



**Submission to the
*Inquiry into the Opportunities for Participation of
Victorian Seniors***

September 2011

About National Seniors Australia

National Seniors Australia, the largest over 50s not-for-profit organisation in Australia, works to provide a well-informed and representative voice to government, business and the community. We advocate on issues of concern for the over 50s in order to achieve political and social change.

Our members are from metropolitan, regional and rural areas, and are broadly representative of the three key ageing cohorts: those aged 50-64; those aged 65-74; and those aged 75+.

In addressing the needs of this diverse membership:

- **We give our members a voice** – we listen and represent our members' views to governments, business and the community on the issues of concern to the over 50s.
- **We keep our members informed** – by providing news and information to our members through our Australia-wide branch network, comprehensive website, forums and meetings, bi-monthly lifestyle magazine and weekly e-newsletter.
- **We provide a world of opportunity** – we offer members the chance to use their expertise, skills and life experience to make a difference by volunteering and making a difference to the lives of others.
- **We support those in need** – as a not-for-profit organisation, we raise funds and redirect monies received to older Australians who are most in need.
- **We help our members save** – we offer member rewards with discounts from over 7,000 business across Australia, we offer discount travel and tours designed for the over 50s, and we provide older Australians with affordable, quality insurance to suit their needs.

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1. Introduction

The Australian Bureau of Statistics projects that, between 2011 and 2020, the number of persons aged 50 and over in Victoria will increase by 22 per cent. By 2050, the number of Victorians aged 50 and over is projected to increase by 85 per cent, or 1.5 million. In comparison, the number of persons aged 18-49 is projected to grow by 32 per cent by 2050.¹ This important demographic change, *ceteris paribus*, implies a greater role for mature age Australians both economically and in society more generally.

The ageing of the population is a challenge but, more importantly, it is also a great opportunity. With over a quarter of a million members Australia-wide - and 50,000 subscription paying members in Victoria - National Seniors is committed to ensuring that as a society we are able to make the most of this demographic challenge.²

It is timely then, that the Family and Community Development Committee in Victoria has been tasked to inquire into, consider and report on opportunities for participation of Victorian seniors.

As the older population increases, many challenges will unfold and so too will the need for a greater understanding as to what various factors determine the wellbeing of older people. It is important to remember that the over 50s represent a rapidly growing and diverse segment of our population – spanning over 40 years.

At one end of this spectrum is the ‘baby boomer’ population, which brings new issues as numbers increase. At the other end, increased life expectancies are supporting marked growth in the numbers of people aged 75+ with associated increases in related care needs. One size does not fit all - flexibility, therefore, is paramount. Indigenous status, cultural diversity, sexuality and gender identity, disability, health and well-being, and financial status are only a few of the factors that need to be considered.

The role of older Victorians is extensive, covering that of consumer and producer in both the public and private spheres. The purpose of this submission is to focus on two key aspects – the extent to which older Victorians can participate in social and community activities, and the contribution older Victorians make to the economy through paid work in the formal labour market. The extent of both is increasing as the population ages. Finding the answers to these is critical, pointing the way to action that will benefit all of Victorian society, through a greater contribution from seniors as the population ages.

The critical aspect of this challenge is leadership. Strong leadership today will be critical in meeting the challenges and realising the opportunities ahead. It requires political, business and community leadership, acknowledgement of the issue and its impact on the state for decades to come. This document focuses on what some of these measures might be. Action now translates to a better future for everyone.

¹ Australian Bureau of Statistics, 2008, *Population Projections, Australia, 2006 to 2101 (Series B projections)*, Cat. No. 3222.0.

² National Seniors Australia, 2008, *AdvantAGE Australia: Maximising the potential of an ageing population*,

2. Social and Community Participation

Being able to stay connected with family and friends, volunteer, engage in the workforce to the extent appropriate, run errands independently, and have free access to basic services and information - are all important means of participating in community and social life. If older people are no longer able to live independently and engage with the community, their risk of being socially isolated increases. The Victorian Government has an important role to play in setting appropriate policy agendas to ensure that all Victorians, especially Victorian seniors, are valued and are able to participate fully in our society.

