

CHAPTER 6

QUALITY OF LIFE

6.1 Previous chapters have focused on the various income streams and concessions available to older Australians and their adequacy in meeting the costs of living that older people face. Further, the current and potential cost pressures and their impacts on the financial well-being of older Australians have been discussed. This chapter deals with the less tangible or quantifiable – yet equally as important – impacts that cost pressures place on the quality of life of older Australians. It looks at the effects of cost pressures and increased caring responsibilities on the capacity of older people to participate in social and community activities.

Quality of life and aged care

6.2 FACSIA noted that it is difficult to measure living standards and financial well-being. As was observed by the Hobsons Bay City Council, quality of life, well-being and experience of these pressures can be the result of perceptions, as much as quantitative data.¹ In particular, experiences of deprivation are often qualitative in nature with a correlation to individual and community expectations – within this context, expectations of retirement. Nonetheless, FACSIA argued that the use of self-report instruments that measure satisfaction and financial stress, provide useful indicators. In this regard, FACSIA cited data from The Household, Income and Labour Dynamics in Australia (HILDA) Survey to suggest that older people reported low levels of financial stress. FACSIA noted that only 0.2 per cent of those 65 and over reported being very poor, 1.6 per cent poor and 25.1 per cent as 'just getting along'. The majority considered themselves to be reasonably comfortable, 12.4 per cent very comfortable and 0.9 per cent as prosperous.²

6.3 There were similar findings in the ABS Household Expenditure Survey. No statistically significant differences were detected in comparative data of older people's experiences between 1998-99 and 2003-04 on indexes of social participation, bill paying capacity and essentials (such as heating and meals). FACSIA argued that financial stress was reported only by a minority of households and primarily in areas that could be considered 'discretionary recreational and social activities'. FACSIA submitted:

The most frequently cited item of missing out on doing this because of a shortage of money was a holiday away from home once a year for a week or longer...these rates were well below the level of 27.1 per cent for other,

1 Hobsons Bay City Council, *Submission 3, Ageing Community Profile: Ageing Well Strategy 2007-2017*, February 2007, p. 13.

2 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, pp 11-12.

younger households. The second most cited item was not being able to have a night out once a week...These rates were again well below the 20.1 per cent reported by other, younger, households.³

6.4 FACSIA reported that five per cent of older households maintained that they were too financially strained to engage in social activity, such as having a friend over for a meal.⁴ The National Institute of Accountants (NIA) provided evidence to the committee to help reconcile the anecdotal reports of financial stress with the increase in the real value of the pension that has occurred over the past decade. NIA argued that the degree of financial stress felt depended on an individual's needs and the emergence of different expectations about the quality of life in retirement.⁵

6.5 The FACSIA and ABS research is consistent with an early 2007 consumer report on consumer confidence and financial self-assurance. According to the report, consumer confidence for Australians aged 50-64 has skyrocketed and those over the age of 64 are even more confident. This is primarily the result of positive performance of investments, the stock and the property markets, and the Government's changes to superannuation.⁶

6.6 However, some of the submissions from non-government organisations and community service providers provided contrary views. The inquiry received various anecdotes of extreme subsistence living from older people. Many relied on the generosity of non-government and community organisations and friends and family to help meet essential costs, or learned to live without basic appliances that others would consider essential. Many articulated that attending cultural events and other entertainment events were never considered. The submission of Mrs Teddy Thompson highlighted the importance of financial assistance from St Vincent de Paul in helping to afford medical fees, pharmaceutical costs, telephone bills and utilities expenses. She explained the impact that this has had on her independence:

I often feel my reliance on the welfare of St Vincent de Paul is turning me into a beggar. I have always been an independent soul but am most grateful for help give by the good folk at St Vinnies although it hurts to ask.⁷

6.7 The Wide Bay Women's Health Centre maintained that many older people manage as well as they can and suffer their plight without complaint or requests for assistance:

Many older people who are in need are too proud to seek assistance and will go without rather than seek assistance. This puts them at risk and can

3 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 13.

4 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 13.

5 *Committee Hansard*, 23 August 2007, pp 4-5.

6 Kelly Burke, 'As Older Generation Kicks Back, Their Children Feel the Pinch', 17 March 2007, *Sydney Morning Herald*, p. 13.

7 Mrs Teddy Thompson, *Submission 99*, p. 4.

contribute to deteriorating physical and emotional health which can in turn lead them to require residential care than remain in their own homes.⁸

6.8 Similarly, COTA highlighted the 'make-do' response of older persons to their distinct cost pressures and argued that this response inevitably impacts on the quality of life experienced. In particular, older people survive on 'inadequate' incomes by leading frugal lives and making adjustments that have adverse effects on active and safe living. COTA submitted:

Older people consistently experience cost of living pressures that reflect specific burdens related to the costs of basic necessities and to life course changes in expenditure patterns. In response to these pressures many older people adopt living patterns that over the medium to long term undermine their capacity to live healthy active lives.⁹

