



OPSO

PO Box 1037

Mount Gravatt 4122

Telephone: 07 3219 2572

Email: opso@zipworld.com.au

Web Site: <http://www.opso.com.au>



Committee Secretary
Senate Community Affairs Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

July 20, 2007

Dear Committee Secretary,

On behalf of the membership of OPSO, I have pleasure in forwarding herewith OPSO's submission to the inquiry into **the Cost of Living Pressures on Older Australians**. This submission was approved by the members on July 17th 2007.

Our organization also wishes to have the opportunity for further elaboration of this submission and presents itself as a potential target group for the continuing debate of the issue.


OPSO is an independent free-spirited group with the experience, knowledge and qualifications to speak out on older people's issues without fear or favour.

Our members include qualified people from various professions.

We share our professionalism with others to help them to acquire the skills which will empower them. In this way we promote healthy ageing.

We promote the previously unrecognised contribution older people make to the stability of society through the State and National Media Awards annually.

Yours sincerely



Val French AM
President OPSO

Older People Speak Out - - - The Voice of Reason

OPSO (Older People Speak Out) Organisation Incorporated ABN 40-936-702-414



**Submission to Senate Community Affairs
Committee**

**Inquiry into the Cost of Living Pressures on
Older Australians**

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Older People and Poverty:

Older people are more frequently getting into poverty through no fault of their own. This was made loud and clear at the policy Speakout conducted by Older People Speak Out and hosted by the Older Women's Network in Brisbane this week.

While the older people agreed they shared the community and Federal government's concern for the environment and more appropriate education for their grandchildren, angry participants first attacked what they described as the blatant inadequacy of the single age pension. People who went from the married pension to the single pension said they found it impossible to cope. Couples on a full age pension share household costs like electricity, rates and home maintenance, or rent, phone, furniture, white goods, car and holidays.

There needs to be a major increase in the single pension to give it parity with the married pension or by extra quarterly payments to pay for these regular expenses. If the Federal government is reluctant to revalue the existing pension ratios, then a quarterly payment to those single pensioners deemed to fall below the poverty line would assist those most in need. The GST takes over \$1,000 per year from the single pension of an older person.

Housing:

Accommodating an ageing society appropriately is one of the major issues facing Australian society especially in Queensland which remains a growth area for older people. Over three quarters of the population of over 60s own or are paying off their own home. Long-term residence in their own home provides a sense of security and continuity and a base for daily activities and social interaction. It also provides an asset base for their entry into appropriate aged care facilities if they are required.

Many older Australians have not had the opportunity to build assets through the purchase of a home or through superannuation and are fully dependent on government income support. They are particularly impacted by fluctuations within the private rental housing market and in Queensland are finding it increasingly difficult to access social housing such as public housing.

While some rental rises are based on annual increments, with the growing shortage of rental accommodation older people are often faced with unforeseen private rental increases which leaves them a] out of pocket for essentials such as food and utilities or b] unable to meet the increased cost of rental at all.

Lack of suitable rental housing for single older people is particularly acute. Research has shown that the Commonwealth Rental Allowance has failed to grow to meet the increasing demand. The maximum amount of CRA is fixed at \$102 a fortnight and this must be changed. There also needs to be a new Commonwealth/State Housing Agreement to increase funding to the States to build or acquire more rental houses.

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OPSO supports the submission from Qld Shelter Inc. a peak housing advocacy body on the issues facing older people and their housing and the real risk of after-housing poverty many will face over the coming years.

Superannuation and Pensions:

The Better Super Handbook put out by the Treasurer in early July 2007 draws attention to many important changes to Superannuation which came into effect on 1 July, 2007. While these changes improve on the previous system, and encourage voluntary contributions, they do not address major flaws as outlined below.

- If Australians are to live comfortably after retirement, they require an income from savings or superannuation.
- Any retirement income less than the Pension Income or Assets cut-off limits entitles the retiree to a (part) pension which is a drain on public funds.
- Australians have been described as a nation that has a very low level of personal savings.
- As the proportion of people of pensionable age rises vis-à-vis the numbers in the work force, reduction in the total pension commitment should be prudent Government Policy.
- Currently the Superannuation Guarantee Levy – the only method of ensuring that people do save and thereby lessen their possible eligibility for any Government pension on retirement, is set at 9%.
- Raising the SGC to a more equable level – say 15%, would increase each individual's personal superannuation on retirement, in particular those people who might otherwise not choose to contribute voluntarily.

