



Federal Election 2025

Policy priorities for older Australians

National Seniors
AUSTRALIA

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NSA is a not-for-profit organisation established in 1976. With the help of our members and supporters, we seek to achieve better outcomes for all older Australians. We do this through our core advocacy and research activities and by providing information and services to older people.

Productive Ageing Institute

NSA's election policies draw on insights and evidence from our in-house research activities. NSA regularly surveys the seniors' community on topics from housing, aged care, retirement income and more. Our research reports, submissions and other publications are collated on our dedicated Productive Ageing Institute website.

<https://productiveageinginstitute.org.au/>

Acknowledgement of Country

National Seniors Australia is located in Brisbane and Canberra.

We acknowledge the traditional custodians of the land and waters in which we operate, the Turrbul and the Ngannawal and Ngambri Peoples and honour and value their continuing culture and contribution and pay our respects to their elders, past, present, and emerging.

Foreward

National Seniors Australia (NSA) is the peak consumer body representing older Australians.

With a community of 260,000 supporters nationwide, NSA is well placed to reflect the views of seniors. Our purpose is to defend, protect, and promote their interests.

Rising living costs continue to be felt by all and are stretching household budgets. The 2025 election provides an opportunity to refine the direction of government policy to ensure our standard of living does not go backwards and to better aid those who need support.

Our election platform puts forward six policy recommendations to improve outcomes for older Australians. Across three policy areas, NSA is calling for:

Cost-of-living

- An ongoing freeze on deeming rates and a **fair approach to setting deeming rates in the future**
- An exemption of employment income from the Age Pension income test to **Let Pensioners Work**.

Health and Aged Care

- An urgent Productivity Commission **review of the private health system** to investigate the root cause of rising health costs and their impact on insurance premiums and out-of-pocket costs
- A commitment to **immediately boost home care packages** to reduce the wait list to three months as quickly as possible.

Banking and Superannuation

- Support for Australia Post to obtain an authorised deposit-taking institution (ADI) licence to **provide banking services to communities where services are not being offered**
- Assurances that older people will **retain choice and control over their retirement savings (superannuation and other investments)** so they can retire with confidence and certainty.

These policies reflect the diverse needs and views of older Australians to ensure they feel safe and secure as they approach and live through their later years.

Supporting older people to feel comfortable will give them the confidence to live full lives, enhancing their ongoing contribution to the social fabric and economic prosperity of Australia.



Chris Grice
Chief Executive Officer

1 in 3
voters
(5.8 million)
are aged 60 and older



COST OF LIVING

COST OF LIVING

Continue to freeze deeming rates while interest rates remain high and use this time to create a fair and transparent method for calculating deeming rates in the future.

Overview

- Deeming rates are used as part of the Age Pension income test, to determine eligibility for the Commonwealth Seniors Health Card and to determine co-contributions for aged care services.
- Since 2012, government has undermined confidence among retirees by failing to reduce deeming rates in line with previous methodology (prior to 2012 the upper threshold followed the RBA cash rate followed the RBA cash rate – see [here](#) for details).
- While the Federal Government periodically reduced deeming rates after 2012, retirees viewed this only occurring as result of political pressure. There is no logical basis for the change in methodology in 2012, except to reduce budget outlays.
- Older people welcomed the commitment to freeze deeming rates until July 2025, but with the cash rate higher than the upper deeming rate, when the freeze ends:
 - Hundreds of thousands of pensioners will have their pensions cut
 - Some Commonwealth Seniors Health Card holders will lose this benefit
 - Aged care costs will increase for seniors subject to means testing.

WHAT ARE WE CALLING FOR?

- Continue to **freeze deeming rates** while interest rates remain high and use this time to create a **fair and transparent method for calculating deeming rates** in the future.
- The previous method (pre-2012), where the **upper rate mirrored the RBA cash rate** and the lower rate was a proportion of this, would be a fair approach.
- With the RBA cash rate high, any change to the deeming rate should be phased in incrementally when indexation of the Age Pension occurs in March and September.

Budget impact

- Returning the deeming rate to the pre-2012 methodology would result in a modest saving to government via a small reduction in pension payments and other benefits depending on the RBA cash rate at the time. Any savings to government should be reinvested into other measures that are targeted at those impacted.

COST OF LIVING

Exempt all employment income from the Age Pension income test.

