

5 July, 2007

Elton Humphery
Committee Secretary
Community Affairs Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Humphery

SENATE INQUIRY – COST OF LIVING AND PENSIONERS

Enclosed is my public submission in respect of the Senate Inquiry into the cost of living and pressures on pensioners.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Mary Maxwell".

Mary Maxwell

**SUBMISSION
TO
STANDING COMMITTEE ON COMMUNITY AFFAIRS**

**Cost of Living and Pensioners
(with special emphasis on women in the 55-60+ age group)**

1. Lack of Superannuation

It is distressing that there is perception in the media, and in a Government that is obsessed with bank balances, that people without sufficient superannuation are a burden and drain on the system as they have been negligent in failing to provide for their own old age.

History is conveniently ignored and it is too often forgotten that superannuation was not available for many men in this age group - and not at all for women - during the years in which they may have been at their most productive in the full-time workforce, i.e. the 1960s-1990s.

Even if one had put away a few dollars a week since the 1970s, periods of rampant inflation in the 1980s, high taxation, the introduction of the GST, and continual cost of living rises have all combined to erode the value of any such savings.

In particular, those who are currently over 60 often have more in common with the previous wartime generation than the “baby-boomers” who came after them, and who reaped the benefits of greater access to tertiary education and an equal opportunity workplace.

Women of this age may be partners of men already on the Age Pension. They often started full-time work in their teens, married young and had children, with fractured working lives thereafter. Their income was used primarily for the benefit of their families and, most likely, to pay

off a mortgage. Few of them could have foreseen that they would no longer be entitled to a pension at 60 and be expected to “work until they drop”.

2. Amend Newstart Allowance - OR

Re-establish Mature Age Allowance - OR

Introduce an Aged Pension Partner’s Allowance

The Newstart Allowance is completely inappropriate and unsuitable for many mature-age people, especially those who are only a few years away from eligibility for the Age Pension.

Seniors who have never previously had to apply for Government assistance, can find the process both depressing and demeaning. They would rather struggle on and use up all of their savings, or take out a reverse mortgage to fund their daily living expenses, than admit their lack of funds and go cap-in-hand to the Government for benefits.

For those who do, unrealistic expectations can be placed on them by Jobsearch and Centrelink. Women in particular who have had erratic working lives, or outdated qualifications, are now forced to look for work, often for the first time in decades, and are expected to compete on the same playing field as people young enough to be their grandchildren.

Despite overblown rhetoric by consultants, think-tanks, media, and the Government itself, the bottom line remains that most employers are still reluctant to take on mature-aged workers, even those only still in their 40s. They most certainly are not interested in anyone over 60 and the Government must consider more compassionate and practical approaches.

Instead of forcing seniors into useless “one-size-fits-all-ages” retraining exercises and expecting them to compete for jobs in a highly-dynamic and youth-oriented working environment, they need to be given greater credit for their life skills and acknowledgement of choices made in a less competitive and judgemental era.

3. The volunteering option under Newstart

Since July, 2006, those over 55 on Newstart have had the option that their “work” obligations can be 15 hours of voluntary work per week.

Initially, this may seem a fair and more comfortable option for those who are finding the Jobsearch procedures both difficult and stressful, but it is often just as onerous in its demands, with fortnightly personal attendance to submit forms at Centrelink offices, as well as ongoing rigid compliance.

Many seniors have always volunteered in numerous ways: from school canteens to sports events, for charities and with service clubs. But the very nature of volunteering changes when it is turned into an inflexible “working” obligation with no quarter given for occasional days’ absence due to illness or to attend to personal family matters, and not even permitted holidays without loss of part, or all, of their allowance.

Under these Centrelink requirements, “volunteering” is now in danger of turning into a pittance labour force that fulfils Government quotas and disguises the real state of affairs in seniors’ unemployment.

Volunteer organisations are also being put under added pressure to find long-term employment for increasing numbers with a corresponding blow-out in paperwork and record-keeping, and they may

even be forced into falsifying attendance in order to permit their much-valued volunteers the flexibility and mutual respect that is enshrined under the Principles of Volunteering.

3. Tax deductions

a. Costs associated with volunteering

There are no tax benefits for people who volunteer, either of their own volition or under Centrelink obligations. Unless the non-profit organisation is in a strong financial position that enables it to assist with transport costs, many volunteers are being forced to pay the bulk of these costs out of their own pockets. Transport and petrol costs have risen drastically in recent years and charities are already finding that some of their volunteers on fixed incomes have to think twice about their ability to assist.

b. Medical Insurance

Some seniors, even those on Government pensions, struggle to maintain membership of medical funds, the premiums for which increase every year. A full tax deduction on these could help to keep more seniors in private funds and thereby also help to take the pressure off the public system.

c. Tax on Savings Accounts

Those seniors without superannuation may have small-balance “rainy day” savings accounts. A fair maximum balance should be established and these accounts made completely free of declaration for income tax.

5. National Seniors Card

It is a sad indictment on what a country thinks of its seniors when they cannot travel interstate and get the same transport and other concessions that they do at home. Even Canada and the UK will accept a Seniors' Card issued in one of the Australian States, yet a Card valid for Victoria cannot be used in New South Wales or Queensland, etc.

6. Changes in society and overall pressures on seniors

It is not always appreciated by Government that both men and women in this age group are often forced to shoulder more personal and family responsibilities as they get older, instead of less. Not all of them are the media stereotypes of fit and wealthy "grey nomads" with time and money to indulge in their own interests.

Even if they are lucky in not having major health issues of their own to contend with, they could have the inevitable minor issues that come with age, e.g. osteoarthritis, that can sometimes limit their activities.

Yet they continue to be the bedrock of our society.

They may still have students or adult children at home, or some who have returned after their own relationship, personal or financial breakdowns.

They baby-sit grandchildren, either regularly or in emergencies.

They increasingly have responsibility for the care and welfare of aged parents, sick partners, or others in their community.

To also expect them to continue to remain dedicated to jobs which may no longer suit them, retrain or force them look for new work, or insist

they volunteer a set number of hours per week, all just adds to the emotional and physical load.

A strong and healthy society is one that respects and rewards the wisdom and life-time contributions of its senior members. A Government that marginalises and penalises them with pensions and allowances that are below the poverty line can never be a true representative of such a society.

Mary Maxwell 5/7/07
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