6.9 These findings were consistent with a recent survey by the CPSA of older people including pensioners living below a modest retirement standard, pensioners living above such a standard, and self-funded retirees. Both pensioner groups highlighted concerns about the ability of their income to keep pace with increases in the costs of living. Self-funded retirees were also concerned about cost of living pressures - although to a lesser extent than the pensioner groups. CPSA concluded that none of the incomes of these groups were maintaining pace with the cost of living, but the self-funded retirees had a significantly higher income than the pensioners and a better capacity to absorb real costs increases.¹⁰

In-home residential care

6.10 The Brotherhood of St Laurence noted that older people usually prefer to remain in their own homes for as long as possible. Community care services are crucial to facilitating this and preventing premature admission to residential care and hospital admission.¹¹ The submission of Older People Speak Out (OPSO) also highlighted the importance of long-term residence in a home for providing a sense of security, continuity and a base for daily activities and community participation.¹²

6.11 The Commonwealth Government provides contributions to community care providers through direct subsidies. The care recipient pays up to 17.5 per cent of the maximum pension and up to 50 per cent of income above the pension. Commonwealth expenditure averages about 80 per cent of the care recipient's estimated disposable income.¹³ Consequently, residential care is primarily financed by the Australian

8 Wide Bay Women's Health Centre, *Submission 55*, p. 4.

9 COTA Over 50s, *Submission 96*, p. 3.

10 Combined Pensioners & Superannuants Association (CPSA), *Submission 66*, pp 8-9.

11 Brotherhood of St Laurence, *Submission 57: Background Paper, Disadvantage and Older People*, p. 20.

12 Older People Speak Out, *Submission 94*, p. 3.

13 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 65.

Government including through Community Aged Care Packages (CACP), Extended Aged Care at Home (EACH) packages and Extended Aged Care at Home Dementia (EACH D) packages. CACPs provide low level care in people's homes and EACH and EACH D provide high level care to people with more complex needs.¹⁴

6.12 The Home and Community Care Program (HACC) is designed to facilitate frail older people remaining in their homes. HACC is jointly funded by the Commonwealth and state and territory governments to a level of 95 per cent of the cost of the services. The state and territory governments provide the management and set fees, which are estimated to cover the remaining five per cent of the cost.¹⁵ While the program is primarily designed to avoid premature admission to longer term care, it also provides important social support for older people.¹⁶ Aged and Community Services Australia submitted that 90 per cent of older people receiving government funded residential and community care services were full or part pensioners.¹⁷

6.13 But despite the funding provided by the Government to facilitate in-home care, some submissions raised concerns about unmet needs. Aged and Community Services maintained that the services for older people seeking to remain in their homes are valuable but stretched. As a result the ability of older people to participate in the community is constrained and the probability that health and well-being will deteriorate and result in a requirement for more costly residential or other health care has increased. Further, many rely on families to supplement the incomes of those in care.¹⁸

6.14 In its submission COTA cited a 1998 study of disability, ageing and carers which showed that 42 per cent of those aged 65 and over required assistance to remain in their homes. Although the Government provides services such as HACC and CACPs to assist older persons remaining in their homes, 83 per cent of those that described their needs as being fully met also received assistance from family and friends. This was due to a combination of the expense of such services and perceived quality.¹⁹

6.15 Research by Australia Fair reported that more than 400 000 older people living at home have unmet needs for community care services. Further, Australia Fair maintained that less than half of all HACC providers scored high reviews in the most recent HACC appraisal and about one quarter received scores of basic or poor. Unpaid family and informal care constitutes 74 per cent of the support provided to older

14 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, pp 59-60.

15 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 65.

16 Council of Social Service of New South Wales, *Submission 54*, p. 8.

17 Aged & Community Services Australia, *Submission 64*, pp 1, 3.

18 Aged & Community Services Australia, *Submission 64*, pp 1, 3.

19 COTA Over 50s, *Submission 96*, p. 17.

people and those with disabilities. There are 57 primary carers for every 100 older persons requiring care. This is expected to fall by 39 per cent by 2031.²⁰

6.16 Aged and Community Services Australia expressed concern about the impact of user-pays on access to services for older people with limited incomes. It maintained that the user-pays system had become a common aspect of the delivery of aged care services. Evidence provided to the inquiry underscored that user-pay arrangements leave few resources for older people to meet other costs.²¹ Catholic Social Services Australian argued that the maximum contribution payable by single clients of Commonwealth-funded community care (17.5 per cent of the pension) constituted a considerable outlay when combined with other price movements.²²

6.17 NRHA maintained that many rural communities do not have adequate aged care services to retain the older Australian population. This is due to shortages of health care workers, as well as higher costs. These conditions stem from the remoteness of the locations, the small and unviable bed numbers, less resources for capital work investment, higher construction costs, lower consistency of occupancy rates, less capacity to reduce costs following fluctuation of occupancy and limited capacity to balance low and high care residents.²³

Residential aged care

6.18 The Commonwealth Government provides subsidies to approved providers to provide residential care. The level of subsidy depends on the resident's care needs and a reduction in funding is based on an assessment of an individual's capacity to contribute to their own care costs. An accommodation supplement is paid to aged care homes towards daily care fees for residents that receive an income support payment, except for those pensioner residents that have paid an accommodation bond ten times greater than the annual pension amount. Some additional supplements are paid for residents with few or no assets, to facilities in rural and remote areas and to residents with special needs.²⁴

6.19 FACSIA noted that between 1998-99 and 2006-07, the average resident's daily contribution increased in nominal terms from \$26.30 to \$38.26, but remained relatively constant as a proportion of the total expenditure on care. Government expenditure averaged three times the estimated disposable income, while the average

20 Australian Council of Social Service, *A Fair Go For All Australians: International Comparisons*, 2007, p. 41.

21 *Committee Hansard*, 23 August 2007, p. 77.

