

NCOSS Submission to the
SENATE COMMUNITY AFFAIRS COMMITTEE

Inquiry into the cost of living pressures on older Australians



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Council of Social Service of NSW (NCOSS),
66 Albion Street, Surry Hills, 2010
Ph: 02 9211 2599, Fax: 9281 1968, email: chris@ncoss.org.au

About NCOSS

The Council of Social Service of NSW (NCOSS) is the peak body for the social and community services sector in New South Wales. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in NSW. It was established in 1935 and is part of a national network of Councils of Social Service, which operate in each State and Territory and at the Commonwealth level.

NCOSS membership is composed of community organisations and interested individuals. Affiliate members include local government councils, business organisations and Government agencies. Through current membership forums, NCOSS represents more than 7,000 community organisations and over 100,000 consumers and individuals. Member organisations are diverse, including unfunded self-help groups, children's services, youth services, emergency relief agencies, chronic illness and community care organisations, family support agencies, housing and homeless services, mental health, alcohol and other drug organisations, local indigenous community organisations, church groups, and a range of population-specific consumer advocacy agencies.

NCOSS provides an independent voice on welfare policy issues and social and economic reforms. It is the major coordinator for non-government social and community services in NSW.

NCOSS congratulates the Senate Community Affairs Committee for undertaking this important Inquiry and welcomes the opportunity to respond to the Terms of Reference. Due to time constraints, it has not been possible to cover all possible areas in depth. Accordingly, NCOSS has chosen to highlight a number of issues that may not be emphasised in other submissions to the Inquiry.

In preparing this submission, NCOSS has drawn on consultations with the NSW Aged Care Alliance and the NSW Aboriginal Community Care Gathering Committee.

The NSW Aged Care Alliance communicates with over 50 organisations concerned with the adequacy and quality of aged care services to older people in New South Wales. Convened by Council of Social Service of NSW (NCOSS), it comprises consumer representatives, industry organisations, universities and education facilities and others actively promoting the needs, rights and interests of older people focussing on all forms of aged care, including healthy ageing. The NSW Aged Care Alliance meets on a bi-monthly basis to discuss issues and strategies to advance its objectives.

The NSW Aboriginal Community Care Gathering Committee is a group of nominated Aboriginal leaders and managers who meet to advance community care for Aboriginal and Torres Strait Islander people in NSW. The work of the Gathering Committee involves policy development, tri-annual conferences, responses to Government initiatives and regional and state networking. Specific inclusions from the Gathering Committee are identified within the submission. However, consideration of the needs of Aboriginal and Torres Strait Islander people must not be limited to this advice. NCOSS recommends that the Senate Community Affairs Reference Committee undertakes specific investigation into the financial pressures on this seriously disadvantaged group.

Please contact Christine Regan at NCOSS for any further information on
ph 02 9211 2599 ext 117 or chris@ncoss.org.au

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Older People in financial stress

Indications of financial pressures on older people can be drawn from the 2002 data on financial stress from the ABS General Social Survey. (The 2006 data, expected in June 2007, was not yet available at the time of writing.) In NSW, the proportion of people over 65 years who are unable to raise \$2000 for something important is 10.9% or approximately 80,000 people. The NSW data on labour force status is even more alarming, showing that approximately 13.9% of retirees are unable to raise \$2000 at a pinch – or approximately 140,000 people. This compares with 7.9% of full time workers who are unable to raise \$2000 (172,000 people) .

Housing Issues

A person's housing type and tenure greatly impact on their ability to manage on low and/or fixed incomes. In this respect, housing issues are a shared responsibility of all levels of government if financial pressures on older Australians are to be truly considered.

Housing stress

A projected increase of 115% from 2001-2026 in the number of lower-income people aged 65 + years living in rental households far exceeds the supply capacity of the social housing system¹. In 2001 this figure was 195,000, increasing to 419,000 people in 2026. AHURI reports that, during that time, the number of low-income renters aged 85+ years is likely to increase by 194%, from 17,300 to 51,000.

Similarly, the number of older low-income sole person households will increase by 120% from 110,800 to 243,600 in the 25 years from 2001. Two thirds of these households will be sole women. The number of households of older low-income couples will increase by 117% during that time, up from 32,200 to 69,900.