2.1 Transport

Transport systems and services play an essential role in supporting independent, healthy ageing. On the whole, older people who drive will prefer to continue doing so for as long as possible. They will also expect to have access to alternative transport modes that meet their individual needs, especially as they approach their later years. Transport services must be designed to suit older users if they are to serve as viable alternatives when they no longer drive or have impaired mobility.

A lack of suitable and affordable transport can be a significant barrier to participation in work, education, access to health services and social, cultural and recreational activities. Access to affordable and reliable transport options remains a high priority for older Victorians and is crucial for their continuing involvement in community life, particularly in country areas.

Earlier RACV research identified that transport services available for older people who are unable to drive are inadequate.³ The research found that many non-drivers found it difficult to undertake the most essential trips like buying groceries or getting to medical appointments.

NSA's Victorian members frequently comment on the need for improvement in public transport services, when it is available. Some of reasons reported for not using public transport include: the poor frequencies of services, particularly in non-peak times; feeling unsafe and security issues, particularly at night because public transport stops/stations, car parks and pick-up areas at stations and stops are neither well-lit, nor monitored closely by staff; practical accessibility issues, particularly by those with limited or restricted mobility, such as poor locations of stops/stations and stairs, inconvenience of timetables, with often limited availability during evenings and on weekends; and, the lack of coordination between services, particularly train and bus services. This is especially the case in outer suburbs, in and near retirement villages, and in regional and rural areas.

There is also considerable evidence that a lack of transport results in social exclusion for many people, particularly when combined with health problems. Consequently, there is a need to improve upon current public transport infrastructure and availability to make them more 'user-friendly' for Victorian seniors.

³ RACV, 2006, *Transport and Mobility: Challenges, innovations and improvements*.

National Seniors acknowledges that there have been some improvements through initiatives such as free travel on weekends within any two adjacent zones for holders of the Victorian Seniors Card and other concession cards. Also, the Transport Connections Program, as not only does it utilise existing infrastructure locally, but also encourages innovation and community engagement resulting in greater community participation.

However, it is paramount that greater investment is made to effectively increase transport options to ensure that transport related social isolation does not worsen with the ageing of the population. Investment is also required for informed research to engage with older Victorians to better understand how improvements can be made.

2.2 Housing

The ability to remain living in one's own home for as long as possible – be it independently or with family or community support - can be an important enabler for participation. Many older people want to be able to remain in their own homes for as long as possible - to live as independently as possible, to continue to do the things they enjoy and to stay connected to their community.

To be able to live independently and to remain actively and productively engaged in the community, it is important that Victorian seniors live close to amenities they are likely to need. Further, if people have been living in the family home for an extended period of time and are well-connected within their community, having to move to a different suburb or city as a result of downsizing can be a difficult and frightening prospect with serious implications for people's ability and willingness to participate in the community. Making new friends and adjusting to different surroundings can be difficult in later life stage and can increase the risk of social exclusion.

Currently, over 90% of Victorians age in their own home. While most (around 75%) older Victorians in their 60s or beyond own their own home outright, a quarter of people aged over 60 do not fully own a home (they were renting or buying). Research shows that in the 60s and beyond, households shrink to couples only as the children leave home, or lone-person families as partners die. A striking finding is that older people are strongly connected to place. They feel part of the local community, know many neighbours and are particularly attached to area.⁴ Further, there is a very strong positive relationship between being older and knowing one's neighbours, level of neighbourhood trust, neighbourhood cooperation and identification with local area.⁵

NSA research found that two in three people move between the ages of 55 and 75, and that many of these are pushed into decisions to either stay in their existing homes or to move due to various constraints.⁶ Many individuals who choose to stay or move indicate that they are influenced by various health or financial concerns, while many older people choose to downsize due to the plain inability to look after a big house and yard, which may also be costing money to

⁴ AMP, 2008, *Wherever I lay my debt, that's my home*, AMP/NATSEM Income and Wealth Report, Issue 19.