22 Catholic Social Services Australia, *Submission 95*, p. 19.

23 National Rural Health Alliance Inc, *Submission 91*, p. 5.

24 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 62.

resident's contribution remained relatively constant as a proportion of the estimated disposable income.²⁵

6.20 The Brotherhood of St Laurence pointed out that the Commonwealth Government funded over 160 000 residential aged care places across Australia in 2005 and had a target of 200 000 in 2006-07. Residential aged care accounts for 70 per cent of total aged care expenditure by governments and about 5 per cent of older people live in these facilities. More than half of these older people are 85 or more.²⁶

6.21 Nevertheless, some of the submissions raised concerns about the quality of life being experienced by many residents of residential aged care facilities.²⁷ These submissions argued that daily care fees consume 85 per cent of the pension, which leaves little remaining to fund medications—some of which are not subject to PBS subsidies—other dental and health costs, transport, clothing, toiletries, personal grooming, correspondence, phone calls, incidentals and discretionary spending including gifts for families and friends. Aged and Community Care Victoria (ACCV) pointed out that 35.8 per cent of residents are concessional residents, meaning they have assets of less than \$33 000 to supplement the pension. Consequently, many of the above items are supplied or financed by families, friends, other residents or sympathetic staff members. ACCV expressed particular concern about those residents with no friends or family. It was pointed out that special bandages for leg ulcers, which are not covered by the PBS, would consume 15 per cent of the pension.²⁸

6.22 According to NCOSS, more than a third of those in residential aged care lack any substantial family and friend support networks and, as a result, are greatly restricted in their ability to finance essential trips.²⁹

6.23 Other evidence provided to the committee highlighted the financial burden placed on the remaining spouse when a partner is admitted to residential care. One submission stated:

It is quite distressing to investigate my financial situation to find that I am "in the red" each month before I even consider my own food costs and clothing, dental, medical and optical expenses for both of us.³⁰

25 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 63.

26 Brotherhood of St Laurence, *Submission 57: Background Paper, Disadvantage and Older People*, p. 20.

27 These included Aged & Community Care Victoria, *Submission 41*, pp. 2-3; COTA Over 50s, *Submission 96*, p. 14; Catholic Social Services Australia, *Submission 95*, p. 19; Aged and Community Services Australia, *Committee Hansard*, 23 August 2007, p. 79.

28 Aged & Community Care Victoria, *Submission 41*, pp 2-3.

29 Council of Social Service of New South Wales, *Submission 54*, p. 5.

30 Name withheld, *Submission 25*, p. 2.

6.24 According to the Brotherhood of St Laurence, the increasing focus for residential care over the past decade has been on high level care, with the proportion of residents receiving this care increasing from 58 per cent in 1998 to 68 per cent in 2005. Consequently, those without high level support needs have struggled to obtain accommodation in a residential hostel and have limited housing options. This has been compounded by the requirement for an accommodation bond for low level care and the decreasing availability of boarding houses.³¹

6.25 Aged and Community Services Australia also expressed concern about the inequity in charges that apply to people entering different levels of aged care:

The big equity issue that arises there is that people who enter residential care into high care pay half as much as people who enter residential aged care at the low-care level. We certainly could not argue that we should resolve that in the highcare direction, because the whole system would grind to a halt. Our point as service providers is that the user-pays component of high care is not sufficient to sustain the replacement and growth of high care, but it is also very inequitable between different classes of consumers that an arbitrary classification into high and low means that one class of incoming residents pays twice as much as the other class.³²

6.26 Further, Aged and Community Services Australia noted that the fees paid do not change if the level of care required changes, unless the recipient of care changes facilities.³³

6.27 ACON pointed out that same-sex relationships are not recognised under the definition of couples in the *Aged Care Act 1997*. This has a substantial impact on the level of residential fees and associated costs incurred on entering aged care facilities. It was argued that this is because same-sex applicants are assessed as individuals, rather than the standard applying to couples recognised under the Act where 50 per cent of the sum of the value of the couple's assets is used. In some cases, this results in qualification for less assistance. Further, ACON asserted that the family home is excluded from the assets test in recognised couples, but the lack of recognition of same-sex couples means that it is counted irrespective of whether or not it remains the dwelling of the remaining partner. There are similar issues with the treatment of other shared assets.³⁴

Caring responsibilities

6.28 The committee heard from various individuals about their caring responsibilities, which brings with them additional and often unplanned-for financial

31 Brotherhood of St Laurence, *Submission 57: Background Paper, Disadvantage and Older People*, p. 20.

32 Aged and Community Services Australia, *Committee Hansard*, 23 August 2007, p. 79.

33 Aged and Community Services Australia, *Committee Hansard*, 23 August 2007, p. 79.

34 Aids Council of New South Wales, *Submission 212*, p. 7.

commitments. In many respects the increased time availability associated with retirement has resulted in increased responsibilities for caring for young children, as well as elderly parents. During the 2004 inquiry into poverty, the committee heard similar evidence about the experiences of older people.³⁵

