is an investment in Australia.

[1] Updated figure from National Seniors Australia, *Experience Works: The mature age employment challenge* 2009

[2] Australian Human Rights Commission, *Fact or fiction? Stereotypes of older Australians, 2013*

[3] *The Elephant in the Room - Age Discrimination in Employment*, National Seniors Australia April 2011

Productivity Measure 1: Create a subsidiary program of the New Enterprise Incentive Scheme for mature entrepreneurs

Spending estimate: $10 million

Mature workers are a vast reservoir of skills and experience that could assist in vitalising the economy. As entrepreneurs, they have the advantage of developed networks; industry experience; technical and managerial skills; and a strong financial base.

Recognising this, the American Government's Small Business Administration provides resources and tools to help older entrepreneurs start and run a small business, including planning, mentoring and financial assistance.

A similar, targeted program under the Australian Government's existing New Enterprise Incentive Scheme (NEIS) would give older people the confidence, tools and support to strike out on their own.

The Western Australian Government runs a Profit from Experience program for the over-45s, and, in South Australia, employment agency DOME specialises in older workers. However, neither covers entrepreneurship.

The NEIS currently costs approximately $37 million each year to help 6,300 job seekers establish small businesses. The $10 million includes establishing the program, staffing and assisting approximately 500 older job seekers (paying for their 12 months of a NEIS allowance equivalent).

Productivity Measure 2: Provide early intervention reskilling opportunities for mature age employees in declining industries

Spending estimate: $12 million

Older workers have always been vulnerable in redundancy exercises – they are traditionally the first to go and, as long term unemployment rates attest, last to be rehired.

In 2004, 1100 workers lost their jobs in the closure of Adelaide's Mitsubishi plant. Three years on, 19% were only casually employed, 5.7% were still unemployed, 5% were "not working disability" and 12% had retired altogether.[4]

With the Federal Government taking a hard line on industry subsidies, as recently seen with General Motors Holden and SPC Ardmona, job losses are likely to only increase in unprofitable sectors. A survey by human resources company Right Management confirms this. Of the 1500 Australian employers questioned, 22% were planning redundancies, with an "above average" layoff rate at more than twice the global figure.[5]

> proactively identify those workers in declining industries who are less likely to find employment

To offset the withdrawal of sector subsidies, the Federal Government can proactively identify those workers in declining industries who are less likely to find employment following redundancy, and provide targeted reskilling before workplace closures.

Alternatively, retraining could be tax deductible, putting the onus on workers in declining industries to ensure their skills stay current.

Costing is for 1,000 workers, based upon 2007-2008 Labour Assistance Package which, for each retrenched worker, allocated $10,000 of job seeking services. Inflation is taken into account.

[4] Fran Baum et al, *An Evaluation Of The Impact Of The Retrenchment Of Mitsubishi Workers On Affected Workers, Their Families And Communities: Implications For Human Services Policies And Practices* (Flinders University), 2006

[5] Right Management, *Severance Practices Around the World*, Nov 2013

Productivity Measure 3: Re-establish the Howard Government's Mature Age Workers' Employer Champion Award to recognise businesses which demonstrate best practice in employing older people

Spending estimate: $800,000 over four years

By reviving the Howard Government's Mature Age Workers' Employer Champion Awards, astute businesses will have the chance to lead the way and shine in adapting to an ageing workforce and driving social change. Award criteria could cover recruitment practices; training, education and career development opportunities; built environments; and alternative work options such as flexible hours, job-sharing and phased retirement. Importantly, this is about business driving change.

this is about business driving change

The award can be administered and funded with reprioritised monies within the Department of Employment.

Productivity Measure 4: Increase Newstart Allowance to a rate that is 80% of the Age Pension

Spending estimate: $1.5 billion per year

Newstart was designed as a *short term* payment to support individuals during their search for work. At around $250 a week, the maximum single rate is $125 a week less than the age and disability pensions. In 2012 a Senate References Committee concluded that Newstart did not allow people to live at an acceptable standard in the long term.

