

Submission to
South Australia: An Affordable Place
to Live: Have Your Say

June 2013

National Seniors

Australia

About National seniors Australia

With around 200,00 members Australia-wide, National Seniors is the consumer lobby for the over-50s. It is the fourth largest organisation of its type in the world.

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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National Seniors Recommendations

National Seniors recommends that the South Australian Government:

1. support older South Australians and protect their rights to continue to live independently with a reasonable quality of life.
2. investigate and promote the availability of affordable financial counselling services that are tailored for particular stages of life. This should include planning for retirement to assist older South Australians with understanding the level of retirement savings required to cover daily costs of living.
3. work with Local Governments to monitor the impact of rises in home values on the capacity of older Australians on limited incomes to afford their rates and to adjust the concessions to reflect such changes.
4. monitor the impact of new means testing arrangements for payment of aged care services in the community on the capacity of older South Australians to continue to pay for their daily necessities of living, including utilities and transport costs, with a view to adjusting the eligibility requirements including income thresholds.
5. consider raising the assets threshold under their Affordable Homes Program to support older South Australians who wish to downsize and/or move to more suitable age-friendly housing.

Asset thresholds should be increased to reflect the agreed annual amounts required for a comfortable self-funded retirement over a 20 year retirement period (adjusted by years of retirement). (Refer to Recommendation 9)

6. work with utility providers to establish standardised formats for bills with a view to making comparisons across providers easier.
7. ensure that all seniors can be supported to access economical home modifications and improved access to the aged care Help at Home program.
8. include on their Seniors website or in promotional material a table that summarises the types of concessions available and the type of card required to access the concession followed by a link to the specific web pages or contact phone number for each concession type.
9. re-organise the Seniors website to ensure that links from the Seniors page go directly to concessions on other agencies websites.

10. complement the Supporting Senior Australians downsizing trial announced in the Federal Budget by:
 - a reduction in state stamp duty charges and encouraging reduced property agent's fees
 - allowing purchase of affordable housing properties on a means tested basis as in Recommendation 5

to support older South Australians who seek to downsize their home.

11. increase their resources and reduce the time delays for over-due category 2 and 3 elective surgery patients to zero. In addition, we recommend that the Government continue to pursue options to reduce the waiting time for category 3 procedures to well below the accepted 365 days waiting period.
12. increase the resources allocated to the South Australian Adult Dental Service to reduce the current waiting lists and increase eligibility to include retirees with incomes \$10,000 above the current threshold for the Commonwealth Seniors Health Card.
13. increase eligibility for the South Australian Spectacles Scheme to include retirees with incomes \$10,000 above the current threshold for the Commonwealth Seniors Health Card.
14. actively investigate situations in which older South Australians are most likely to require legal assistance and promote available sources of legal support suitable for such circumstances eg in the event of relationship breakdown.

Introduction

National Seniors Australia is the consumer lobby for older Australians with around 200,000 individual fee-paying members aged 50 and older across the country. South Australia has 8,500 National Seniors members.

Our members across Australia have a keen interest in ensuring that they are able to maintain an acceptable quality of life as they approach or live in retirement. In particular older Australians wish to continue living independently while maintaining a reasonable standard of living with personal and financial security. Their desire is to be able to meet the costs of basic necessities including a secure home in which to live, food, water, electricity and other utilities, and to be able to contribute to and participate in their wider community.

The over 65 cohort in Australia is growing at double the rate of the rest of the population, and life expectancy is rising for men and women. The proportion of people aged 65 years or over is projected to increase from 13 per cent in 2010 to 23 per cent by June 2050¹.

Thus between now and 2050 the number of older people (65 to 84 years) in Australia is expected to more than double and the number of very old people (85 and over) is expected to more than quadruple, from 0.4 million people today to 1.8 million in 2050 (1.8% to 5.1%).

By 2050, for every person aged 65 or over, there will be only 2.7 persons of working age; a dramatic reduction from the 2010 figure of five (5) persons. This will contribute to a slowing rate of growth and presents challenges to productivity and funding of support and care for the aged.

South Australia has the second lowest rate of growth in Australia at one percent (1%), 60% of the 1.7% growth rate for Australia (1.7%) and higher only than Tasmania (0.7%)².