Private renters

In 2002-03 around 5% of older persons rent from a private landlord². Of those on the Aged Pension, the average Commonwealth Rent Assistance payment was \$69 per fortnight. In cities such as Sydney this only marginally improves housing affordability. The median rent for a one bedroom dwelling in the middle ring suburbs of Sydney in June Quarter 2006 was \$260 per week. A key issue is the need for all levels of government to address affordability problems for older people who rent in the private rental market.

With the number of older low-income private renters facing housing stress escalating, many more older people will require assistance with access to affordable housing. Under the five year Reshaping Public Housing program, the NSW Government announced spending measures in 2006-07 to address the housing needs of older people amounting to \$80 million for new homes and \$15m on modifying existing homes for older people. Despite this initiative, social housing stock will increase by only 289 dwellings in 2006-07. With an ageing population, the provision of social housing must be greatly accelerated. With over 50,000 people on the waiting list for

¹ Rental Housing provision for lower income older Australians, May 2007 Australian Housing & Urban Research Institute

² Australian Bureau of Statistics, 'Australian Social Trends, 2005, Cat No 4102.0. Older person households are those in which the reference person is 65 years or over.

public housing in NSW³, the NSW Aged Care Alliance recommends greatly increased investment in new properties for social housing as well as greater access to affordable secure housing for older low income people.

Older people and homelessness

The Supported Accommodation Assistance Program (SAAP), funded jointly by the Commonwealth and State governments, provides accommodation support including refuges to disadvantaged people throughout Australia. NSW has a higher proportion of older SAAP clients at 32% than the national average of 26%. 67% of older SAAP clients used services in capital cities and metropolitan centres and 61% of all older SAAP clients were male. By comparison, older Aboriginal people represented only 1.1% of the older population but comprised 17% of older SAAP clients. Conversely, older Aboriginal SAAP clients were more likely to be female at 54%. Preliminary information from the Australian Government indicates that the reasons many older clients approached SAAP included: domestic violence, drug and alcohol problems, sleeping rough, usual accommodation was no longer available, financial problems, recent arrival in the area with no supports, psychiatric illness.

Transport Issues

As with housing, transport is a critical enabling service, affecting an older person's ability to function in society. Transport issues are one of the most consistent issues for older people across NSW, especially in regional and rural areas.

Transport for people in residential aged care

In 2003, NCOSS undertook a research project into the transport needs of people living in residential aged care facilities (nursing homes and hostels). A copy of the report entitled *On the Road Again*, is attached to this submission but findings showed that more than a third of residents had no significant access to the support of family and friends and that residents reported that they could afford up to only \$10 per week on transport. Residents consistently reported that they were unable to make essential trips due to costs, including the costs of the actual transport and in addition to the added costs of a necessary accompanying escort.

Rural and regional transport.

Older people in metropolitan areas in NSW have access to a range of concessions for public transport services, including relatively inexpensive all day integrated fares such as the Pensioner Excursion Ticket. Older people in rural and regional areas do not have access to the same suite of concessions, and face a premium on fares in comparison to metropolitan services. This is a particularly important issue for households that do not have access to a car.

Access to country rail services

CountryLink now imposes a booking fee on pensioners who wish to use their 'free' entitlement to travel on country rail services. The booking fee is set at \$10 or 15% (whichever is higher), and acts as a disincentive for some older people using their free travel entitlements to visit family or access important services. The NSW Aged Care Alliance has recommended the scrapping of this booking fee as it is prohibitive for people on very low incomes.

³ Director-General, Department of Housing at Budget Estimates Committee provided figure of 53,328 at June 2006. This compares with Australian Institute of Health and Welfare's figure of 73,734 at 30 June 2005

Transport to health services and treatments

Health services in NSW have been restructured in many areas, with the closure of local hospitals and a decline in home visits by general practitioners. This means that many older people must make their own arrangements to attend health treatment, which can prove difficult for older people who are not able to access a motor vehicle or public transport, particularly in rural and regional areas. Assistance is available through community transport in some areas, but these services often have limited capacity, while the NSW Isolated Patients Travel Accommodation Assistance Scheme can have significant barriers for low income applicants.