The over-55s represent 20% of those Australians who have been unemployed for two years and are living off Newstart Allowance. Older job seekers are unemployed for an average 71 weeks compared to the 41 weeks of those aged 25 to 44.[6] Late life unemployment eats into nest eggs, throws retirement plans into disarray and shatters the self-esteem of people for whom work has long been the measure of their worth.

An increase in Newstart would help with job-seeking expenses such as transport and training, and reduce the incentive to transfer to the higher disability pension which carries no participation requirements. On current rates, 80% represents a weekly increase of around $50.

Costing is based on around 700,000 recipients.

[6] National Seniors Australia, *Barriers to Mature Age Employment: Final Report Of The Consultative Forum On Mature Age Participation*, Productive Ageing Centre, P13

Wellbeing

For all the reports that suggest Australians have never been better off, one group has little capacity to adjust to rising living costs. Traditionally frugal and mostly without the benefit of superannuation, the over-70s spend a vast chunk of their income on basic necessities.

the over-70s spend a vast chunk of their income on basic necessities

These are the people who ranked lower private health insurance premiums, stable electricity prices and smaller gap payments their top three "vote-changing" issues in the lead-up to the 2013 federal election.

Unfortunately, the things they spend their money on – water, gas, insurance, medical services – have risen at double the inflation rate in the past five years. The biggest increase, electricity, has risen by 83% or more than six times the inflation rate.

Add to that, Australians' out-of-pocket health costs – which at $1,075, are fifth highest in the world and double that of Britain or France – and it comes as no surprise that seniors are skipping treatment and medicines.

Under the heading "Wellbeing" we ask not for cash bonuses but for the government to acknowledge and address inequities within the system.

For instance: over-65s with vision impairment, excluded from the NDIS purely on the basis of age, do not have the same access to mobility aids as someone younger; and a single person must fill the same number of prescriptions as a family before reaching the pharmaceutical benefits safety net.

excluded from the NDIS purely on the basis of age

Finally, for the 80% of older Australians who have no idea that an aged care information portal even exists, one year after its commencement and two years into ongoing reforms, we say it's time government let them know.

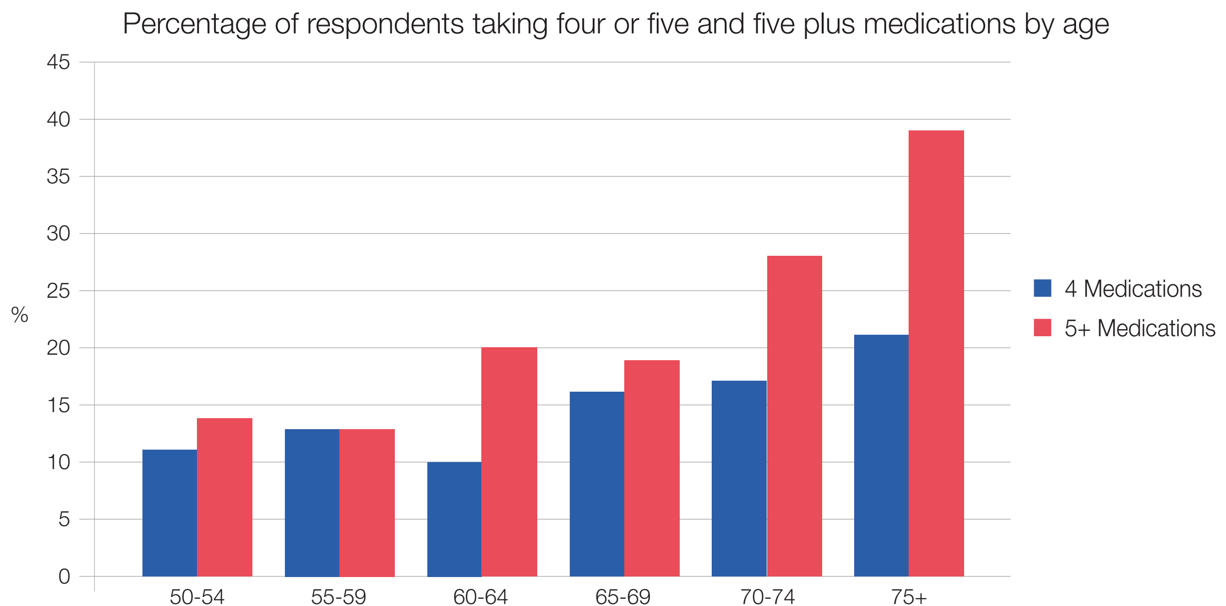
Wellbeing Measure 1: Reduce the PBS safety net threshold for a low income single person or a single concession card holder to 66% of the threshold of a couple or family