In 2011, South Australia also had the equal largest proportion of people aged 65 and older; with 260,600 people representing 16% of the state's population of 1,596,572 (compared with the national 14%) and both men and women contributing to this effect³. In 2012, 36% of South Australia's population were

¹ Commonwealth of Australia, 2010. *Australia to 2050: Future Challenges. The 2010 Intergenerational Report 2010*. Commonwealth of Australia.

² Australian Bureau of Statistics 2013. *3101.0 Australian Demographic Statistics September 2012*.

[http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/20927044868802B5CA257B50001A9D5E/\\$File/31010_sep%202012.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/20927044868802B5CA257B50001A9D5E/$File/31010_sep%202012.pdf)

³ Australian Bureau of Statistics, April 2013. *Where and how do Australia's Older People Live? 2011 Census*. <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2071.0main+features602012-2013>

estimated to be aged 50 and older, slightly less than for Tasmania (37.5%) and higher than for Australia (32%)⁴.

Women outnumber men among those aged 65 and older and constitute 17% of the group compared with men at 14%. The median age of females (40.5 years) in South Australia was higher than for males (38.4 years)⁵.

When considered alongside the preference among South Australians to live in separate houses and semi-detached homes (90.6% compared with 85.5% across Australia), it is likely that older South Australians will opt to live independently for as long as possible⁶.

However recent research by National Seniors indicates that there is a significant disconnect between the stated desire of many Australians to age in their own home and their ability to do so⁷. Among the 10,000 people surveyed, two in three people aged over 50 intended to remain in their current home as they age, yet only 1 in 3 (38%) had plans in place to prepare for getting older and becoming frailer. Furthermore, for those who intended to remain in their own home, 36% did not have any design features in their home to assist frail people, and 29% did not think they could afford such changes.

Therefore it is highly likely that South Australian seniors will have a higher need for support and assistance in their own home when compared with seniors across Australia. In 2011, almost one in five older Australians (19%) had a need for assistance with one or more of the core everyday activities of self-care, mobility and communication. The rate was higher for women than men (22% compared with 16%) and increased with age for both sexes⁸.

Thus the South Australian population will continue to age with an even greater demand for appropriate housing, specific aged care support and services, and targeted concessions for unavoidable essential services. The needs of older South Australians and protection of their rights while living independently must be at the forefront of Government considerations.

⁴ Australian Bureau of Statistics 2013. *3101.0 Australian Demographic Statistics September 2012*.

⁵ Australian Bureau of Statistics, August 2012. *Population by Age and Sex, Regions of Australia, 2011*. <http://www.abs.gov.au/ausstats/abs@.nsf/Products/3235.0~2011~Main+Features~South+Australia?OpenDocument#>

⁶ Australian Bureau of Statistics, 2012. *South Australia 2011 Census Quick Stats*.

⁷ National Seniors Australia and Group Homes Australia, 2012. *Where Will I Live as I Age?: Senior Australians' Needs and Concerns about Future Housing and Living Arrangements*. National Seniors Australia.

⁸ Australian Bureau of Statistics, April 2013. *Where and how do Australia's Older People Live? 2011 Census*. <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2071.0main+features602012-2013>

Our Position

In common with younger groups of people living on fixed and low incomes, many of our National Seniors' members report extreme difficulty in meeting the cost of basic necessities while also facing rising costs for health and dental care as they age.

It is essential that older South Australians have confidence in their ability to secure affordable housing, meet the costs of utilities and food, and receive the support they need to continue living independently at an affordable cost.

Approximately 72% of South Australians aged 65 and older were in receipt of the aged care pension in 2011, similar to Tasmania and a higher percentage of the eligible population than in other States and Territories. Of the 194,181 aged pensioners, 82,081 (42.3%) were males and 112,100 (57.7%) were females.⁹

In 2008_2009, South Australia also had the highest proportion of self-funded retirees in Australia, with 93,109 people¹⁰ comprising approximately 6% of the State's current population.

South Australia reports several economic measures at levels below the national average, including the median weekly household income (\$1044 compared with \$1234), monthly mortgage repayments (\$1500 compared with \$1800) and weekly rent (\$220 compared with \$285)¹¹. Fewer South Australians work full-time compared with Australians as a whole, with a corresponding increase in people working part-time¹².

