

Response to Inquiry into the cost of living pressures on older Australians

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**By
The Fairfield Seniors Network**



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Fairfield Seniors Network background and profile



A forum through which local seniors discuss and address relevant issues and concerns

The Fairfield Seniors Network (FSN) is a volunteer group of seniors from diverse backgrounds and different suburbs of the Local Government Area. The seniors support their groups in different activities, as well as emotionally, to break-down isolation and educate them about issues which affect them. The senior leaders from Culturally and Linguistically Diverse Backgrounds (CALD) also educate their members about the Australian System. The Group has been working on local issues for approximately 15 years and has organised many local events, which have gained considerable support from the local senior community. Among others, these events have included a major housing seminar in the area, a range of activities for International Year of the Older Persons 1999 and a health expo. Recently, the Seniors Network held a three day Capacity Building Camp for its members. Yearly, FSN organises an annual Christmas Concert and Seniors Week events.

The FSN has a high number of CALD background participants. The Network comprised of approximately 25 to 30 active senior leaders or group representatives and some community workers, working on aged issues. The leaders facilitate groups of seniors ranging in size from approximately 20 to 150 members per group. One of the main roles of the leaders within the FSN is to disseminate information gathered at the network to their members in their own language. The Network provides a vital link with seniors groups in the local area. The FSN meets monthly to share important information and knowledge and to discuss issues affecting senior leaders in the area. It provides an opportunity for the senior community to channel information to workers supporting the Network about their needs, concerns and preferences for the coordination of major activities for the area.

The FSN is supported by Fairfield City Council, Fairfield Migrant Resource Centre, Mt Pritchard/Cabramatta West Community Centre and The Parks Community Network with attendance from other main community organisations in the area. Workers from these organisations co-convene meetings and assist in achieving the desired outcomes of the network

Fairfield Seniors Network Feedback to Inquiry into the cost of living pressures on older Australians

The Fairfield Seniors Network welcomes the initiative of the Senate to look into the cost of living pressures on older Australians. It also welcomes the initiative to hold a public hearing on the issue. The Fairfield Seniors Network will welcome an invitation to one or more of its members to give evidence at the public hearings.

In the 15 years that the Fairfield Seniors Network has been meeting, the constant comments from seniors is that as they grow older they have loss of status and feel devalued by society; they feel discriminated in many areas of community life and in addition, they feel that they suffer loss of many privileges that they used to enjoy during their working years. This has come as a surprise to many older people who believe they have earned the right to have a secure retirement after having worked hard, raised a family and paid taxes all their adult life, some seniors commenced work as teenagers and continued until retirement. ***Their responses to this inquiry will highlight the issues again. The responses indicate seniors' anger, anguish, pain, loss and humiliation at some of the strategies they need to employ to survive with the pressures that cost of living places upon them. Many feel they don't deserve this after a life of contribution to society.***

The Fairfield Seniors Network conducted a consultation with participants attending its August meeting. The findings are by no means exhaustive due to limited time for the consultation and the absence of some of the active FSN participants.

Seniors Leaders representatives from 12 local senior groups and 6 community aged workers representing local community organisations participated in the consultation.

The Fairfield Seniors Network answered the following questions which were covered by the inquiry:

- a. **The cost of living pressures on older Australians, both pensioners and self funded retirees, including:**
 - i. **The impact of recent movements in the price of essentials, such as petrol and food,**

Cost of Petrol: Most senior participants, including many members of groups have experienced a decrease in social interaction with family and friends since the increase of petrol prices. Many people are unable to attend weekly group meetings. This results in feelings of isolation and depression as they miss their friends, family members or community social events.

They are required to plan their trips more carefully resulting in a loss of independence and spontaneity in their social lives.

In addition, it is particularly harsh if they have family members in hospital or they need to see specialist doctors and GP's or are in need of hospital treatment. They must cut social interaction to a minimum, as they need to save petrol money for essential purposes.

Additional cost of parking in the area: Seniors in the area feel the additional burden of the cost of parking, particularly when one of the spouses or family members is in hospital or has to attend regular hospital appointments or medical treatment. ***For example***, a person visiting a family member at the Fairfield Hospital for one week spends \$28.00 on parking per week for a daily visit or \$56.00 if they visit twice a day. For a Liverpool Hospital visit the cost is \$75.00 and \$150.00. If the family member needs to go to a specialist hospital in a remote area and away from accessible transport, seniors may experience anguish and pain at not being able to visit their loved one every day.