Spending estimate: See below

The Pharmaceutical Benefits Scheme (PBS) plays a vital role in ensuring affordable and accessible medicines for all Australians. However, single low income people, pensioners and concession card holders have to accrue the same level of out of pocket costs as a couple or family to become eligible for this safety net.

The same general or concessional Safety Net threshold is applied to a family unit regardless of whether the unit consists of an individual, a couple or a family with dependent children. Potentially, this arrangement means that a single low income person, pensioner or concession card holder needs to fill more individual prescriptions than those filled by an individual member of a family or a couple.

The single age pension of $733.70 per fortnight ($808.40 with supplement) is 66% of a couple's pension of $1106.20 per fortnight ($1218.80 with supplement) and is significantly less than that of an age pension family with dependents. Yet the single person would take longer to accumulate the required number of prescriptions to reach the PBS safety net threshold.



National Seniors calls on the government to acknowledge this inequity and lower the PBS safety net threshold to at least 66% of the current level for single pensioners, concession card holders and general patients on low incomes (set at the lower ATO threshold, currently $37,000).

The annual cost to government depends on the number of low income people or concession card holders who fill sufficient prescriptions each year to qualify for 100% and 66% of the PBS Safety Net threshold.

Wellbeing Measure 2: Support the aged care reforms with a public information campaign