The Selected Living Cost Indexes report indicates that the proportion of expenditure allocated to food and non-alcoholic beverages is highest for age pensioner households and that they and self-funded retirees face proportionately higher health care costs than other households¹³.

Thus pensioners and self-funded retirees are experiencing considerable cost of living pressures in an environment of rising utility and food costs.

The risks associated with investment choices including in superannuation accounts are not well understood. Although many are engaged and have sufficient income and wealth for a comfortable retirement, many do not, and those least engaged are likely to be those with the poorest finances.

⁹ Commonwealth of Australia, 2012. *Income Support Customers: A Statistical overview 2011. Statistical Paper No. 10.* Department of Families, Housing, Community Services and Indigenous Affairs.

¹⁰ ABS Data from the Multipurpose Household Survey 2008_2009.

¹¹ Australian Bureau of Statistics, Selected Living Cost Indexes, Australia, Mar 2013

<http://abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6467.0Explanatory%20Notes1Mar%202013?OpenDocument>

¹² Australian Bureau of Statistics, April 2013. Where and how do Australia's Older People Live? 2011 Census.

<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2071.0main+features602012-2013>

¹³ Australian Bureau of Statistics, Selected Living Cost Indexes, Australia, Mar 2013

<http://abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6467.0Explanatory%20Notes1Mar%202013?OpenDocument>

A survey of National Seniors Australia members was conducted in 2010, in order to better understand the financial risks and concerns facing older Australians wellbeing, and their attitudes and choices. The survey examined the influence of demographic factors and financial resources on their needs and preferences.

The survey revealed that:

- Close to 70 per cent of National Seniors retirees relied, partially or fully, on the Age Pension.
- The greatest concern, particularly amongst women, is that inflation may erode the value of their savings and investments.
- Almost 50 per cent of workers have, or intend to, delay their retirement in order to provide greater financial security.
- It is the youngest (55 year olds) and oldest (85 year olds) members in the survey who tend to least understand the relationship between investment choices and risk¹⁴.

Among older South Australians who are planning for retirement, affordable financial counselling services would assist with understanding the level of retirement savings required to cover daily costs of living.

Recommendation 1:

National Seniors recommends that the South Australian Government supports older South Australians and protect their rights to continue to live independently with a reasonable quality of life.

Recommendation 2:

National Seniors recommends that the South Australian Government investigate and promote the availability of affordable financial counselling services that are tailored for particular stages of life. This should include planning for retirement to assist older South Australians with understanding the level of retirement savings required to cover daily costs of living.

¹⁴ National Seniors Productive Ageing Centre, 2012. *Financial Wellbeing: Concerns and choices among older Australians*. National Seniors Australia.

Responses to the Have Your Say questions

National Seniors feedback to the Have Your Say questions is comprised of general comments from members on relevant topics and specific comments from 48 members who responded to the questions from the Have Your Say paper.

1 What is the biggest challenge to owning your home?

Members indicated that the cost of utilities and maintenance were the biggest challenges involved in owning their home. For seniors seeking to downsize, the lack of age-friendly loans at low interest rates and with flexible repayment schedules was also a disincentive.

Several members noted that inability to gain employment or their fixed low incomes severely affected their capacity to save a deposit or repay a mortgage. This is in spite of the Government's support of lower income people through the Affordable Homes Program home and the availability of low deposit and more flexible options through groups such as Home Start Finance.

Members' comments:

Being able to afford it in the first place, then being able to keep it!

Cost of utility services going all the time and wages and pensions not going up to cover for the rises.

Maintaining the structure, especially meeting the cost of maintenance.

Cost of rates and taxes in this state.

Stop using the home value as a money raiser.

Recommendation 3:

National Seniors **recommends** that the South Australian Government works with Local Governments to monitor the impact of rises in home values on the capacity of older Australians on limited incomes to afford their rates and to adjust the concessions to reflect such changes.

2. What would make renting easier and more secure for you?

Members who rented responded that affordable rental housing in suitable locations and condition with security of tenure and responsible landlords were of greatest importance to their satisfaction with rental accommodation. They also cited the lack of personal responsibility for maintenance as a great advantage of renting rather than home ownership. A few members cited the importance of housing security afforded by their eligibility for government subsidised housing.