Household Utilities

Energy

Many older people have limited disposable income to respond to large price increases for essential services. In NSW there has been significant restructuring of retail prices for electricity, with above CPI increases since 2004, and planned increases in charges that will see prices increase by over 20% in real terms over the next three years. The NSW government currently offers a rebate for pensioners on their energy bills of \$122. The rebate is not indexed, either in relation to CPI or to electricity price growth, thus many older people are likely to bear the full impact of recent (and future) increases. Full retail competition, as planned in national energy markets by 2010, is likely to create a great deal of uncertainty for many low income energy users.

At the April 2007 Financial Counsellors Assoc of NSW Conference, NSW Country Energy reported that approximately 330 of the 450 people on their Hardship Program were people over 55 years. They explained that people likely to be in financial hardship were older people in drought affected areas and older people living in private rental properties.

Dental care, Oral health

Good oral health care is essential for good general health and unlike many other conditions there are no alternatives for dentistry and oral health treatments. Good oral health contributes to the overall health of the older individual. The need for medically necessary oral health care is well documented in conditions such as diabetes, heart disease, immune deficiency diseases, cancer, head/neck surgery and radiotherapy. There are no self-help options for dental/oral disease. Oral health problems can lead to malnutrition, chronic pain, disability and infection resulting in illness and subsequent increasing costs to the public health budget. Poor oral health also results in impaired speech, loss of self-esteem, restriction of social and community participation, and impedes the ability to gain employment.

Poor oral health need not be considered simply part of the ageing process. The long term effects of oral disease throughout life often becomes apparent in later years as does the prevalence of chronic disease associated with poor oral health. This in turn is compounded by the inability for older people to access services both financially and physically.

Access to affordable, good quality, dental care is unevenly spread across NSW. Many disadvantaged population groups, in particular rural and remote communities, Aboriginal communities, the unemployed, older people, residents of nursing homes and the working poor, are further disadvantaged as they are unable to afford private dental treatment but are also unable to access timely, preventative treatment through

the public system. This is exacerbated in rural areas due to a non-existence or lack of both public and /or private dental services, limited public transport and long distances to regional clinics.

As a result of poor resourcing and funding, the public dental system has been described as one that predominantly provides emergency, acute or episodic treatment. There is limited long term care and little in the way of prevention. Users of the public dental system often miss out on a range of preventative services offered through the private dental system such as fillings and restoration of teeth. As a result, many consumers have to cope with missing or badly broken teeth or have teeth removed. This can result in further disadvantage through social isolation and exclusion from employment opportunities.

Among adults in NSW:

- two thirds don't have all of their natural teeth;
- only 1 in 10 have a dental check-up each year;
- more than 25% have a filling each year, and
- hospitalisations for the removal or restoration of teeth have increased in recent years

At present low income and disadvantaged groups of older Australians are denied good dental care as a result of inadequate funding for public dental health services. The Commonwealth Dental Health Program introduced in 1993 gave disadvantaged older people limited access to dental care. Since the Commonwealth Dental Health Program was not renewed in 1996, waiting lists have grown by 29% and remain unacceptably high, despite limited funding increases by State Governments. There are currently 650,000 people on waiting lists for public dental care in Australia with the average waiting time of 27 months.

The National Survey of Adult Oral Health 2004-2006 for Australia showed that dental visits were less frequent and oral diseases were more common among the elderly and among Aboriginal and Torres Strait Islander Australians. These findings provide evidence that supports Australia's National Oral Health Plan which places priority on three population groups: the elderly, low income and disadvantaged groups, and Indigenous Australians.

The National Oral Health Alliance recommends that the Commonwealth Government play a coordinating role in oral health care planning and delivery in Australia, ensuring more resources are directed to public dental care and preventative programs.

The National Oral Health Alliance recommends that the Commonwealth Government should ensure that all people on concession cards have a free basic course of dental care every 2 years. This preventative health measure would help improve the poor oral health of people on low incomes and lessen the number of tooth extractions and more expensive treatments needed.

This recommendation is on the basis that the Commonwealth Government would provide funding for this initiative through the States and Territories on the condition that they bring their own expenditure up to the new level of Commonwealth funding. States and Territories also need to fulfill their responsibilities under the National Oral Health Plan including expansion of fluoridation, health promotion, planning and accessible high quality adult oral health services.

Grandparents raising grandchildren⁴

According to the ABS in 2003 there were 22,500 grandparent headed families in Australia, of whom 10,000 are in NSW. It was estimated that 31,100 children aged up to 17 years lived in these families. Owing to the large number of 'informal' arrangements made within families regarding parental responsibility for children it is widely considered that these figures are well below the true numbers. Studies of grandparents who are acting as primary carers indicate five significant areas of need: financial support, recognition and understanding, respite, information, and group support.