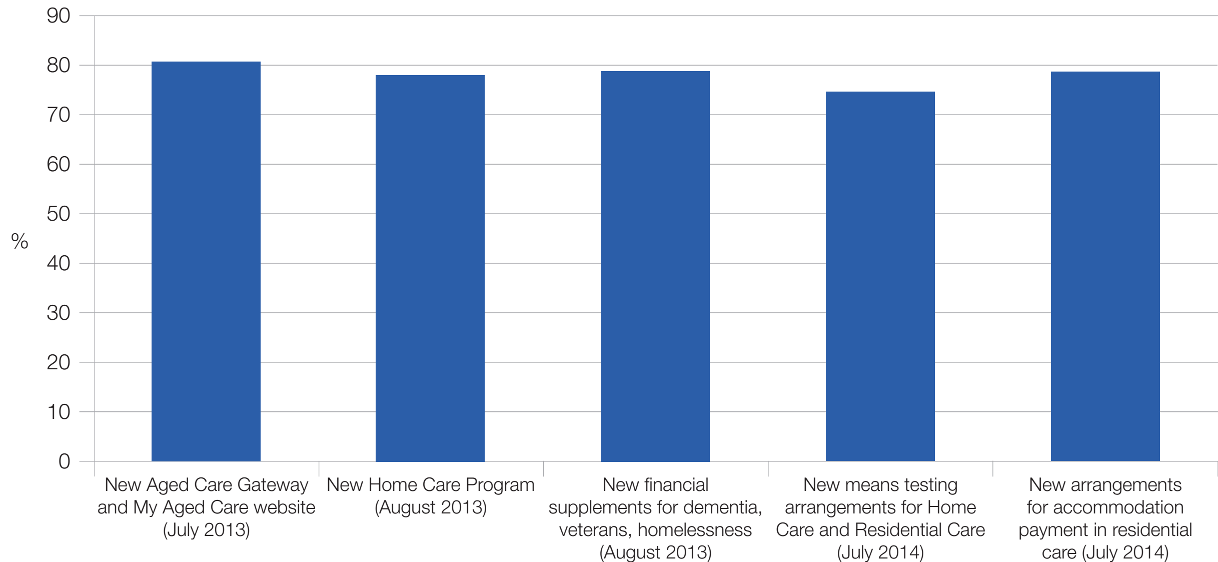
Spending estimate: Existing resources

National Seniors is committed to the ongoing reform of the aged care sector, including the focus on ageing in place, with enhanced community-based services and consistent and more equitable means testing for capacity to pay, as long as the current protections continue for those who are unable to pay. Our members have consistently said they are willing to contribute to the cost of their aged care services, dependent on their capacity to do so.

A focus on delivery of quality aged care services is essential with independent accreditation, client assessment and complaints bodies and consolidation of fragmented training, especially in high need areas such as dementia, palliative care and mental health.

Also essential is a public awareness campaign on the reforms and user-friendly information sources. A National Seniors survey of 2000 older Australians conducted in October 2013 reveals 80.7% are completely unaware of both the New Aged Care Gateway and the My Aged Care website. Results are similar across other reform components including new means testing, Home Care Program, financial supplements and accommodation payment methods.

80.7% are completely unaware of both the New Aged Care Gateway and the My Aged Care website



Wellbeing Measure 3: Trial a national program of subsidised low vision technologies for Australians over 65

Spending estimate: $15 million

More than 500,000 Australians over 40 live with vision impairment, with 800,000 likely to be affected by 2020.[7] Eighty per cent of vision loss is preventable, yet it is the leading cause of age-related disability. People with low vision experience higher absenteeism and premature retirement and death.[8] In 2009, vision loss cost Australia $2.98 billion in health care costs and $2.3 billion in lost productivity, 18% and 14% respectively of the total $16.6 billion which equates to $28,905 per person aged over 40.

vision loss cost Australia $2.98 billion in health care costs and $2.3 billion in lost productivity

Australia has no national services and lacks integrated models of care and prevention to reduce vision loss for people 65 and older. Older Australians with severe vision loss face significant out of pocket costs for specialists, allied health and technologies. This contrasts with disability packages for people under 65 and free testing and hearing aids under the Hearing Services Program for concession card holders over 65. The latter program is funded at over $400 million per year.

Some private health insurance providers allow limited access to rebates for low vision aids usually capped at a low threshold.

Subsidised assistive technologies are urgently required for people living with severe vision loss. Reading, vision and orientation technologies such as computer screen scanners, text readers, smart phones and tablets are expensive for people on fixed incomes, including pensioners.

A trial of a national program of subsidised low vision technologies could provide a maximum of $2,000 over two years to eligible concession card holders over 65 years.

7 Centre for Eye Research Australia, *Visionary: Annual Report 2012*, Melbourne.

8 International Federation on Ageing, *The High Cost of Low Vision: The Evidence on Ageing and the Loss of Sight*, Canada

Wellbeing Measure 4: Approve a single zoster virus vaccine under the National Immunisation Program for people aged 60 years

Spending estimate: $35 million per year

Shingles occurs among one in two people by the age of 85, with 100,000 cases each year in Australia.[9] The Herpes zoster virus becomes dormant following chicken pox infection and may emerge later in life as shingles during periods of stress or lowered immunity. Acute and chronic Herpes zoster pain and related complications significantly affect quality of life, reducing physical, emotional and social functioning and increase the costs of health care.[10]

Shingles is most likely to occur after the age of 50 years, and people over 60 years of age are more likely to experience a complication of shingles: post-herpetic neuralgia (PHN) which is a chronic painful syndrome.[11] During the period 2005-2010 in Australia, there were 25,607 hospitalisations for herpes zoster, 88% of these were for people aged 50 and older.[12]

National Seniors research shows shingles has an impact on productivity, with a third of the 20% who have had it saying it affected their ability to work.