Members' comments:

Permanency, fixed prices, near facilities and friends, government subsidy, in pleasant neighbourhood.

Long leases and affordable rental.

3. What strategies do you use to reduce your housing and related costs?

Most members practiced well-tried means of reducing their daily cost of living. Overwhelmingly members cited reducing their use of utilities and maintaining a strict budget to keep within their means. A number also did as much of their own home maintenance as possible and reduced outings and entertainment.

Members' comments:

Seniors discounts, reducing shower times, switching off TV and lights when not in use, minimal garden watering, conservative room heating.

Reduce electricity and water consumption as much as possible but the "service fees" keep going up and are a large part of the bill which you cannot control.

Not much more we can do as the value of the home goes up so do our rates.

Stick to a shopping list for a weekly menu. Minimize travel to make the petrol go further or take public transport to the city for medical appointments.

I have to cut back on my DSP spending ... I have to go without a lot, mainly food, as I can't afford the veg, fruit and good meat.

Although the current reforms proposed under *Living Longer Living Better* and amendments to the *Aged Care Act 1997* are the responsibility of the Commonwealth, their implementation may affect the capacity of older Australians to afford State based services. This in turn will have implications for the levels of concessions currently offered by the South Australian Government.

If the aged care reforms progress as planned, new means testing arrangements from July 2014 for care fees in Home Care may affect the capacity of older Australians to pay for basic necessities, including utilities and transport costs. These new arrangements may especially affect part-pensioners and self-funded retirees who will also continue to pay for their daily costs of living, such as utilities and ongoing home maintenance¹⁵.

¹⁵ Department of Health and Ageing, 2012. *Fairer means testing for Home Care packages Fact Sheet* Commonwealth of Australia, 2012.

Recommendation 4:

National Seniors **recommends** that the South Australian Government monitor the impact of new means testing arrangements for payment of aged care services in the community on the capacity of older South Australians to continue to pay for their daily necessities of living, including utilities and transport costs, with a view to adjusting the eligibility requirements including income thresholds.

4. How will these housing choices and challenges change as you age?

This Have Your Say question generated the greatest number of responses from our members. Their main concerns as they age are increasing health needs and reduced physical abilities to maintain a home. Several members cited uncertainty regarding their future situations, reflecting the lottery that awaits us as we age. Others raised the need for more age-appropriate housing.

Members' comments:

Will need smaller property. Will expect to drop income when I finish working.

Requirements for aging and declining health, no stairs easy access to entrance and egress, stable pathways.

It will be more difficult to personally undertake home maintenance because of increasing problems due to arthritis.

Determined by physical capability and income. Expenses reduced to within income may result in non-reliance on some utilities or support required from children.

It will get harder to balance our budget as costs rise and pension does not keep pace.

The National Seniors National Seniors Social Survey (NSSS) Wave 1 included an aged care module which revealed that two-thirds of respondents wished to remain in their current home, yet only half thought their home had design features suitable for their advanced years.

In the previous five years, seven per cent of respondents moved house because of a health condition or advancing age. As health deteriorates and age increases the need to move house increases (3% for those with very good health to 18% for those with poor or very poor health).

The three most common steps that respondents have taken to prepare themselves for getting older and frailer included considering whether the home will be suitable (79%), making sure that they have some money to pay for care

when it is needed (51%) and having discussions with family about who will care for them (30%)¹⁶.

The South Australian Affordable Homes Program allows for higher assets threshold for households headed by singles (\$498,000 rather than \$332,000) or couples (\$618,750 rather than \$412,500) if they are aged 55 and older. Although this is appreciated, it does not reflect the current situation whereby self-funded retirees who wish to fund their own retirement at a comfortable level for a possible 20 years require investments of \$1million at commencement of retirement. The asset thresholds could reflect such agreed annual amounts for a comfortable retirement, with total assets adjusted to reflect the number of years already in retirement.

Recommendation 5:

National Seniors **recommends** that the South Australian Government consider raising the assets threshold under their Affordable Homes Program to support older South Australians who wish to downsize and/or move to more suitable age-friendly housing.