6.29 Older people are net providers of care, with unpaid services for their spouses and parents as well as grandchildren. The total of this care, as well as voluntary work, equates to \$39 billion each year according to research cited by the Brotherhood of St Laurence. The value of care provided by older people to their grandchildren is greater than the value of care provided to older people.³⁶ Similar data was reported in other submissions. The Australian Family Association argued that a third of child care enabling parents to engage in paid work is undertaken by (unpaid) grandparents.³⁷ Carers South Australia argued that more than 17 per cent of family carers providing support for a parent, partner, child or friend are aged 65 or over.³⁸ According to the Australian Institute of Health and Welfare, 48 per cent of older people provide unpaid assistance to someone outside their household, one-third provide volunteer services through an organisation, 29 per cent in community organisations and two-thirds in social and support groups.³⁹

6.30 NCOSS, National Seniors and Catholic Services Australia maintained that in 2003 there were 22 500 families headed by grandparents in Australia, although the large number of informal arrangements suggests that the numbers were under-reported. Two-thirds of the grandparent carers were age pensioners. Such households indicated five key areas of need including: financial support; recognition and understanding; respite; information and group support. Grandparent carers emphasised that they perform a similar role to foster carers but without the choice, the benefits or the recognition. Eligibility for legal aid was identified as a particular issue for grandparent carers.⁴⁰

Costs of care

6.31 Although many older people enjoy the involvement in the lives of their grandchildren that accompanies the provision of care, the responsibility has had ramifications for the quality of life of older people. The capacity of older people to

35 COTA National Seniors Partnership, *Submission 184 to the 2004 Inquiry on Poverty and Financial Hardship*, p. 13.

36 Brotherhood of St Laurence, *Submission 57: Background Paper, Disadvantage and Older People*, p. 23.

37 Thirroul Retired Mineworkers' Association, *Submission 4*, p. 2.

38 Carers South Australia, *Submission 58*, p. 1.

39 Australian Institute of Health and Welfare, *Older Australians at a Glance 4th Ed.*, November 2007, p. viii.

40 Council of Social Service of New South Wales, *Submission 54*, p. 8; National Seniors, *Submission 60*, p. 7; Catholic Social Services Australia, *Submission 95*, p. 10.

cope with rising costs of living can be exacerbated by their increasing childcare responsibilities. FACSIA, National Disability Services, National Seniors Goodna Redbank Branch and Kinkare all noted that caring responsibilities can impact detrimentally on the sustainability of grandparents' retirement incomes and make it more difficult to actively participate in community activities.⁴¹ Grandparents are in different situations to other adults with caring responsibilities in that on average they have less financial resources—having forgone employment—less physical stamina, may face high initial costs associated with caring and often have not planned financially for the responsibility of caring.

6.32 Grandparents who provide care—particularly those who become primary carers—experience an increase in expenses for all facets of life, such as petrol, clothing and utilities, as well as the up-scaling of various facilities to accommodate the growth in the size of the family unit including the house, car, and washing machines. Often it can lead to additional expenses such as the need for a computer, school fees, baby equipment, sporting expenses and expenses uniquely associated with the family situation that resulted in them becoming primary care givers, such as psychologists or legal assistance.

6.33 Mr Don and Mrs Elma Butler highlighted the impacts on their cost of living that resulted from the provision of care:

We do **considerable hours of childcare** for our grandchildren as a way of assisting our children in keeping their childcare costs down. They are mindful of providing additional food to assist us with the cost of giving this care. It is a task we enjoy doing, however, sadly it does have an impact on our living costs.⁴²

6.34 Catholic Social Services Australia made the point that rising costs impinge on the ability of grandparents to provide care.⁴³ Catholic Social Services Australian argued:

To the extent that older Australians face a worsening squeeze between prices and income, the capacity of older Australians to provide care for their grandchildren will be impeded. For example, it may become impossible to collect children after school if financial circumstances make it impossible to maintain a car. This outcome would affect not only older Australians' extent of participation and family contact, but the ability of younger "working families" to combine work and care, and the demand for places in the more formal childcare sector.⁴⁴

41 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 74; National Disability Services, *Submission 51*, pp 1-2; KinKare, *Submission 6*, pp 3-4; National Seniors Goodna Redbank Branch, *Submission 39*, p. 2.