The Australian and New Zealand Society for Geriatric Medicine recommends a single vaccination with the current live attenuated Oka/Merck herpes zoster vaccine for those over age 60 who have not previously received zoster vaccine, whether or not they report a prior episode of shingles.[13]

The Shingles Prevention Study in the United States reported that the vaccine prevented approximately half the cases of shingles, two-thirds of post-herpetic neuralgia cases among persons 60-79 years of age[14] and reduced the pain severity and duration of a shingles episode by 60%.[15] The vaccine is considered to be cost effective.[16]

Managing zoster (including PHN) in Australia from 1998-2006 involved 2.4 general practitioner consultations and antivirals for 73.5% of cases. Health care system costs were estimated as $32.8 million per year.[17] When adjusted for inflation, 2013 costs would be $39.5 million plus additional costs for increased cases in an ageing population and loss of quality of life.

The 2014 estimated annual cost of vaccination of 80% of 60 year olds is $35.8 million.

9 National Centre for Immunisation Research and Surveillance. Zoster vaccine for Australian adults | NCIRS Fact sheet: November 2009

10 Szucs T.D, Pfeil, A.M. (2013) A systematic review of the cost effectiveness of herpes zoster vaccination, Pharmacoeconomics, 2013 Feb;31(2):125-36

11 Araújo LQ, MacIntyre CR, Vujacich C. "Epidemiology and burden of herpes zoster and post-herpetic neuralgia in Australia, Asia and South America" Herpes 2007;14 Suppl 2:40A-44A

12 Australian Government Department of Health. Vaccine preventable diseases and vaccination coverage in Aboriginal and Torres Strait Islander people, Australia 2006–2010. Accessed at: http://www.health.gov.au/internet/publications/publishing.nsf/Content/cda-cdi37suppl.htm~02-vpds~2-11-varicella

13 Australian and New Zealand Society for Geriatric Medicine Position Statement No. 7 Immunisation of Older People – Revision Number 2, 2011

14 Langan SM, Smeeth L, Margolis DJ, Thomas SL (2013) Herpes Zoster Vaccine Effectiveness against Incident Herpes Zoster and Post-herpetic Neuralgia in an Older US Population: A Cohort Study. PLoS Med 10(4): e1001420. doi:10.1371/journal.pmed.1001420

15 Oxman MN, Levin MJ, Johnson GR, et al. Shingles Prevention Study Group. A vaccine to prevent herpes zoster and postherpetic neuralgia in older adults. New England Journal of Medicine 2005; 352 : 2271-84

16 Szucs T.D, Pfeil, A.M. (2013) A systematic review of the cost effectiveness of herpes zoster vaccination. Pharmacoeconomics. 2013 Feb;31(2):125-36

17 Stein, A.N. et al. Herpes zoster burden of illness and health care resource utilisation in the Australian population aged 50 years and older. Vaccine 27 (2009) 520–529

Efficiencies

In 2013, 86% of National Seniors members declared "tightened spending" as "somewhat" or "very" important to them.

Highly complex, plagued by duplication and ripe for reform, health is clearly a starting point for efficiencies. Projections from the 2010 *Intergenerational Report* found rising health costs, not pension costs, would account for two-thirds of overall increased government spending by 2049-50.

health is clearly a starting point for efficiencies

Older Australians want a health system that is world class but sustainable. Universal health care through Medicare is valued by all Australians and contributes to our enhanced health status. But, the cost of providing it continues to escalate with federal and state budgets increasing to meet growing demand.

The Medicare budget in 2014-2015 is estimated at $19 billion. Medicare is the third most expensive federal government program, after the age pension ($39 billion) and family tax benefits ($20 billion). Next year, Medicare will become the second most costly government program and by 2016-17, it is projected to cost more than $23 billion each year.[18]

Meanwhile the government's spending on the Pharmaceuticals Benefits Scheme (PBS) grew by 6% a year in the five years to 2010-11.[19] Australians spent $18 billion on medicines in 2010-11 including $9 billion expenditure on the PBS for which the government subsidies provided 80% of costs.[20]

Under the heading "Efficiencies" we highlight the overlap of commonwealth and state responsibilities. It is essential that states and territories are primarily responsible for delivering services as required under the COAG Reform process through the Intergovernmental Agreement on Federal Financial Relations.