Overview

- Latest ABS figures show 329,900 job vacancies. In some key sectors, such as healthcare and social assistance, job vacancies remain stubbornly high (60,900 or 18% of total vacancies).
- Current pension rules discourage older people from remaining in the workforce.
 - Only 3.3% of people on the Age Pension declare earnings from employment.
 - Age Pension recipients lose 50c in the dollar from their pension if they work more than the rules allow. This discourages some people from working past pension age, undermining the retention of mature and skilled workers at a time of high labour force demand.
- Age Pension rules are complex and confusing and cause many to not work or to work in the black economy to avoid impacting their pension.
- Deloitte Access Economics estimates a 5% increase in older worker participation (over 55) will result in a \$47.9bn increase to GDP (\$60bn in 2022).
- With women generally having lower superannuation balances, allowing them to retain their pension, even when they work, will help to address the gaps in retirement savings and income, boosting financial wellbeing in retirement.
- While the Federal Government announced a permanent increase to the Work Bonus of \$4,000 from 1 January 2024, this is a one-off suited to periodic workers and not ideal for people who work regularly past pension age.

WHAT ARE WE CALLING FOR?

- **Exempt employment income from the Age Pension income test** to simplify the pension system and encourage more older people to remain in the workforce if they need and want.

Budget Impact

- According to Deloitte modelling, this policy is estimated to be cost neutral if 8.3% of pensioners take up the opportunity to go back to work from additional income tax raised (this estimate does not include other tax gains, e.g., additional GST from spending, etc.).



HEALTH AND AGED CARE

HEALTH AND AGED CARE

Direct the Productivity Commission to conduct a full review of the private health system to suppress rising health costs and their impact on inflation.

Overview

- The Productivity Commission (through its precursor, The Industry Commission) last undertook a full review of private health insurance in 1998. Despite several subsequent government and industry reviews and processes, including the ACCC PHI Ombudsman and the PH Ministerial Advisory Committee (2016 – 2018), private health insurance holders continue to face a never-ending cycle of premium increases, product limitations, and soaring out-of-pocket costs.
- The rising cost of hospital admissions, technologies, and specialist fees are pushing up premiums for patients and contributing to overall inflationary pressures in the economy.
- It is time for government to undertake a systemic review with the view to redesign the private health care system with fit-for-purpose policy settings.

WHAT ARE WE CALLING FOR?

- A reference to the Productivity Commission to undertake an **in-depth inquiry into the private health care system** with a particular focus on the:
 - Growth of private **health insurance premiums** and **out-of-pocket expenses**
 - **Value and scope of product offerings** covered by private health insurance
 - Reforms needed to **minimise premiums and out-of-pocket costs**
 - Reforms needed to **suppress price inflation** in the private health care sector.

Budget Impact

- In 2022-23, the Productivity Commission completed seven inquiries and other government commissioned projects. The cost of these inquiries and projects ranged from \$1.3 – \$5.3 million.
- As we are recommending a full and comprehensive inquiry into a complex system, it is likely the cost to government would be towards the upper end of previous inquiry costs.

HEALTH AND AGED CARE

Immediately increase the number of Home Care Packages to quickly reduce wait times to three months.

Overview

- The Royal Commission into Aged Care Quality and Safety recommended the Home Care Package (HCP) wait list be cleared by immediately increasing the number of packages available and keeping it clear by allocating packages within one month of assessment.
- After making significant progress, the situation has gone backwards as people wait months for help – wait times for Level 4 medium priority packages are now 12-15 months.
- Only 2,272 packages a quarter have been released on average since June 2023, compared to 10,171 a quarter between July 2022 and June 2023. This has contributed to a significant increase in HCP wait list. 76,000 people were on the wait list at the end of September 2024 – up from only 28,665 in June 2023.
- Whoever forms government, shouldn't wait for funding reform to release more packages.

WHAT ARE WE CALLING FOR?

- An **immediate increase to the number of home care packages** to reduce the number of people on the wait list to approx. 25,000 people by 1 January 2026 (at current levels this will require approx. 50,000 additional packages to be released).
- We acknowledge that even with these additional packages, wait times for home care services will be impacted by staffing issues. However, it is important to **address the wait list as a first step** as this will send a signal to providers to increase capacity.