42 Mr Don and Mrs Elma Butler, *Submission 37*, p. 1.

43 Catholic Social Services Australia, *Submission 95*, p. 11.

44 Catholic Social Services Australia, *Submission 95*, p. 11.

6.35 According to the Salvation Army, the social, emotional and physical well-being of older people can be substantially affected by caring for grandchildren and adult children with disabilities.⁴⁵ Similarly, KinKare argued that the caring responsibilities of older people can impact on their emotional well-being and capacity for community engagement with them experiencing financial stress, the stress associated with child-rearing, disengagement from pre-existing social networks and tiredness.⁴⁶ This was echoed by National Disability Services (NDS), who pointed out that while many carers derived benefits from providing care, there were also various health consequences:

The impact of decades of caring, particularly upon the older population, should not be under-estimated...Research has identified that many will also experience physical, psychological and social losses. These losses, or costs, including psychological stress, poor physical health, isolation, anxiety and depression, and career sacrifices. Health risks amongst carers include physical strain from lifting, which often results in back, knee and shoulder injuries, and ongoing fatigue and stress. Social isolation is also common.⁴⁷

Government caring benefits

6.36 Catholic Social Services Australia reported that although 17 per cent of infants and 18 per cent of children aged four to five regularly received care from grandparents, no child care financial support was paid in the majority of cases. Therefore, the main sources of income for 62 per cent of grandparent families were government pensions and benefits.⁴⁸

6.37 The Commonwealth Government provides financial support to carers in the form of the Carer Payment and the Carer Allowance. The Carer Payment provides income support to people who are unable to participate substantially in the workforce, due to caring responsibilities. The Carer payment is subject to income and assets tests and is paid at the same rate as the aged pension and other social security payments. The Carer Allowance is an income supplement for people who provide daily care and attention in a private home to a person with a disability or severe medical condition, or who is frail aged.⁴⁹ The Commonwealth Government has provided lump sum Carer Bonuses in 2004, 2005, 2006 and 2007. Carers—including older carers—received a payment of \$1 000 and recipients of Carer Allowance received \$600 for each eligible care receiver.⁵⁰

45 Salvation Army Australia Southern Territory, *Submission 136*, p. 10.

46 KinKare, *Submission 6*, p. 5.

47 National Disability Services, *Submission 51*, pp 1-2.

48 Catholic Social Services Australia, *Submission 95*, p. 11.

49 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 72.

50 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 73.

6.38 In the 2004-05 Budget the Commonwealth Government provided \$72.5 million over four years for additional respite services for older parent carers of people with disabilities, subject to matching commitments by state and territory governments. In 2005 the Commonwealth Government announced a \$230 million package to help families to make financial provisions for the future accommodation and care needs of their family member with severe disability. From September 2006, immediate family members have been able to put up to \$500 000 into a Special Disability Trust without being affected by the social security or veterans' affairs means test.⁵¹ However, the Committee notes that as at 31 December 2007 there were only 22 disability trusts in operation.⁵²

6.39 The Commonwealth Government provides family assistance payments to the person or organisation with ongoing care of children. Grandparents have the same access to financial assistance as other families whether or not formal legal responsibility is possessed as long as day-to-day care is provided. Similarly, grandparents are eligible for the full range of family payments including the Family Tax Benefit, Parenting Payment, and Child Care Benefit. The Family Tax Benefit is income-tested and pays approximately \$8 300 on average to eligible families each year. If the child meets the definition of 'orphan' the grandparent carer may be eligible for the Double Orphan Pension. The Double Orphan pension provides a base rate of payment of \$49.40 per fortnight for grandparents caring for children that have been orphaned or where their parents have been incarcerated.⁵³

6.40 Grandparent carers can also obtain a non-means tested foster child Health Care Card for access to subsidised medications and bulk billing for medical consultations for the children in their care. The Baby Bonus may be paid to a grandparent caring for a grandchild where the child comes into the grandparents' care within 13 weeks of birth and where the grandparent will have ongoing care for no less than 13 weeks. It is not means tested and provides a payment of \$4 133. Young people from 15-25 may be eligible for the Transition to Independent Living Allowance when they are about to or have left grandparents' care.⁵⁴

6.41 Grandparents are eligible for the Child Care Benefit. FACSIA submitted that the Government has waived the work, training, study test for eligible grandparent carers with primary care responsibilities so they can access up to 50 hours for each child in approved child care per week. Grandparent carers receiving an Australian Government income support payment may be eligible to receive a special Grandparent

51 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, pp 72-73.

52 *Committee Hansard*, Additional budget estimates, 20.02.08, p.CA89 (FaHCSIA).

53 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, pp 75-76.

54 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, pp 75-76.

Child Care Benefit, which covers the full cost of the total fee charged by the child care service for up to 50 hours of approved child care per child per week. Again, the Government has waived the work, training, study test.⁵⁵

6.42 FACSIA noted that the Commonwealth Government only makes payments once for the same child, which would therefore involve withdrawal of payments from parents to make a payment to an eligible grandparent. However, some grandparent carers may not receive entitlements to which they are eligible because they do not apply for them out of a fear that the parents may seek custody of the children to retain the benefits.⁵⁶ Further Mr Frank Quinlan from Catholic Social Services Australia noted that many grandparent carers were uncomfortable accessing government payments because of the stigma attached to the 'welfare' system.⁵⁷

6.43 The Tasmanian Department of Health and Human Services highlighted that the South Australian Government has introduced an 'Informal Relative Caregivers Statutory Declaration' to verify a person is providing full-time care. This can be used as evidence of care-giving status in informal arrangements for the purposes of schooling, medical and dental interactions, as well as access to government support services. The Tasmanian Department called for the institution of a similar document at a national level to facilitate carer access to government services.⁵⁸

Community participation

6.44 A recurrent theme in many of the submissions was that increases in the cost of living have had substantial effects on the quality of life of older people, especially through their capacity to interact with the community. Without the social outlet provided by work, many older people rely heavily on community participation and social networking environments.