Asset thresholds should be increased to reflect the agreed annual amounts required for a comfortable self-funded retirement over a 20 year retirement period (adjusted for years of retirement). (Please refer to Recommendation 10)

5. What information would help you understand and take control of your household expenses?

Members were most interested in bills providing greater clarity regarding the contribution of components and being able to compare costs across various utilities and providers. They find that different providers do not use similar descriptions or presentations and this makes comparisons difficult.

Members would also prefer offers to be standardised as is commonly cited for communication packages eg mobile phone plans. Consistent information and promotion of concessions and discounts to seniors would also assist with choice of providers.

Members' comments:

Being able to directly compare service providers "offers" ... you cannot directly compare apples to apples.

¹⁶ National Seniors Productive Ageing Centre, 2012. *Expectations about Ageing at Home and Aged Care: A Survey of Senior Australians. Facts and Figures No. 12 June 2013.* National Seniors Australia.

Monthly bills instead of \$550 in one hit for 1 bill. Why are some supply charges so high? NO MORE LEVIES.

Greater transparency of costs, especially Council rates, water rates and electricity charges.

Average costs of water, electricity and other regular payments.

Actual budget plan to adhere to without unexpected finance outlays, Allocation for regular social events within budget.

6. How easy is it for you to understand your bills?

Most members said that they understood each bill but would prefer greater standardisation of bills across providers and as far as possible for different utilities. This would allow them to seek the best deals and reduce their costs.

Members' comments

OK. Payment due date sometimes obscure. Hidden costs - especially Telstra

It is not so much understanding it – it is being able to compare it to others who have a different provider and then determine would you be better off changing

It is hard because these companies keep putting in these sneaky fees and charges.

Recommendation 6:

National Seniors **recommends** that the South Australian Government work with utility providers to establish standardised formats for bills with a view to making comparisons across providers easier.

7. What action have you taken to reduce your energy bills?

Members were equally likely to report reducing their use and shifting to more efficient and less expensive sources of energy. In particular members changed their behaviour to significantly reduce their bills, often to the point of denying their own comfort. At least half of the respondents who switched to cheaper sources of energy installed solar power while a few switched to gas instead of electricity, especially for heating. Several members also switched providers to purchase cheaper power.

Members' comments

Solar panels. Double glazing on all windows in main open plan living rooms.

Put up with extreme temps - go to bed early with the cat. Shorter showers, wash in cold water, tried eco electrical equipment but it was too inconvenient. Globes changed (expensive!). Outside blinds, meals etc outside under pergola if weather ok. Under floor heating in bathroom on timer - well worth it! Turn off 1 fridge. Turn on dishwasher weekly. Cancelled foxtel.

Install a 1.5kw Solar system. Installed Natural gas heating to supplement/use instead of reverse cycle electricity.

Put more clothes on in winter and have a quilt to wrap around us watching tv. We have solar power to offset electricity.

We have been strict to turn off all unused appliances, including lights and use cheapest power for all meal preparation.

We have solar to supply us with our electricity

8. Have you ever had any problems switching energy providers?

Most people who switched providers did not experience any difficulties, although establishing new payment structures and overlapping of bills causes confusion.

Member's comment

Not so far, have only changed twice! It would be nice to change every month without it costing money, you could then chase the specials and benefit - wasn't that the whole idea of introducing all these energy providers, there should be no contracts!

More National Seniors members stayed with their current provider than switched. The reason for staying with the same provider was because they did not believe switching to another provider would deliver additional savings.

Member's comment

Never tried as my current supplier is either the same as some and cheaper than others.

Unsolicited marketing is still a concern for some members as indicated by the following member responses:

do get annoyed with the phone calls of tele marketers who persist in offering "better deals".

Yes, with people knocking on the door and trying to persuade me to change suppliers. It's a nuisance and should not happen.

Yes, too many people trying to get you to change & the mis-information.

Although 'Do Not Knock' legislation which was strongly supported by National Seniors has not progressed in Australia, we acknowledge that there have been several recent successful prosecutions of companies for cold-calling selling which exerted undue pressure and gave misleading information and false promises to prospective customers.

9. What life changes have you experienced?

Members experienced challenges related to life changes which ranged from the loss of finances, family members and health to retirement and moving home. Responses to this question revealed high levels of stress and greater difficulty in life resulting from life changes.