⁵ W.Stone and K. Hulse, 2007, *Housing and Social Cohesion: An empirical exploration*, AHURI, Final Report No. 100.

⁶ National Seniors Productive Ageing Centre, 2009, *Moving or Staying Put: Deciding where to live in later life*.

upkeep. Research also shows that it is often not financially viable for many seniors who want to downsize to do so.⁷ The challenge is to ensure that this group of Victorian seniors receives adequate support and care, particularly in familiar environments.

According to a Senate Select Committee Report, there is often inadequate housing for those looking to downsize and for those with limited means seeking less expensive private rental housing or social housing.⁸ Furthermore, the Committee was concerned that stamp duties are inefficient and discourage people from moving to appropriate housing types as their circumstances change.

The Victorian Government's decision to raise the thresholds for stamp duty exemption or concession for eligible pensioners from 1 July 2011 is welcomed. However, it is yet to be seen whether this recent policy change will remove stamp duty as a barrier to downsizing for seniors, and in fact enable them to remain living in the local area if they wish to do so.

As people's preference to live independently at home for as long as possible increases, alternative living arrangements will become more important. Housing designs will have to be more flexible and able to respond to people's changing needs. Not only will the demand for dwellings with Universal Design Standards increase, but also the layout and design of houses will potentially change. A small number of individuals may decide to live together, and share the provision of home and community care services as well as the care provided at home by informal carers, and other allied health professionals. This will presuppose that local government planning regulations support the construction or conversion of dwellings in support of such living arrangements, taking into account current residential dwelling design requirements and other regulation. The Sydney project *Apartments for Life* managed by the Benevolent Society is a commendable example of facilitating alternative ways of retirement living and aged care.

The need to implement Universal Housing Designs is further highlighted by the current lack of availability of appropriate housing to suit the needs of seniors wishing to downsize or for those with limited means seeking less expensive private rental housing or social housing.

National Seniors has long been concerned about the lack of clarity in contracts signed between retirement village managements and residents, especially clauses relating to ongoing costs and increasing costs. Examples have been drawn to our attention of conditions agreed in exiting contracts being changed without the permission of the residents after the resident has left the village or when retirement villages have been sold to corporations.

Despite recent improvements and excellent advisory information provided by the Department of Consumer Affairs, it is clear that many of those who elect to move to a retirement village do so without fully understanding the terms of their contract they have signed. Standard contracts with provisions to protect and secure the rights of prospective residents are required.

⁷ Sweeney Research, 2006, *Insights into the Housing Decisions made by Empty Nesters*, for the Department of Sustainability and Environment.

⁸ Australian Government, 2008, *A good house is hard to find: Housing affordability in Australia*, Report of the Senate Select Committee on Housing Affordability in Australia.

2.3 Cost of living pressures

An ongoing decline in the standard of living of seniors as they age is a particular challenge for both the individual concerned and the government at all levels across Australia. Rising cost of living and associated financial pressures experienced by many Victorian seniors, especially those on fixed incomes such as a government pension or an account-based allocated pension, can constitute a significant barrier to both community and workforce participation.

National Seniors is aware that the Victorian Government provides financial assistance to seniors, pensioners and veterans through its concession programs. These programs form an integral part of the overall household budget for seniors.

Analysis of Australian Bureau of Statistics data confirms that the cost of living items such as food and energy supplies have substantially increased compared with overall CPI value (16%) between 2006 and 2011. Specifically:

- The cost of food stuffs has increased by about 20%.
- Rent has increased at more than twice the CPI rate.
- Most rises in prices go to the energy supplies: gas at 2.5 times (39%) the CPI rate; and about four times the CPI rate for electricity (61%) and water (62%).⁹

Many Victorian seniors live on low incomes sourced from investments, government benefits or a combination of both. A large proportion of total expenditure of low income households represents the cost of their food and energy supplies, particularly for those who have no private income to supplement their pension. HILDA data indicates that 27% of expenditure of employed people is spent on the food and energy supplies, while retired people relying only on pension spend about 42% of their expenditure on these items.¹⁰

Furthermore, anecdotal evidence suggests that many Victorian seniors are concerned that the introduction of smart meters will result in further cost increases for the consumer. 'Time of use' metering during periods of high demand will impact heavily on older people who are generally at home at times of peak daytime tariffs. National Seniors understands that an independent cost-benefit-analysis has been commissioned to determine whether, and under what circumstances, the program can deliver value for money for consumers. It is hoped that this analysis will consider measures which limit the negative impact of electricity costs for those customers disproportionately affected by daytime tariffs to ensure older people's spending power is not compromised further.