6.45 A recent report from the Brotherhood of St Laurence highlighted ABS data that suggests older people with moderate and severe disabilities spend 85 per cent of their waking time alone. Older people spend the least time talking and socialising of all the age cohorts. The benefits of social interaction include reduction in physiological reactions to stress, moderation of health-related behaviours and reduction in depression.⁵⁹

55 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 75.

56 Department of Families, Community Services and Indigenous Affairs, *Submission 138*, p. 75.

57 Mr Frank Quinlan, Catholic Social Services Australia, *Committee Hansard*, 8 February 2008, p. 33.

58 Tasmanian Department of Health and Human Services, *Submission 137*, p. 5.

59 Michael Hillier: Brotherhood Community Care, *Rebuilding Connections, Creating Opportunities for Socially Isolated Older Australians*, Evaluation of the Brotherhood of St Laurence Community Care Socialisation Plan, pp vi, 1-2.

6.46 Queensland Shelter highlighted the importance of security of tenure in housing for older Australians. It was argued that this was important to provide a sense of security and continuity, as well as provide a basis for community participation and social interaction.⁶⁰ However, in order to take advantage of the opportunities for social engagement that a stable home-base allows, older people need sufficient financial resources.

6.47 Various submissions argued that older people are increasingly finding social participation difficult, due to the rises in cost pressures. In particular, the Superannuated Commonwealth Officers' Association argued that because of rises in the cost of living and the fact that many services are user pays, the purchasing power of older people has diminished and they are less able to participate in some of the community activities that have been enjoyed previously.⁶¹

6.48 Catholic Social Services Australian (CSSA) pointed out that social participation accrues costs, such as transport, communications, membership fees, admission fees to cultural activities and gift giving. CSSA argued that if such costs become unaffordable, it will result in increased social isolation for older people with consequent adverse effects on physical health, mental health and dignity.⁶² The National Seniors Goodna Redbank Branch argued that the general rises in the costs of living are restricting the quality of life of older Australians. In particular, it was maintained that participation in social networking environments, such as seniors clubs, are limited and that older Australians are increasingly feeling marginalised.⁶³

6.49 The submissions by older people themselves highlighted these effects. Bernard and Barbara Murray discussed the impact of increases in living costs on their community participation:

Cost is a major consideration in virtually everything we do. It requires us to plan ahead and combine activities wherever possible. It also means we have to carefully select one or two of the many outings organized by the PROBUS club each year.⁶⁴

6.50 These views were echoed in a number of submissions. For example, Ms Nea Campbell submitted:

I am unable these days to go anywhere that costs money such as bus trips, even movies and this has had the effect of depriving me of many opportunities of being with my friends as I just plain can't afford it. This, I feel, is one of the far reaching and hidden effects of poverty that is not

60 Queensland Shelter, *Submission 45*, p. 2.

61 Superannuated Commonwealth Officers' Association Inc, *Submission 52*, p. 7.

62 Catholic Social Services Australia, *Submission 95*, p. 11.

63 National Seniors Goodna Redbank Branch, *Submission 39*, p. 2.

64 Mr Bernard and Mrs Barbara Murray, *Submission 86*, p. 2.

talked about as much but is a very valid and vital part of a pensioner's well being and mental health.⁶⁵

Ms Campbell's submission reveals a common theme in evidence before the committee. Although there is no doubt that cost of living pressures involve hardship for older Australians it was often the exclusion from meaningful involvement with the community that caused the most disadvantage.

The role of technology

6.51 According to the Australian Institute of Health and Welfare, technology is playing an increasingly important role in the lives of older people, especially with the younger cohorts of the older population.⁶⁶ The importance of telecommunications for reducing social isolation was noted in a number of submissions. The telephone and internet were seen as important ways of maintaining contact with family and friends.⁶⁷ However, many of the submissions highlighted concerns about the lack of access to, or affordability of, the internet and the costs of maintenance, training and support.⁶⁸ Access to telecommunications has implications for social networks, connectivity with friends and relatives and increasingly some basic aspects of community participation in modern society. Mr Bernard and Mrs Barbara Murray observed that interactions with banks and other businesses increasingly require email connectivity.⁶⁹ Ms Margaret Jones and Mr Ralph Foster even noted that the committee's preference for receiving submissions electronically presumes computer ownership and internet access, which many of those interested in the inquiry cannot afford.⁷⁰

Single retirees

6.52 A report by the Commonwealth Government in conjunction with the University of Melbourne and the Melbourne Institute of Applied Economic and Social Research highlighted that many of the issues concerning social participation and isolation were exacerbated with single retirees. It argued that although a high proportion of single retirees socialise with friends or family at least once a week, they experience more loneliness and lower life satisfaction than retirees with spouses or

65 Ms Nea Campbell, *Submission 33*, p. 2.

66 Australian Institute of Health and Welfare, *Older Australians at a Glance 4th Ed.*, November 2007, p. ix.

67 These submissions included Ms Virginia Boskovic, *Submission 160*, p. 2; Ms Denise Scassola, *Submission 166*, p. 1; Ms Shirley Prout, *Submission 97*, p. 2; Mrs Teddy Thompson, *Submission 99*, p. 3.