Price of food: Older people feel particularly disadvantaged by the increased cost of essential food items. This has resulted in extra trips to hunt for specials and discounted items at different stores. ***For example***, some items may be cheaper at one store but that store does not carry all the food items they need, so each week they may have to shop at two or three stores to fill the essential food basket for the week.

Older people believe that food prices are too expensive for their budget, whether they are on the pension or self funded. Many people have to go without essentials, eat less nutritional food or go without food items they were used to, such as biscuits.

Cost of food for people with special dietary needs: Older people with special dietary needs such as Diabetics or people with coeliac needs, feel further burdened when trying to buy essential food. ***For example***, a person of gluten intolerance needs to purchase two special packets of bread per week at a cost of \$11.00. These loaves of bread are not only more expensive but smaller. Some people with diabetes have to go without essentials such as bananas when prices are high. To cope, some seniors may have to burden family members (for example adult children) which is very painful for them. If they don't have family members who are able to assist, they are unable to follow a healthy diet, resulting in more burdens for the health system.

ii. The cost of running household utilities, such as gas and electricity

Electricity: Older people find the cost of electricity and gas very expensive. Seniors need to be constantly on the lookout to turn off lights and save electricity in any way possible. They sometimes find themselves purchasing less food items and other essentials in order to pay their electricity bills. ***For example***, many seniors resort to going to bed much earlier on cold nights to save heating costs, others have to wash clothes by hand to save running a small wash load, or using cold water.

Added Costs

Rates: Seniors, who own their home, find rates are an added cost of running a household. If all utility bills and rates fall on the same month, they find it impossible to pay them. Even with pensioner's rebate, rates are not affordable for older Australians. They commented that rates go up every year. One senior commented that she pays the same amount with a rebate (\$900) in comparison with her daughter who lives in another area. She was not able to give details of the suburb or the difference in accommodation types of the two properties. Strategies that many older people use to cope with this burden are **for example**, coming up with payment arrangements with services, such as monthly instalments. However, this adds to the number of trips that they do every month as they don't like using the internet for paying bills.

There were no comments about the increase cost burden of renting privately or living in government accommodation at the meeting.

Medicines: The need to buy regular medicines was also mentioned as an added cost for the household and an extra cost that further disadvantages them. Some medicines can be bought through the PBS scheme, but some people need regular medicine which is not covered by this scheme and is very expensive.

Overall: Older people find that the cost of living pressures on senior Australians places extra burdens and disadvantages them when trying to manage their lives. ***They feel that access to the standard of living being enjoyed by working Australians is denied to them. This is resented by many who feel they have worked hard all their lives and paid their taxes.***

iii. The cost of receiving adequate dental care

Older people find it particularly hard to access adequate dental care as it is very costly. Many have sought help through the Dental Hospital only to have to wait years for a consultation appointment then have to wait again for treatment. Transport is an added burden to access the Dental Hospital. Some have heard about special low-cost schemes through private dentists but there is no information about this to be found. **For example**, some seniors have had to resort to use savings or money from their funeral fund to have urgent dental treatment. One person makes an effort to pay for a private health fund scheme that offers extras, such as dental and glasses combined with Medicare.

The cost of dental work, for example, starts from a minimum of \$150.00 for one extraction and \$150.00 for a cleaning. For many seniors this is a prohibited cost.

b. The impact of these cost pressures on the living standards of older Australians and their ability to participate in the community

Seniors' ability to participate in the community has dropped due to the cost of living. Many have suffered painful feelings of inadequacy at having to seek help from family members or adult children to be able to afford essential health treatment or humiliations at having to resort to charity organisations to pay bills. They feel that this is unfair after having worked all their lives, bought a home, raised a family and paid taxes. One person estimates her standard of living has dropped about 20% lately! Some strategies for coping are painful for seniors. **For example**, they may feel it is painful to not be able to help their family or feel anguish at not being able to buy healthy food or seeing their savings dwindle. Some have commented that they suffered more colds due to lack of heating. One leader had knowledge of older people taking money out of super to pay for operations. Others may just constantly shop around to get the best prices. Some have to resort to use Centrelink's bond whenever it is available to pay bigger bills, living with less money on a weekly basis.

Some of the comments made are:

"I thought when I was working I had saved enough money to live comfortably in my old age, but after I retired I used all my savings just to live"; "it is really painful for some seniors to have to resort to ask for money from charities to pay electricity or other household bills".

c. The impact of these cost pressures on older Australians and their families, including caring for their grandchildren and social isolation

Many seniors look after their grandchildren on a regular basis. Others will only look after them on school holidays. This puts an extra burden on their budget as even if their children cover the expenses of the grandchildren's maintenance; they find that they need to cook different meals and buy different food, use more heating and use extra hot water when their grandchildren are staying with them. This adds to the overall expense of running the household. Other seniors will not ask their children to cover the expenses as they feel that they show their love to them by taking care of the cost of looking after the grandchildren.