We also identify savings in national drug purchasing and public health services, and we accept the premise of a small fee for GP visits. We declare that in this time of spending restraint, the Coalition Government's paid parental leave scheme should be postponed and the $200 marriage counselling voucher abandoned.

[18] Bramston, T. "Make or Break For Medicare", *The Australian* – Accessed 3February 2014 http://www.theaustralian.com.au/opinion/columnists/make-or-break-for-medicare/story-fnbcok0h-1226816145677#mm-premium

[19] Duckett, S.J. with Breadon, P., Ginnivan, L. and Venkataraman, P., 2013, *Australia's bad drug deal: high pharmaceutical prices*, Grattan Institute, Melbourne

[20] Australian Institute of Health and Welfare. 2013. *Australia's Health 2012*. Canberra

Efficiency Measure 1: Reduce duplication of government services

Savings estimate: Unknown

Duplication of government services is an inefficient use of resources which could be more effectively utilised to enhance delivery of services to all Australians. Over many years, successive Australian governments of all persuasions have introduced layers of oversight and duplication of responsibilities in order to ensure states and territories deliver the services for which they are funded.

A more rigorous approach is required. Although a productivity dividend imposed on all agencies and tied to senior officers' performance payments/ contracts may deliver some savings, much wider structural reform is required. COAG reports indicate that states and territories are more likely to implement initiatives for which they receive funding.

The Commonwealth should only deliver and monitor those programs which require a national approach and divest delivery of any programs for which states and territories are responsible, while continuing to host national agreements through COAG. The Commonwealth role in programs delivered mainly by states and territories should be restricted to funding, coordinating training and quality standards and reporting on national agreements through COAG.

Opportunities for cuts include:

- Removing commonwealth/state overlapping service delivery from commonwealth departments;
- Consolidating all reporting under specific COAG national funding agreements into one general report with a focus on outcomes and with separate clauses for individual programs eg. only one Early Childhood or one Healthcare report;
- Consolidating fragmented national training programs into one section either by department or topic eg. aged care and early childhood.

Efficiency Measure 2: Defer the implementation of the Coalition Government's paid parental leave scheme until the budget is back in surplus

Saving estimate: $6.1 billion over forward estimates

Given current budget constraints, National Seniors recommends that the Coalition delay the implementation of the proposed parental leave scheme until the budget bottom line has improved.

> 80% of high income earners had access to employer funded paid parental leave

In November 2011, 71% of women on maternity leave were being paid by their employer and 80% of high income earners had access to employer funded paid parental leave (ABS 2011). Of those people on parental leave, 22% were receiving government funded leave.

In light of the current and anticipated budget deficits, replacing employer-paid parental leave with government-funded parental leave is fiscally irresponsible.

Efficiency Measure 3: Introduce a GP co-payment to promote health system sustainability

Saving estimate: $750 million over 4 years

The frequency of GP visits has jumped from 4.3 per person in 2003-04 to 5.76 per person in 2012-2013. More than 80% of GP visits are bulk billed – indicating a very high uptake of this no gap payment option.[21]

> there is no incentive for consumers to adopt a more considered approach to their use of GP services

Currently, under a fee for service system, there is no incentive for consumers to adopt a more considered approach to their use of GP services and especially of the bulk-billing super clinics. Questions are also being asked about deliberate over-servicing by doctors. Australians are accepting of the co-payment system for pharmaceuticals and are aware of the impact on the government budget of healthcare costs.