It is essential that state-based concessional benefits are regularly and comprehensively reviewed to ensure they continue to provide the maximum possible benefit and that Victorian seniors are able to maintain a decent living standard and are not socially excluded.

Following the age pension increase that came into effect on 20 September 2009, State and Territory governments moved to include this increase in the calculation of public housing rents.

⁹ National Seniors Productive Ageing Centre, 2011, *Facts and Figures No. 5*, August

¹⁰ National Seniors Productive Ageing Centre, Forthcoming 2011, *Are Senior Australians Being Short Changed: An analysis of household living costs*.

As a consequence, public housing rents were set to increase significantly and further disadvantage and distress age pensioners, at a time when other costs such as energy and water were also increasing. National Seniors called on all State and Territory governments to permanently exempt the increase of \$30 per week from the calculation of public housing rents. While other jurisdictions have confirmed that the increase will be permanently exempted, Victoria's response to date has been less favourable. There is no justifiable reason why age pensioners in Victoria should be treated less favourably than their counterparts interstate.

2.4 Information provision and technology

The ability to access information through various channels and to use modern day technology such as the internet are important enablers for social and economic participation. Victorian seniors require accurate and timely information to make decisions which are right for them on a range of issues, such as their health concerns, financial affairs, transport, housing, employment and learning opportunities, as well as local leisure and cultural activities.

Our Victorian members have told us that, while there are a number of sources of information, they do not always know what is available, or where they can find the most appropriate information. It is therefore vital that a comprehensive state-wide information service for Victorian seniors be established with highly skilled and knowledgeable personnel that provides information in a variety of media formats, (print, face-to-face, telephone and on-line).

These days, the internet is a central information source and an important tool for social interaction. It assists people in organising their daily lives, staying informed and socially connected. Research attests that the internet has the potential to help older people as it offers them a means to improve self-sufficiency and prevent social isolation, and to preserve their independence.¹¹ Access to the internet and computer literacy not only enables older people to stay connected with their family, friends and members of the community, but in many cases is also an important presupposition for continued participation in the workforce. Further, the internet is increasingly used to organise community gatherings and social activities, to coordinate volunteering efforts, and to gather information regarding all aspects of lives.

Whilst modern forms of communication are fundamental to life today, and often improve a person's quality of life, regardless of age, many seniors either do not have access or choose not to access them. The Victorian Government has a strong role to play in providing information and assistance to overcome these barriers so that an increasing number of Victorian seniors can experience the benefits of the internet and know where to find accurate and up-to-date information pertinent to their needs when they require it.

2.5 Volunteering

It is undeniable that volunteer work makes a significant social and economic contribution to Australian society. Its value to the Australian economy is generally estimated to be tens of billions of dollars per annum, despite difficulties to assign a specific monetary value to volunteer

¹¹ National Seniors Productive Ageing Centre, 2011, *Older Australians and the Internet: Bridging the Digital Divide*.

work. Volunteering further contributes to social cohesion and is an important factor to social capital.

Volunteering is also an important way in which older people continue to participate in their community, and therefore a way for people to remain socially engaged and connected. The contribution people make through volunteering cannot be overestimated, both in economic terms and the social benefits deriving from it.¹²

However, the barriers to community participation addressed previously can have serious implications for older people's ability and willingness to volunteer, especially cost of living pressures. Given the important social and economic contribution that volunteers make, and the personal benefits older people derive from volunteering, more must be done to attract an even larger amount of people to undertake volunteer work. Anecdotal evidence from our membership suggests that the out-of-pocket expenses associated with volunteering are seen as a serious impediment to volunteering, and many report that they cannot afford the financial cost of volunteering. There is also a wide-spread belief that compensation for out-of-pocket expenses will adversely affect pensions.