None of the seniors present had the care of their grandchildren, but they knew of friends or acquaintances who did. They believed that looking after children full time would greatly add to all household expenses as well as all the added cost of raising a child. In addition, these grandparents are not able to socialise.

Workers commented that community agencies, particularly those with culturally and linguistically diverse backgrounds (CALD) clients, have noticed that grandparents who look after grandchildren stop going to social outings,

unless the agencies provide childcare. Many have had to employ childcare workers in order to continue their services to older people.

Grandparenting, on a part-time or full-time basis also affects the deteriorating health of older people and puts a lot of strain on their whole well being. However, everybody is different and there are grandparents who love looking after their grandchildren, regardless of their health status.

d. The adequacy of current tax, superannuation, pension and concession arrangements for older Australians to meet these costs

It was generally agreed that pensions and superannuation savings are not adequate for older people to have a moderate standard of living. They all struggle to meet the cost of living, in view of the above mentioned pressures with increased prices. They struggle in different ways. Some examples below:

- There were **no fully self-funded retirees** among the participants
- Older people on **part superannuation**, believed to be more disadvantaged as they have to pay tax and received less pension and less benefits than a person receiving a full pension.
- A senior with a **part overseas pension** believed that she is disadvantaged as when her overseas pensions rises, she gets less Australian pension, however because of the discrepancy in the currency change, she ends up receiving less money than a person on a full Australian pension.
- Seniors who **owned their home** believe to be more disadvantaged than a person living in public housing as they have more expenses to run their house
- There was no participant living in **public housing** at this meeting. Workers believe that people in public housing are struggling too. They also experience isolation, safety issues and other disadvantages.
- There was no participant living in private tenancy, but some of the issues they face are high rent, no options to move or modify their homes as they become frail. In this area there is a 10 year waiting period for public housing.

e. Review the impact of government policies and assistance introduced across all portfolio areas over the past 10 years which have had an impact on the cost of living for older Australians

The participants felt that they did not have sufficient knowledge or understanding of all the government policies and assistance across all portfolio areas over the past ten years, nor the way these policies or assistance have impacted on the cost of living for older Australians. However, a few changes affecting them will be mentioned below:

- **Reduced building of public housing** has affected the area enormously. At the moment there is a waiting period of 10 years or

more for public housing in this area. Older people and workers are noticing the impact of living in rented accommodation and how many people are becoming homeless in this area.

- **Inadequate allocation on Health funding** has increased the demand on health services. Less allocation for health in an area of high need is affecting older people in this area. For example, older people with diabetes who used to access Podiatrist services every 6 months, at the moment are only eligible to visit the podiatrist services every 12 months.
- **PBS scheme.** Seniors have noticed that some medicines which used to be on the PBS scheme now cost more. They believe the government has taken out subsidy to some medicines. Increase in assistance for medicine is not enough to cover the cost of medicines.
- **Penalties to Private Health Insurance.** People who didn't take out private health insurance before a certain period of time have incurred penalties.
- **The cost of Home and Community Care (HACC) services.** Older people who need more than one HACC cannot afford these services. For example someone who needs home assistance, personal care, community transport and home and maintenance services may need to pay \$80.00 extra per fortnight in expenses. Many don't feel empowered to negotiate fees and prefer to go without services.
- **Cost of public liability insurance impact on senior groups.** Many senior groups have dissolved or lost their incorporated agency status due to the increase in public liability insurance. Senior leaders are not prepared to lose their homes if there is a liability against them for organising activities or outings. Leaders have been complaining about this to local government, but it is not the local governments responsibility to legislate about insurance policies. Smaller ethnic organisations who have supported many groups, cannot afford to keep supporting them.
- **Reduction of funding for settlement services for smaller ethnic organisations.** Some small ethnic organisations have seen the amount of linguistically and culturally appropriate services that they provided reduced as they are not in a position to run with minimum funding and meet increased government accountability. This has particularly affected older people, who after working and raising their families and looking at learning English and joint social support groups or simply want to learn new skills or become volunteers. Smaller ethnic organisations who have supported many people and groups in the past cannot afford to keep supporting them.

The last comment from some people in the group is that MPs should live for one month on a pension and see how older people must be forced to live their lives.