Financial losses were mainly due to retirement, fall in returns on investments and redundancies while loss of family members included death of partners or children and divorce. Loss of transport options, isolation and lack of security became issues for some members.

The loss of family members and partners appear to have the greatest impact on life satisfaction with resulting restricted incomes, loneliness and depression.

Members' comments:

Unexpected divorce, had to sell family home, pay off debts I did not want to incur in the first place and left with minimal balance. Living alone and broken into several times. Having to find a secure place to live.

Cancer. Breakdown of marriage. Death of son.

Divorce, breast cancer, separations of partners and children left home.

Death a (sic of) parents, made redundant from a 25 year job.

Widowhood, caring for an elderly parent as well as grandchild-minding.

Events like divorce, redundancy, age discrimination (although officially this does not exist) in employment. Having to start over with nothing (following settlement after marriage breakups).

Increase in physical and medical problems, resulting in more medications and a slowing down in activities.

Retirement, giving up tennis, having a heart bypass operation.

Becoming more isolated, even internet and phone charges are excessive compared to overseas.

Cannot do all the physical jobs I used to do with ease.

10. What assistance made a difference?

Assistance came from a wide range of activities including the support of family and friends, financial planning advice, participating in social activities, accessing health care and assistance with home tasks. In addition, close to 70 per cent of National Seniors retirees surveyed in 2010 relied, partially or fully, on the Age Pension to support their cost of living in retirement¹⁷.

Members' comments:

Financial planning. Ready access to medical assistance.

Cancer Council support. Family & friends.

11. What other assistance could have helped?

Additional assistance nominated by members covered a wide spectrum indicating that assistance needs to be targeted to the individual's situation at a specific point in time. However the range of additional assistance that would have helped was predictable.

It included assistance with meals and home maintenance, access to transport and medical services, eligibility for the aged pension or seniors health card, access to other concession cards, support from families and friends, financial planning, and the ability to earn more before the pension is affected. Of particular interest was the perception of age discrimination when seeking to gain employment. While several of these supports fall within the Commonwealth's responsibilities, some are provided by the State Government.

Members' comments:

Someone to provide all meals.

You have to help yourself but there is a definite barrier to getting a job as you get older. Employing people over 50 first!

Cheaper utility prices and cheaper council rates.

Reasonably priced home maintenance.

The aged care Help at Home program provides support to eligible older South Australians to remain living in their own home and includes home modifications

¹⁷ National Seniors Productive Ageing Centre, 2012. *Financial Wellbeing: Concerns and choices among older Australians*. National Seniors Australia.

such as maintaining and repairing the home or garden and aids to get around the house eg ramps, rails and equipment. In addition, some Local Councils also provide assistance with assessments and referral to economical home modifications.

However members do not report equitable access to such services. As the proposed new Commonwealth Home support program will not commence until July 2015, the South Australian Government should ensure that older South Australians are able to modify their homes at subsidised or reasonable cost.

Recommendation 7:

National Seniors **recommends** that the South Australian Government ensure that all seniors can be supported to access economical home modifications and improved access to the aged care Help at Home program.

12. What concessions are most important to you and your household?

It is not surprising that National Seniors' members indicated how important existing concessions are to their ability to manage their budgets and attempt to maintain a reasonable standard of living. Concessions for electricity, transport, medical services, rates and water all featured strongly. Eligibility for the Commonwealth aged and other pensions, Commonwealth Seniors Health Card along with the State Seniors Card were all highly valued for the support they provide and their access to concessions.

Members' comments:

*Seniors card concessions on Council rates, phone bills, electricity, movies.
Pensioner rates for doctors, the PBS scheme.*

Government concessions on Utility, Transport & Local Council costs.

Rates, Water, Electricity, Transport, Vehicle registration.

Seniors card & Commonwealth Health Care Card.

Aged pension and low income concessions.

Cost of living pressures are more pronounced in the case of older Australians as a result of their typically below-average, fixed incomes, and their generally lower levels of discretionary spending. In 2011, nearly three-quarters of a million older households (aged 50 years and over) were spending half their income on just three essential cost of living items (groceries; electricity & gas; and healthcare)

on an average income of just over \$14,000 per year. These commodity items were shown to be rising at a rate considerably faster than inflation¹⁸.