It is already common practice by the Australian Taxation Office that volunteers do not have to pay tax on payments or benefits they receive in their capacity as volunteers. Victorian Government funding of non-government organisations should take into account the important contribution volunteering makes, and thus enable organisations to reimburse their volunteers adequately for out-of-pocket expenses, especially those people who struggle financially but still wish to volunteer. In a society which values older people's participation and contribution, their decision to volunteer must be valued and supported.

2.6 Active and healthy ageing

Good health is fundamental to our quality of life. Active, independent older people are usually engaged in family and /or community activities. As people age and develop age-related conditions, however, they need an increasing amount of assistance. The Victorian Government is uniquely placed to be able to directly contribute to improving the health of Victorian seniors through the provision of home and community care (HACC) services.

Victoria has the highest number of people receiving HACC services of any state or territory, with numbers growing in the order of five per cent per year.¹³ Local government is the largest public sector provider of HACC services.

Our members report that the type of assistance offered through HACC varies considerably across the State. It appears that not all local councils provide or offer the full range of available services that can be funded and delivered through HACC. The lack of uniformity appears to disadvantage Victorian seniors in localities where they are unable to access the services they need.

¹² National Seniors Productive Ageing Centre (2011), *Growing plants, growing people – older volunteers in botanic gardens*.

¹³ Department of Human Services, 2009, *The Victorian Government's Role in Residential Aged Care: Victorian Government Residential Aged Care Policy*.

It is important to place an increasing emphasis on active and healthy ageing. This can be achieved by promoting awareness of health issues, disease prevention and the importance of early intervention. There is solid international evidence that primary care, which places an emphasis on multi-disciplinary, preventive and well-managed care of a patient does more for the health of our community than even the best run and well-resourced hospitals. Active and productive ageing not only reduces the burden on health care services, but can also extend the working lives of seniors and increase the number of volunteers in the community.

3. Mature Age Workforce Participation

Over recent years, increased workforce participation amongst older age groups has been important to Victoria's economic growth. Successive governments have actively pursued higher mature age workforce participation rates as a means of increasing productivity and addressing labour shortages. Being employed gives people a sense of being valued and making a contribution. Taking this away from people before they are ready to conclude their economic participation can lead to loss of self-esteem which in turn can lead to depression and personally and socially dysfunctional behavior, which imposes increased cost burdens on the state health system.

3.1 Facilitating mature age workforce participation

Research shows that older people continue to face significant barriers to employment, whether through age discrimination or lack of skills training support.¹⁴ Creating a level playing field for mature age Victorian workers, and indeed recognising the extensive skills and experience of many older workers must remain an economic imperative. However, to achieve this goal, consideration needs to be given to the multiple barriers to the continued labour force participation of many Victorian seniors.

Amongst the mature age worker cohort, there are a large number of older people unemployed or underemployed who would prefer to continue participating in the workforce but who aren't able to do so for a number of reasons. There are people in long-term unemployment whose chances of finding new employment decrease the longer they are unemployed. The average duration of unemployment for Victorians aged 55 and over is much longer than that for younger Victorians. As of July 2011, the average period of unemployment for those aged 55+ in Victoria was 62 weeks. This compares with only 33 weeks for those aged 15-54.¹⁵

There are also significant numbers of hidden unemployed people who were forced into taking redundancy packages as companies restructure and introduce younger generations of workers when they would have chosen to continue working.

Those older people wishing to continue working in full-time or part-time employment are currently faced with too many barriers preventing their economic participation. This, in turn, raises fundamental questions about the way in which experience and expertise is valued and

¹⁴ National Seniors Productive Ageing Centre, 2009, *Experience Works: The Mature Age Employment Challenge*.

¹⁵ Australian Bureau of Statistics, *Labour Force, Australia, Detailed - Electronic Delivery, July 2011* (Cat. No. 6291.0.55.001)

retained in the Victorian economy, and the implications this has for the individual. Not being able to participate in the workforce despite wanting to do so leads to older people questioning their skills and ability to make a valuable contribution which can have implications for their mental health and wellbeing.