Older Workers:

Re- education of employers on the value of older workers is **top priority** if business is not to run out of qualified employees. As the population is ageing later, there needs to be continued **up-skilling** of the workers to enable them to taper their hours. Figures show that over 50 percent of retired people want part-time work. One of the biggest issues raised by participants in OPSO's speakouts is the process of "retraining" very skilled people into new fields after the age of 55 years of age. It would be more appropriate to upskill them in their area of expertise should the need arise.

There are some areas of employment for which older workers are suitable, and some that are not e.g. physical limitations. Has this been studied? If not a study is warranted and the results used to inform and educate both employers and employees. The bottom line is the major economic focus, but employers need to recognize that the welfare of their employees is part of that bottom line - this is a function of the Union movement, Govt., Employer groups and Management Consultants.

The questions of working hours, paid and unpaid overtime need to be addressed, initially through education rather than regulation. As unemployment drops, this could well self-regulate. The advantages of job-sharing need to be advanced, both across age groups and for mothers with

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young families. Apprenticeships, expanded to include University and TAFE students may be one method of meeting higher HECS fees.

The nature of employment is changing with fewer people remaining in the one job or even related job for life. Flexibility is the key - flexibility of attitude, flexibility of qualification, flexibility of location. There are areas where Govt. action/private enterprise could change/enhance employment patterns, e.g. decentralization of industry, development of 'hot rocks' and other new technologies, avoidance of waste, red tape and duplication of effort, particularly between levels of Government and separate departments of Govt.

Health Care:

Medicare should cover dental costs. At present many older people cannot afford dental treatment and their health suffers as a result.

There is an urgent need for a full review of nursing home costs and practices. Nursing salaries should be the same right across the board, and to encourage people to take up aged care nursing, student nurses should be paid.

Grandparents Raising Grandchildren:

This submission by Older People Speak Out Inc. supports the broader submission from the KinKare organisation so reflects the issues already raised by them.

There are three main ways that grandparents find themselves raising grandchildren; by having them placed through child protection agencies; by Federal Family Court orders or by informal family arrangements. In each of these cases there has been great family trauma leading to the inability of the parents to care for their own children. In most instances this trauma has been ongoing over a period of many months, usually years.

The most common initial cause of the breakdown is drug and/or alcohol abuse. (KinKare recently addressed a House of Representatives inquiry into the effects of illicit drugs on families and have received a reply from Kay Elson MP indicating Government is working on this very important issue.). Children, parents, grandparents and other family members who have lived through this know the debilitating effects on all.

Grandparents find themselves having to suddenly rearrange their whole lives to accommodate the needs of the family at great personal and financial expense and with little to no support. In doing so, they save both Federal and State Governments considerable amounts of money ...at the time. Eventually, though, the cost is far greater.

These families need urgent, and specific, assistance not currently available to them. KinKare was established in 2002. Since then

- a) It has addressed the Federal inquiry into the plight of children after family breakdown and consequent new laws recognized the rights of grandparents. (These are yet to filter through to the judges and magistrates it seems.)

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- b) The grandparent child care benefit has been introduced through Centrelink
- c) It has addressed the House of Reps committee re the effects of illicit drugs on families and progress has been initiated.
- d) It has addressed the Q'ld CMC inquiry into children in foster care and "kinship" carers are now formally recognized in State legislation for the first time and the State now has a respite programme for selected carers.
- e) This inquiry has included our carers in its terms of reference.

All of these things are indicative of a raised awareness of the predicament of parenting grandparents. However, as a social worker of some years of experience put it, the issue is at the same place domestic violence was just a few years ago. So much more needs to be done as a matter of urgency.

Grandparents need to be **recognized as the carers they are** and therefore become eligible for a carers payment and allowance without having to label their grandchildren as "disabled".

Their **circumstances** need to be assessed when investigating **eligibility for other benefits especially legal aid.**

Access to support groups and other community services needs to be streamlined and advertised.

The general community and professionals in particular, needs to be **educated** so that an effective **early intervention programme** can be put in place.

Grandparents need the same assistance to **help them remain in their homes** as the current Home and Community Care programme provides.

Assistance for parenting grandparents needs to be a national issue as it is a national problem. Grandchildren being raised this way need stability and security in order to develop into worthwhile contributors to our society. They don't deserve to be labelled by governments, rather assisted.

OPSO trusts that you will give due consideration to our plea in your official role as supporter of Australian families and citizens.

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