68 These submissions included Ms Maxine Visser, *Submission 88*, p. 1; Mr Bernard and Mrs Barbara Murray, *Submission 86*, p. 3; Mrs Josephine Sands, *Submission 130*, p. 1; Miss P A Robb, *Submission 151*, p. 3; Mr Leonard Hainsworth, *Submission 183*, p. 2; Ms Margaret Jones, *Submission 184*, p. 1; COTA Over 50s, *Committee Hansard*, 23 August 2007, p. 66.

69 Mr Bernard and Mrs Barbara Murray, *Submission 86*, p. 3.

70 Ms Margaret Jones, *Submission 184*, p. 1; Mr Ralph Foster, *Submission 102*, p. 1.

partners.⁷¹ The Australian Family Association cited figures in a report by the Office for Women that suggests one quarter of single older people feel lonely.⁷² Given the often tighter financial circumstances of single older people (discussed in chapter three) the capacity for social engagement can be particularly constrained.

6.53 Data provided by the Australian Housing and Urban Research Institute (AHURI) shows that a large proportion of older people live alone. Two reports on the housing of older Australians were cited in AHURI's submission. The report on housing transfers and shifts in later life argued that a third of the respondents to a survey on older persons indicated that one third were living alone. Further, 46 per cent of older women lived alone, which was more than twice the proportion of older men. Older people were more likely to be living alone than other demographics, with 57 per cent of those aged 75 and older living alone.⁷³

Volunteer work in non-government organisations

6.54 A substantial amount of social interaction for older people is obtained through voluntary work in non-government organisations. However, the rise in costs of living is having a detrimental effect on the capacity of many older people to continue this work. This could result in greater isolation for them and, potentially, a greater financial cost to governments and/or the community.

6.55 Several submissions noted the involvement of older people in community organisations. NCOSS argued that many of the care services provided to older people are provided by other retired older people seeking to contribute to the local community.⁷⁴ Similar data was provided by Catholic Social Services Australia (CSSA), which maintained that in 2006 people aged 55 or more contributed 293 million annual volunteering hours, constituting 40 per cent of the total. Almost one in three people aged 55-74 are volunteers and one in five of those aged 75-84. CSSA pointed to 2003 data that indicated Australians aged 65 and over contributed nearly \$39 billion per year to the economy in the form of unpaid caring and volunteer work. It also highlighted earlier data suggesting 21 per cent of principal carers of people with disabilities are aged over 65 years.⁷⁵

6.56 However, during the inquiry it became clear to the committee that the capacity of older people to continue to provide such volunteer support was being diminished by increases in living costs. A 2005 Volunteering Australia survey found

71 Australian Government Office for Women, *Women: Aspects of Retirement for Older Women*, 2006, p. 3.

72 Australian Family Association, *Submission 7*, p. 3.

73 Australian Housing and Urban Research Institute, *Ageing in place: intergenerational and intrafamilial housing transfers and shifts in later life: AHURI Final Report No. 88*, October 2005, p. viii.

74 Council of Social Service of New South Wales, *Submission 54*, p. 11.

75 Catholic Social Services Australia, *Submission 95*, p. 9.

that 42 per cent of participants were questioning or considering ceasing volunteering activities due to increased costs.⁷⁶ National Seniors argued that volunteering is rarely financially neutral and volunteers have no tax deduction or government financial support to meet the associated expenses.⁷⁷ In fact, the Superannuated Commonwealth Officers' Association argued that the costs of volunteering are similar to those incurred by people in the workforce, and that rises in the cost of living was making it more difficult financially for volunteers.⁷⁸ NCOSS argued that the funding base for volunteer services has not kept pace with demand, which has resulted in a greater reliance on the personal finances of volunteers.⁷⁹

6.57 The submissions of many older people who provide volunteer support to the community indicated that they are increasingly reconsidering their capacity to continue to provide such contributions. This was primarily as a result of general costs of living increases, especially transport expenses.⁸⁰ Mr Robert Shortridge submitted:

Older Australians, who are no longer in full time employment often fill volunteer roles in the community, if their income erodes to such an extent that they cannot afford to participate in volunteer activities (i.e. petrol prices become exorbitant) then the community will lose the services of these volunteers and somehow, someone may well have to take up the slack. This may mean that more volunteer organisations will be on the fund raising trail so they can support their volunteers or that Government (State or Federal) will have to pick up the slack. Overall this will be a cost to the community.⁸¹

Rises in transport costs

6.58 For many older people access to services and extent of participation in community activities is dependent on both cost and proximity. Some experts have raised concerns that the increasing costs of petrol will have a debilitating effect on Australia's low-income individuals and families. Many live in outer urban and sub-urban areas, due to lower property and rental prices. However, these people are often also considered to be transport disadvantaged because of the long distances from public transport services, the low frequency of such services and the higher associated

76 National Seniors, *Submission 60*, p. 12.

77 National Seniors, *Submission 60*, p. 12.

78 Superannuated Commonwealth Officers' Association Inc, *Submission 52*, p. 7.

79 Council of Social Service of New South Wales, *Submission 54*, p. 11.

80 These included Mr Robert Shortridge, *Submission 84*, p. 2; Ms Mary Maxwell, *Submission 34*, p. 4; Mrs Margaret Ryan, *Submission 100*, p. 3; Mr Stan Smith, *Submission 111*, p. 1; Mr Keith and Mrs Evelyn Devereux, *Submission 201*, p. 1.