The importance of financial support is underlined by the fact that two-thirds of the grandparent carers identified in the ABS Family Survey of 2003 were age pensioners. Their situation becomes increasingly difficult as they grow older and the requirements of the children increase. If grandparents did not provide care, governments would need to assume responsibility and find foster carers. Unlike foster carers, grandparents believe they have no choice but to take care of their own. They want to be recognized by government and by the community as a new family grouping in which they are directly involved both with their children and their grandchildren.

They do not receive sufficient recognition by child protection agencies. In particular, grandparent carers are concerned that they are doing the same kind of job as foster carers but without the benefits or recognition which apply to foster carers. In addition, they are placed in very difficult situations if one or other parent decides to reclaim the children, who have in the meantime established strong emotional bonds with their grandparent carers. Here again, they are at a disadvantage compared with foster carers.

They also need reliable information on a range of issues including legal rules, finance, respite care, counselling, parenting, and community resources. Although some of this is provided by voluntary agencies, government support is also needed. Grandparents have asked that eligibility for Legal Aid be reviewed to include grandparents and that the assets test for Legal Aid have the same eligibility criteria as the aged pension.

Social isolation

Support at home

While the Home and Community Care Program (HACC) is aimed at supporting mainly frail older people to remain at home and avoid premature admission to longer term care, one of the strengths of HACC is the provision of social supports to reduce isolation. An older person with reducing social contact and connectivity will be vulnerable to depression, often leading to accelerated physical deterioration.

It may be useful to provide a picture⁵ of HACC clients in NSW:

- HACC reached 196,442 people in NSW in 2005-06 or 25.42% HACC clients in Australia
- 65.8% of NSW HACC clients were female, 34.2% male

⁴ NSW Aged Care Alliance Election Issues Kit – February 2007 c/- NCOSS

⁵ Information drawn from the Productivity Commission Report on Government Services 2007 and the HACC National Minimum Data Set 2004.

- 14.5% of NSW HACC clients mainly spoke a language other than English at home
- 3.4% NSW HACC clients were Aboriginal & Torres Strait Islander people
- 76.2% NSW HACC clients were aged over 70 years
- 31.9% NSW Aboriginal HACC clients were aged over 70 years
- 0.3% NSW HACC clients were carers
- 91.5% HACC clients received a government pension or benefit
 - 67.4% Aged Pension
 - 11.2% Disability Support Pension
 - 11.2% Department of Veterans Affairs
- 54.6% of HACC clients lived with family or friends, 45.4% lived alone
- Type of Housing:
 - 72.9% in own homes or under purchase
 - 10.1% in public housing
 - 9.5% in private rental
 - 3.9% in self-care in retirement villages
 - 1.2% in residential aged care facilities
 - 0.6% in supported accommodation
 - 0.4% in temporary or insecure housing
- Location:
 - 60.1% major cities
 - 26% inner regional areas
 - 12.1% outer regional areas
 - 0.9% remote areas
 - 0.1% very remote areas

This picture reveals the very vulnerable nature of HACC clients and suggests that many older people using other related community care programs have very similar profiles. From a financial viewpoint, the vast majority of people seeking to access government provided supports may be people already in situations of varying financial disadvantage.

Aids and equipment

The NSW Aged Care Alliance⁶ has identified that the affordability and availability of equipment can be a determining factor in whether a person can be supported in their own home and maintain their independence. Aids and equipment must be available to support older people at home, thereby avoiding high cost and often premature admission to residential aged care.

Abuse of Older People

The abuse of older people is a significant public policy issue, although it affects a small proportion of older people in its more extreme forms. Prevalence studies suggest that between 4% and 6% of older people are victims of abuse when all types of abuse are considered. The most common form of abuse of older people is considered to be financial abuse.

The more severe forms of abuse, such as physical and sexual assault are rare. Research on clients of Aged Care Assessment Teams (ACATs) found between 1% and 5% are victims of elder abuse. The NSW Government took a lead on the issue of abuse of older people in the 1990s. For example, the NSW Advisory Committee on Abuse of Older People produced an Inter-Agency Protocol in 1995 covering

⁶ NSW Aged Care Alliance Submission to the Senate Inquiry into Aged Care 2004 (see NCOSS website)

identification, assessment, case management, other interventions and legal intervention, and a training package for community care workers was released in 1996. NCOSS has called upon all levels of government to develop strategies to address the financial and other forms of neglect and abuse of very vulnerable older people. However, NSW has fallen behind other states in responding to this issue since the turn of the century.