Budget Impact

- The cost of providing additional packages will be large. Based on the cost of providing 24,100 packages in the 2024 budget (\$531.4 million) the cost of 50,000 additional packages will be above \$1 billion. However, this will be a temporary budget outlay until changes to user pay from 1 July 2025 reduce overall spending.



BANKING AND SUPERANNUATION

BANKING AND SUPERANNUATION

Use the proposed bank levy to assist Australia Post to obtain an authorised deposit-taking institution (ADI) licence to provide essential banking services in areas where these do not exist.

Overview

- Face-to-face banking is an essential part of the banking system. However, bank closures, especially in regional and rural areas, are making the provision of face-to-face banking difficult and undermining the provision of cash.
- The shift to online banking, will have the greatest impact on those who are digitally illiterate, vulnerable, or simply need face-to-face support for complex banking issues (e.g., deceased estates).
- The wider shift to digital transactions for a range of products and services makes the provision of face-to-face banking difficult for banking institutions.
- In other sectors of the economy, there are provisions to retain infrastructure to support vulnerable cohorts. For example, in the telecommunications sector, a levy has been used to deliver infrastructure, such as fixed lines and payphones, in the transition to mobile technology.
- Banking services are increasingly being supported via third parties. Around 1,150 post offices are providing the only banking services in rural towns after banks closed 800 branches in regional Australia since 2017. Bank@Post is available in 3,500 post offices, on behalf of 81 banks and ADIs, and is managing \$10 billion in deposits and withdrawals each year. However, the services provided are limited and the financial viability of this model is questionable. According to the Senate Inquiry into Banking Closures in Regional Australia:

“While the Bank@Post service has been largely useful for basic, small transactions it is not an adequate substitute for full bank branches.”

WHAT ARE WE CALLING FOR?

- Use the proposed banking levy to **support Australia Post to obtain an authorised deposit-taking institution (ADI) licence** to provide banking services. Australia Post will be able to leverage its existing branch network (one of the largest retail footprints in Australia) to **provide face-to-face banking services and access to cash in regional, rural, and remote areas of Australia.**

Budget impact

- The proposed levy would mean limited cost to the Federal Budget.
- As Australia Post is government owned: any innovations that improve its financial viability will benefit the Federal Budget.

BANKING AND SUPERANNUATION

Ensure older people have choice and control over their retirement savings (superannuation and other investments) so they retire with confidence and certainty.

Overview

- Superannuation is often the single most important investment, outside the family home. Older people rely on their super for financial security in later life.
- Superannuation contributions represent income earned and sacrifices made. Super rightfully belongs to older Australians.
- Constant debates and rule changes undermine confidence in the system. Myths that older people are dying with their super balances intact, fuel some of these policy debates, but are wrong. Median account balances for men and women aged 75 and over in 2022 were only \$166,185 and \$161,201 respectively – this means that 50% of people aged 75 and over had balances less than these amounts.
- Older people value the flexibility and choice that Australia's world class retirement income system provides. The inherent flexibility of super in the pension phase is one of its most important features.
- Older people should be able to use superannuation in ways that best meet their needs.
 - While we support the compulsory nature of superannuation in the accumulation phase, older people should retain choice and control over their super during the pension phase.
 - Many people value being able to use super to generate regular income streams. Others value having access to lump sums to fund planned activities and expenses in later life or to pass on to charities or future generations.
 - With older people facing rising out-of-pocket health and aged care costs, it is vital that adequate super is available to them to meet their ageing needs.

We must protect choice and control, so older people have confidence and certainty to make decisions that are in their best interests.

WHAT ARE WE CALLING FOR?

- **A moratorium on substantive changes to superannuation rules**, with future changes subject to rigorous and independent analysis.
- **Amend the legislated Objective of Superannuation** to rebalance its lopsided focus on retirement income to ensure it is not used to justify unfair changes to super rules.
- Resist the **imposition of egregious inheritance taxes**.
- **Increase Age Pension gifting limits** to provide an incentive for pensioners to **donate to charity** and **gift to younger generations**.

Budget impact

- There are limited impacts on the Federal Budget from these policies (excluding any changes already factored into the budget but not yet legislated).



National Seniors Australia

ABN 89 050 523 003

Suite 19A, 160 Ann Street, Brisbane QLD 4000

GPO Box 1450, Brisbane Qld 4001

P: 1300 76 50 50 **E:** policy@nationalseniors.com.au

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