

**Senator SIEWERT** (Western Australia) (10.43 a.m.)—I also took part in this inquiry. I think it is an extremely important inquiry. The recommendations reflect the extent and the strength of the evidence that we received during the inquiry, and we did receive a lot of evidence around the disadvantage and the suffering that is being experienced by, for want of a better word—and I do not like using the word necessarily—the cohort of Australians that are currently trying to survive on just the age pension. There is no doubt from the evidence that we received that there is a group of retired Australians that are doing very well. They have managed to invest in their superannuation or invest separately and they are able to do well, particularly if they own their own home. The inquiry found, as has been articulated by my colleagues on the committee, that there is a group of Australians that are not doing very well: those who are surviving on the age pension and particularly those who are living in rented accommodation. We all know about the housing affordability crisis that is going on in Australia at this time and that is hitting those that are on the age pension very hard—in particular those that are single and trying to cope on the single age pension. They are really being pushed to the limit.

The thing that we were also told repeatedly during the inquiry was that many of these people are just dealing with it: they are voluntarily making cuts. They are going to relief agencies and charity organisations as a last resort. They start cutting back on the food that they buy. We heard stories, for example, about them being very careful about the electricity they use for heating. I have subsequently heard stories from people from relief organisations and community social service groups saying that people come to them at the very end of their tether because they have voluntarily got the electricity and phone turned off and they are not eating properly. Of course, that is having a very detrimental impact on their health. So the single pension definitely needs to be addressed, and we do raise that in our report.

As has been articulated, the report also raised the issue that we should be looking at the base rate of the pension and its subsequent indexation. We recognise that there are problems there and we do not know what the appropriate base rate should be—the committee does not make a recommendation. The Greens think that people should get a rise in the pension now to acknowledge the fact that we know there is suffering going on and to acknowledge that we know that group of people cannot make ends meet. We need to deal with that now, rather than down the track. However, we do need to have that review of the base rate of the pension and then look at what an adequate indexation process would be. We heard evidence during the inquiry that the combination of MTAWA and CPI does not do it. People had concerns about the way CPI was measured, and they also put to us very strongly that people on the pension are not a homogenous group. They do not all buy the same basket of goods, and as you get older your basket of goods changes. The argument put to us was that you need to have a refined method to be able to calculate how you index the pension.

What was also raised—and I touched on it before—was that it has become obvious that the base rate for single people does not meet their needs, particularly for women. Women on the single pension are finding it very hard to cope because they do not have superannuation. There is another cohort of women, around my age as it happens, who have low average superannuation. Those who are lucky enough to be in a higher-paying position, such as the one I have moved into, may be able to catch up. But if they are not able to get into a higher-paid position women are not going to be able to put away enough money to be able to have a decent quality of life in retirement. There needs to be very

strong consideration given to helping them and looking at how we ensure that these women are able to move through to a decent quality of life in retirement, and we need to acknowledge that this is going to be an issue in the future. In the short term, we definitely need to be helping those single people that are on the pension and particularly those that are in rented accommodation, because they are really starting to suffer. A NATSEM report came out yesterday that showed that more people are entering into retirement with mortgages, and that is going to be a significant issue as well.

Senator Humphries touched on the issue of kinship care. Those who have heard me talk about this issue before know that I am passionate about the issue of kinship care. Grandparents are a vulnerable group—particularly grandparents that take on the role of primary carers. Often it is after they have entered into retirement: they have already downsized their home, they have already made adjustments to living either as a single person or as a couple in retirement, and all of a sudden they have got responsibility for their grandchildren. It is even harder for them if they adopt their grandchildren, because if you adopt a child then it becomes your child and you have even less access to counselling and support services.

We need to remember that often these are very difficult personal circumstances and the children, in particular, quite often will need some sort of additional support services, such as counselling. We very definitely need to ensure that there is enough assistance available—for a start, to help grandparents address the issues of counselling so they have those support services, but also with simple things. Do you know how much sneakers cost these days—the sneakers that our kids want? Anywhere between 60 and 100 bucks. Sure enough, you do not buy the ones at the \$100 end, but you still have your grandkids nagging you and saying: 'We want to be able to spend that money on those shoes. We want to be the same as the other kids in school.' Another issue that was brought up by some grandparents was that they become socially isolated when going into that kinship care role and looking after their grandchildren. We address that issue in our report as well.

I would also like to support the recommendations and the comments that Senator Humphries made around addressing this issue of unfairness—I believe it is unfairness—for superannuants who are just being indexed on CPI. The case was put very strongly to increase that so superannuants are on the same indexation rate as everybody else, and I think there is a very justifiable need to do so. One of the other issues that came up is that there is a complicated set of benefits and concessions available to people with seniors cards. It is not consistent across Australia and needs to be more consistent, particularly so that if you are visiting relatives interstate you can use public transport. A number of people raised that issue with us.

The issue of reverse mortgages came up. More and more people seem to be entering into reverse mortgages. Off the top of my head, the figure was expected to get up to around \$3 billion. That is a significant amount of money. The committee did not go as far as recommending that there should be more controls in place, but we certainly made recommendations about keeping an eye on that. The issues around going into negative equity were raised with the committee. Some companies put submissions in and said to us that they have rules about not letting customers go into negative equity. But we all know that some companies are not necessarily as rigorous as others at ensuring that there are those protections. That is an issue that we need to keep an eye on.

It is clear that there are a number of issues that need to be dealt with in this report. The report makes a number of recommendations for further work and review. The Greens very strongly believe that the government needs to acknowledge the fact that there are older Australians out there doing it tough. We need to deal with that issue immediately to make sure that there is a decent quality of life for them immediately. We then need to look at how we can make it better down the track.