Issues for Aboriginal and Torres Strait Islander older people

Aboriginal and Torres Strait Islander people have been disadvantaged for many years without access to many of the opportunities other Australians take for granted. The issues for Aboriginal and Torres Strait Islander older people are complex and require deliberate attention.

Because Aboriginal people have lower life expectancy than other people in the population, their timely access to aged care services and other supports can be delayed and the appropriateness of those services can be diminished without attention to individual needs and cultural responsiveness.

Aboriginal and Torres Strait Islander carers play a fundamental role in providing care within their community. Many Aboriginal and Torres Strait Islander carers find the provision of mainstream services too inflexible to meet their changing needs. In fact, many Aboriginal and Torres Strait Islander people do not identify as having a caring role despite their cultural commitment to the support of their family members. To be responsive to the needs of Aboriginal and Torres Strait Islander carers, mainstream services must be flexible and understanding of the access needs of Aboriginal people eg. by employing Aboriginal and Torres Strait Islander staff, providing cross-cultural training, recognising the need for emotional support for carers, culturally appropriate assessment, access to information and training and responsive transport services.

Investment in Aboriginal service provision

In 2006 in New South Wales, the NSW Aboriginal Community Care Gathering Committee conducted a conference for Aboriginal and Torres Strait Islander providers and staff of Community Care and Disability Services. The conference affirmed, through its latest Position Statement, *Leading Our Way In Community Care*⁷, that the most important ways to provide equitable access to culturally appropriate services were to progress the self-determination of services delivered by Aboriginal people with quality training and appropriate recruitment, proper representation within decision-making systems, designated investment in Aboriginal and Torres Strait Islander service provision as well as improved access, service quality and transport.

Access to the Seniors Card

The NSW Government currently provides a Seniors Card to older people aged 60+ years who work less than 20 hours per week. Seniors cardholders are entitled to a range of discounts from government and private business services as well as significant transport benefits. Due to the lower life expectancy of Aboriginal people, many people do not have equitable access to Seniors Card concessions and benefits from age 45 years. While the priority must be improved life expectancy, Aboriginal people must be able to access affordable services. The 2001 Census indicated that there were around 12,700 Aboriginal and Torres Strait Islander people between the ages of 45 and 60 years in NSW. It is estimated that around 5000 people could be

⁷ Available on the NCOSS website www.ncoss.org.au

eligible if the Seniors Card were extended to provide identical concessions, at an estimated cost to government of only \$1 million. The card could be re-named for Aboriginal communities.

Community care fees

At the *Leading Our Way in Community Care*⁸ Conference in Dubbo in 2006, the NSW Aboriginal Community Care Gathering Committee conducted a survey to assess the ability of service providers to collect fees from their Aboriginal clients. Approximately 87.5% said their clients paid fees only occasionally, or not at all. Many respondents said that clients could not afford to pay, that clients would cease or reduce their services, that fees would cause hardship and that clients would refuse to pay.

Volunteers

Many support services to older people rely on the generous time and energy of volunteer workers as a critical part of their service provision. Many of these volunteers are themselves older people, people who have retired from their substantive employment wanting to make a contribution to the local community.

As the funding base for volunteer services does not keep pace with demand, there is a tendency to load volunteer workers with increasing responsibilities with a greater reliance on the personal finances of the volunteer. Some services that rely on volunteers are having significant problems with volunteer recruitment, arguably due to additional expectations as well as increasing reliance on volunteers personal financial resources, and this also impacts on volunteers for local management committees. These issues can be intensified within Aboriginal and Torres Strait Islander communities, within culturally and linguistically diverse communities and in rural and regional areas. Older people also want to be recompensed in recognition of their value as volunteers.

Conclusion

NCOSS welcomes the opportunity to respond to this Senate Inquiry.

Should any further information be required,
please contact Christine Regan on 02 9211 2599 ext 117
or chris@ncoss.org.au

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⁸ Conference Report available on the NCOSS website www.ncoss.org.au