



**ASSOCIATION OF INDEPENDENT RETIREES  
(A.I.R.) LIMITED**

ACN102 164 385

**South Australian Division**

**Correspondence:**

*Mr S.C. Webster, O.A.M.*

Monday, 28 March 2011

Mr Allan Raine,  
Convenor,  
Productivity Commission Hearing into Aged Care,

Dear Sir,

Submission from South Australian Division Association of Independent Retirees.

Attached is a submission to the commission to be made at the Adelaide hearing of the Commission.

As I advised I will appear at the commission hearing. Registration details also attached.

Yours faithfully,

S.C. Webster,  
Secretary

PRODUCTIVITY COMMISSION HEARING INTO AGED CARE.  
ADELAIDE 31<sup>ST</sup> MARCH 2011

**SUBMISSION FROM THE S.A. DIVISION OF THE ASSOCIATION OF INDEPENDENT  
RETIREES**

**PREAMBLE:** The "user pay" principle advocated by the Commission could cause concern to our members and along with many of the Recommendations definitely needs greater explanation and clarification. We particularly refer to Dot points 3 and 4 of the Productivity Commission's Draft Recommendations describing the Commission's "challenge for a system of funding" which is:-

- "fair between generations" and
- "improves the basis on which the individuals contribute to the cost of their own care"

In these premises attention should be given to the fact that the current older generation has:-

- a) worked hard all their lives contributing to Australia's economy whilst contributing generously as constant taxpayers;
- b) generally not participated in social security assistance through unemployment benefits nor in many cases benefited from the aged pension payments; and,
- c) not been required to contribute to the compulsory superannuation until recently as this was only introduced in the 1990's

We object to the targeting of older Australians through the "user payer" principle for aged care particularly in the instance of inclusion of the family home as an asset. The latter is both unfair and discriminatory in the total social welfare structure where this is not imposed on any other government benefit.

**Recommendation 9.3 Remote and Rural Areas/Mental Health Services:**

The vital importance of addressing aged care issues related to this sector of the community is strongly endorsed. Given the increasing average age of "farmers", combined with difficulty in accessing services often taken for granted in settled areas as well as the trend to settle in nearby small towns or provincial cities in proximity to their properties for retirement greatly contributes to the dilemma of the availability and cost of accessing suitable accommodation in these less populated areas. Consideration should be given to making regional facilities available and/or subsidising access to suitable facilities

The matter of giving particular attention to people with lifelong disabilities in the circumstance of their or their parents' aged care requirements is of prime importance for this group who have already endured a lifetime of difficulties of access to suitable services.

**Transition to User Pays:**

The implementation of "User Pays" to the aged care system will particularly adversely affect current or recent retirees. The accumulation phase of their superannuation since the inception of compulsory superannuation has not been long enough to provide an adequate retirement fund. This would especially apply to the female retiree because of their lower incomes whilst working.

It is essential that concessional arrangements be made for such persons until those retirees needing aged care support have had the availability of contributing to superannuation for their entire working life or at least 35 years.

**Conclusion**

We endorse the submission from our National Board regarding the impact of the proposed funding/fees and charges in real terms on our members, specifically the difficulty in responding to recommendations on means testing and care costs' contributions based on "consumer wealth not just income" without the benefit of knowledge of the "revised means testing and the co-contribution" by applicants with no indication of a base figure for the percentage contribution.