A $6 co-payment for MBS services, as proposed by the Australian Centre for Health Research in 2013, is a small price to pay for the quality services that have become accepted as a right in Australia. The proposed $6 fee reflects the 2013 value of the $3.50 GP co-payment introduced in 1991 to prevent people taking services for granted. It will deliver an immediate saving to government and a further saving as consumers prioritise those health conditions for which they see a GP.

The proposal includes a safety net for concession card holders and families with children under the age of 16. After twelve $6 co-payment visits (totalling $72), the fee will no longer apply.

The co-payment is for GP visits only.

Efficiency Measure 4: More efficiently manage and negotiate national drug purchases

Saving estimate: $1.3 billion a year

The government's spending on the Pharmaceuticals Benefits Scheme (PBS) grew by 6% a year in the five years to 2010-11.[22] Australians spent $18 billion on medicines in 2010-11 including $9 billion expenditure on the PBS for which the government subsidies provided 80% of costs.[23]

> Australia could save $1.3 billion a year – if an independent board managed drug purchasing decisions

The Grattan Institute estimates that Australia could save $1.3 billion a year – 14% of the entire PBS budget – if an independent board managed drug purchasing decisions within a capped budget, negotiated cheaper agreements with drug companies and increased the uptake of generic medicines.[24]

At a lower level, PBS payments to pharmacies for dispensing prescription medicines must reflect the actual cost to the pharmacies, including the cost of purchase, dispensing and reasonable mark-up.

With that in mind, National Seniors believes the price disclosure schedule set by the former Rudd government should be maintained. It is essential that such savings be re-allocated to fund new medicines as recommended by the Pharmaceutical Benefits Advisory Committee.

[21] Steering Committee for the Provision of Government Services, 2014, *Report on Government Services*, Volume E Health, Productivity Commission

[22] Duckett, S.J. with Breadon, P., Ginnivan, L. and Venkataraman, P., 2013, *Australia's bad drug deal: high pharmaceutical prices*, Grattan Institute, Melbourne

[23] Australian Institute of Health and Welfare, *Australia's Health 2012*, Canberra

[24] Op. cit. Duckett et al

Efficiency Measure 5: Restructure the health system

Opportunities for restructuring the current system arise in responding to chronic disease levels, improved technology and survival rates, and increased consumer expectations. A more effective health system would improve outcomes across the continuum of care and deliver savings in hospital, primary health care and pharmaceutical services.

Areas to consider include:

- sharing client information through personally controlled electronic health record to reduce duplication of services;
- enhancing scope of professional practice especially in rural and remote areas to reduce demand for specialist services;
- substituting cheaper generic medicines and more favourable purchasing agreements with drug companies to increase access to medicines.

The primary health care fee for service model is no longer efficient or effective for many consumers and has the potential to lead to increased costs with little improvement in health outcomes. Consumers with chronic or complex conditions could be enrolled in bundled care packages with multidisciplinary teams delivering care coordination and more flexible consumer directed services.[25] Block payments for particular populations would allow targeted programs to address priority health needs for particular demographics, risk factors and health status as in New South Wales, Ontario, New Zealand and the United Kingdom.[26]

Efficiency Measure 6: Abandon the marriage counselling trial set to commence in July 2014

Saving estimate: $20 million

The Coalition committed to a 12 month, $20 million marriage counselling trial in the election campaign. Under the scheme, the government will provide a $200 subsidy to about 100,000 couples from 1 July 2014. National Seniors believes marriage counselling is not the remit of federal government.

[25] Mend Medicare Alliance. 2013. *Mend Medicare*

[26] Penno et al. "How are population-based funding formulae for healthcare composed? A comparative analysis of seven models", *BMC Health Services Research* 2013, 13:470 Accessed at http://www.biomedcentral.com/1472-6963/13/470

National Seniors Australia
Level 18, 215 Adelaide Street, Brisbane QLD 4000
GPO Box 1450, Brisbane QLD 4001
Phone: 07 3233 9091
Fax: 07 32119 339
Email: general@nationalseniors.com.au
Web: nationalseniors.com.au

National Seniors
Australia