81 Mr Robert Shortridge, *Submission 84*, p. 2.

costs. Consequently, it is possible that people will become increasingly isolated as they cannot afford private or public transport costs.⁸²

6.59 National Seniors noted that cost of living pressures were identified as a risk factor for social isolation by the Queensland Government. In particular, it was maintained that rising petrol and transport costs can restrict older people's participation in the community. While HACC services facilitate older people remaining in their own home for longer, these services meet daily living needs rather than social needs.⁸³

6.60 Concerns about the adverse effects of rising transport costs on social participation were raised in various submissions. These submissions argued that rising petrol, motor vehicle running costs and public transport expenses provide a barrier to community participation, especially for people in rural communities with limited access to public transport. In many cases, many older people are coping with high petrol prices by not driving their car unless absolutely necessary and forgo social visits with family and friends. In some cases, older people are struggling to afford the cost of travelling to medical appointments. Further, it was noted that transport is a crucial means of independence and identity for many older people. Alternative forms of transport are often inadequate because of problems associated with physical access, availability, convenience or cost.⁸⁴ The imposition of the NSW Government booking fee on concession fares was singled out as making some services prohibitive for older people.⁸⁵

6.61 Peter and Janice Groves highlighted the adverse impact of the cost of transportation on their visits to family:

We have a large family, three sons and one daughter and all are spread over distant parts of NSW and Queensland. Regular trips were made to keep in touch with all our families, but the cost of Petrol has now restricted our visits. So we no longer see and visit our Grandchildren as often as they and we would like. Even travel by State Trail has been curtailed due to the

82 Jordan Baker, 'Poor on fringes will be isolated as car costs rise', 28 June 2007, *Sydney Morning Herald*, p. 9.

83 National Seniors, *Submission 60*, p. 15.

84 These submissions included Australian Pensioners' & Superannuants' League QLD Inc, *Submission 1*, p. 1; Aged Care Lobby Group, *Submission 40*, pp. 1, 3-4; Thirroul Retired Mineworkers' Association, *Submission 4*, p. 3; Combined Pensioners and Superannuants Association of NSW Inc – Bellingen Branch, *Submission 56*, p. 2; Women's Action Alliance (Australian) Inc, *Submission 93*, p. 2; Wide Bay Women's Health Centre, *Submission 55*, p. 4; National Rural Health Alliance Inc, *Submission 91*, pp. 2-3; Australian Nursing Federation, *Submission 61*, p. 5; COTA Over 50s, *Submission 96*, p. 13; Name withheld, *Submission 105*, p. 1; Name withheld, *Submission 123*, p. 2; Peter and Janice Groves, *Submission 29*, p. 1; Mr L D Arrowsmith, *Submission 126*, p. 2; Mr Lindsay Kayess, *Submission 115*, p. 2; Ms Enid Randon, *Submission 170*, p. 1; Name withheld, *Submission 149*, p. 3.

85 Name withheld, *Submission 48*, p. 2; The Corrimal Pensioners and Superannuants Association, *Submission 177*, p. 1.

NSW State Government increasing our Pensioner cost that now restricts us financially.⁸⁶

6.62 This was a theme common to many submissions. For example, Mr Lindsay Kayess submitted:

The cost of petrol has greatly curtailed our activities. This has caused our social isolation. We are becoming hermits in our own homes. When petrol was 65 cents per litre cheaper we enjoyed car trips throughout south-east Australia. Travel was between Adelaide, Melbourne and north to Cairns but it is now beyond our reach.⁸⁷

Conclusion

6.63 It is clear to the committee that many and possibly even a large majority of older people experience a good quality of life in retirement. However, the inquiry highlighted that for a number of older people cost pressures are increasingly curtailing their participation in social and community activities. In turn, this is leading to a diminished quality of living. In particular, some sections of the pensioner population are on tight budgets with no capacity to absorb cost of living rises that outstrip pension entitlements. Further, the committee remains concerned about the possible under-reporting of financial stress by older people. Many in this demographic have a higher propensity to experience difficult financial circumstances without complaint.

6.64 Unmet needs and insufficient services for facilitating in-home care have further constrained the ability of many older people to participate in the community and is increasing the potential for deterioration of health and well-being that could have negative implications for public and personal health costs. In particular, residential aged-care inequities and fee structures need to be addressed to ensure fairness and accessibility of such services.

6.65 The committee firmly believes that social and community participation are integral to maintaining active, healthy lives. Income levels, even at a safety net basis, must sufficiently accommodate the need of older people to participate in social and community activities. Retired people have contributed substantially to Australia's current prosperity and many continue to make productive contributions through voluntary work and provision of caring responsibilities. Ensuring older people continue to enjoy dignity and quality of life as they age is an important and affordable aspect of a developed economy. Further, supporting the health and well-being of older Australians will have the corollary benefit of reducing the burden on governments for health care costs, aged services and community service provision.

86 Peter and Janice Groves, *Submission 29*, p. 1.

87 Mr Lindsay Kayess, *Submission 115*, p. 2.