There is an urgent need for projects to assist Victorians aged 50 and over who are unemployed, underemployed or early retirees to retrain for and find new employment, especially in those sectors in Victoria where there are skill shortages. It would seem that programs to promote the recognition of the potential contribution of older people and to assist mature age job seekers find and retain employment are a vital means of facilitating economic participation opportunities for older Victorians.

3.2 Age discrimination

It is argued that discrimination against older workers is one of the least acknowledged barriers to workforce participation.¹⁶ It can manifest itself directly and indirectly in both the recruitment and retention of staff, and is a central barrier to mature age workforce participation.

The extent of the prevalence of age discrimination as a barrier to employment participation is difficult to ascertain. However, it appears there are unacceptably high numbers of ‘discouraged workers’, in other words, people who wanted to work but had stopped because no-one would employ them. According to the Australian Bureau of Statistics, approximately one-third (34%) of those aged 65 years and over stated that being considered too old by employers was a reason for not looking for work or more hours. Further, this was a difficulty faced by one-third of those aged 50-69 years looking for work.¹⁷

Research shows that the effect of age discrimination, real or perceived, on older workers is often devastating.¹⁸ The policy implications emphasise that age discrimination cannot be ignored, even if it has become less overt, and more efforts are needed to overcome it.

The failure to address age discrimination in the workplace, and in legislative arrangements, does not only harm older workers, but also damages the whole economy. National Seniors research estimates that the Victorian economy loses (approximately) \$2.57 billion a year by not using the skills and experience of older people.¹⁹

It is hoped that the Victorian Government will take strong leadership and facilitate a state-wide campaign which raises awareness of age discrimination and brands it as unacceptable in all aspects of social and economic life, stressing the real value of older people to society and the economy.

Besides attitudes, older workers face institutional obstacles that push them out of the workforce and into retirement. These include age limits on benefits and protections, such as mandatory

¹⁶ Australian Human Rights Commission, 2010. *Age Discrimination – Exposing the Hidden Barrier for Mature Age Workers*.

¹⁷ Australian Bureau of Statistics, 2010, *Multipurpose Household Survey, Expanded CURF*, Cat. No. 4100.0.

¹⁸ National Seniors Productive Ageing Centre, 2011, *The Elephant in the Room: Age discrimination in employment*.

¹⁹ National Seniors Productive Ageing Centre, 2009, *Still Putting In: Measuring the Economic and Social Contributions of Older Australians*.

retirement ages in certain professions and a workers compensation scheme that treats workers aged 65 and older differently to younger workers, by not covering them or limiting their cover.

National Seniors advocates for people who choose to work beyond the official retirement age to be protected in the same manner as other workers. Our members report feeling that they are a lower priority in accessing rehabilitation than younger workers who are more likely to return to work. Whilst acknowledging that workers compensation payments cannot continue indefinitely, we believe there is an opportunity for the Victorian Government to undertake an audit of relevant State laws and regulations with a view to identifying and removing all discriminatory age limits, especially in the area of workers compensation.

4. Conclusion

Dealing with the ageing of society is no longer a question of helping the old and frail to cope with daily life. Whilst retaining these more traditional services, it is increasingly about valuing seniors in society and enhancing the quality of life of seniors by empowering them to take part in the full range of social, economic and cultural activities in different spheres. This entails a fundamental cultural change.

Victorian seniors have the right to be involved in decisions affecting their life and their future. At the government level, this means meaningful engagement with seniors in the development of policies and programs.

Directly involving Victorian seniors in the development of relevant processes and achieving beneficial outcomes is a challenge for the Victorian Government. Families, businesses and professional organisations must also be involved in developing measures that meet the mobility and safety needs of older Victorians.

Given that seniors' issues straddle state and local responsibilities, it is crucial that the various levels of government work collaboratively if initiatives are to be planned, developed and implemented in an effective manner. Failure to respond to this challenge in an integrated way across all levels of government is likely to result in misguided and therefore rejected programs and policies.