

COST-OF-LIVING SOLUTIONS FOR SENIORS: Pre-Budget Submission

18 March 2024

Reducing the fuel excise, a cost-of-living rebate, and continuing the freeze on deeming rates are three key policy recommendations in National Senior Australia's (NSA) [Pre-Budget Submission 2024](#).

NSA Chief Executive Officer, Mr Chris Grice said the budget cycle comes at a critical time with [NSA research](#) revealing **80%** of older people are impacted by higher living costs.

"The high prices in fuel, groceries, energy, rents, health care and other essential items is stretching household budgets to the point of breaking," Mr Grice said.

"While some people are doing okay, many – especially those who rent, who are on low incomes, or live in regional and rural areas, are not. That's why NSA's budget recommendations offer immediate relief as well as longer-term policy reform to ensure our standard of living does not go backwards.

Fuel excise

"One of our key recommendations is to reduce the impact of rising fuel costs by temporarily reducing the [fuel excise](#) by up to 20c a litre while oil prices remain high.

"Motorists currently pay 49.6 cents in excise for every litre of fuel they purchase. However, the excise amount is not static and increases twice a year in line with CPI.

"We are also calling for a pause on fuel excise indexation while oil prices are high to ensure this is not contributing to inflation."

Pensioners and seasonal harvest workers, Dawn, and Murray Garner, who travel interstate up to 6,000 kms per trip to undertake seasonal harvest work, would welcome moves to reduce fuel costs.

"The fuel costs are a killer for many, especially for those who travel for work. We pay more than \$1,200 in fuel to get to our destination – that's a lot of money to make-up in your pay packet!" Dawn said.

"A reduction in the fuel excise would make a significant difference not only to us, but to every Australian who dreads putting fuel in their vehicle and seeing those numbers tick over at the bowser."

Cost-of-living rebate

NSA also recommends federal government provides a [Cost-of-Living rebate](#) via electricity bills to Australian households, as it did in 2023 via the Energy Bill Relief, with higher rebates for those most in need.

"Cost of living is the biggest issue facing older Australians. The rising cost of products and services means people spend more to receive the same value of goods and services. This is crippling many household budgets and hurting the economy, putting jobs at risk," Mr Grice said.

Retiree David Warner agrees, "Everyone notices the extra money they're having to spend at the supermarket, when paying their bills or when eating out, if they're able. The dollars certainly don't go as far as they used to, and it all adds up," Mr Warner said.

“A federal government cost-of-living rebate would help to provide a much-needed buffer for many who have little or no buffer at all.”

Deeming rate freeze

With interest rates lifting 4% since the freeze was announced and cost of living pressures continuing to build, NSA is also calling for a [freeze on deeming rates](#) for a further 12 months to give time to set rates in a fair and transparent way in the future.

“With the cash rate significantly higher than the upper deeming rate, hundreds of thousands of pensioners could have their pensions cut when the freeze ends in July. Some people will lose the Commonwealth Seniors Health Card and others will pay for aged care,” Mr Grice said.

“A dramatic lift in deeming rates on 1 July would impact pensioners to part-pensioners to aged care residents.”

These concerns are shared by many NSA members including Margo who said, “The freeze will impact on the amount of age pension I receive which will naturally impact on my lifestyle.” And, Sue, “I am a concerned pensioner who is currently on a part pension. My superannuation amount is dwindling and I am concerned about what will happen in July.”

NSA’s cost of living solutions presented in its pre-budget submission provide government an opportunity to make a meaningful difference to the daily lives of older Australians and meaningful change in the long-term, for generations to follow.

NSA’s full Pre-Budget Submission can be viewed [here](#)

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