The difficulties raised by residents are compounded because most residents are living on fixed incomes which may decrease in purchasing power over time and therefore they have little capacity to absorb escalating utility charges and other rises to their cost of living.

Cost of living pressures on older Australians can severely limit their capacity to engage in social and community activities and obtain basic services.

Members' comments:

Day to day living expenses like service fees rise each year but our income does not keep pace with the rises.

Dramatic increases in maintenance fees and living on a very limited, fixed income since retiring from work is causing concern for me.

Pensioners, Commonwealth Seniors Health Card holders and State Seniors Card holders appreciate the various concessions from the South Australian Government including the \$190 or up to \$100 per year respectively on their council rates, energy concession of up to \$165 per year for electricity and gas and single combined concession payment for energy, water and council rates for residential park residents.

We also note the recent budget announcement of an extra \$30 saving on water bills to holders of pensioner concessions cards, Department of Veterans Affairs Gold Cards and those with low income health care cards or who were in receipt of some Centrelink allowances. However these announcements do not provide relief to self-funded retirees.

Meanwhile most South Australian families will save \$148 on each car they register over the next two years as part of Compulsory Third Party reforms, but a 3% increase in public transport charges, car registration and drivers licence renewals is likely to offset the above savings.

The eligibility for concessions can be very confusing, especially when it is reliant on eligibility for various Commonwealth or State Government cards. Information that is easier to peruse and clearly states basic eligibility requirements would allow older South Australians to more easily navigate their eligibility for concessions.

¹⁸ National Seniors Productive Ageing Centre, 2011. *Are Older Australians Being Short Changed? An Analysis of Household Living Costs*. National Seniors Australia.

Recommendation 8:

National Seniors **recommends** that the South Australian Government include on their Seniors website, or in promotional material a table that summarises the types of concessions available and the type of card required to access the concession followed by a link to the specific web pages or contact phone number for each concession type.

13. Have you had any difficulties accessing concessions?

Most members in receipt of concessions reported no difficulties in accessing them. Of those who had difficulties, their greatest concerns were the forms to be completed and the waiting time before access is confirmed. Some members were not sure about all the concessions available or were still working and not eligible for most concessions.

Member's comment:

Yes. The endless forms and questionnaires that have to be completed to exact requirements. Then there is the "processing time".

14. How do you hear about available concessions?

Word of mouth is still a vital source of information regarding concessions, followed by Centrelink and the media. Some members searched the web and the Government Seniors website. However information on the concessions is not available in one place on the South Australian Government Seniors website.

Recommendation 9:

National Seniors **recommends** that the South Australian Government re-organise the Seniors website to ensure that links from the Seniors page go directly to concessions on other agencies websites.

15. Mortgage payments represent the largest expense for South Australian families and households. What impact does this have and what would help ease the pressure?

Many respondents to the survey did not have a mortgage. However this does not mean that they all owned their own home. Although a third of respondents owned their home, more than a third were unable to purchase a home or afford the repayments. Difficulty in obtaining and keeping employment at mature ages was a factor in achieving home ownership.

Of those who were still paying a mortgage, flexible repayment arrangements, low interest rates and affordable housing prices were most important.

Members' comments:

Low interest rates and flexibility in repayment options.

Impacts on relationships and personal stress. To ease the pressure, repayments need to be at a comfortable level against income and other expenses. Property prices need to be corrected to affordability, but this is unlikely in the climate of demand exceeding supply.

While the Affordable Homes Program assists low income people with the purchase of an affordable home, older South Australians who wish to downsize are ineligible for this program as they already own a home. The recently announced Supporting Senior Australians downsizing trial whereby 80% of sale proceeds up to a maximum of \$200,000 are excluded from assessments for the aged pension for 10 years is a small step in the right direction to allow older Australians to downsize. However State charges and high costs of age-appropriate housing are still an impediment to making the decision to downsize.

Recommendation 10:

National Seniors **recommends** that the South Australian Government complement the Supporting Senior Australians downsizing trial announced in the Federal Budget by:

- a reduction in state stamp duty charges and encouraging reduced property agent's fees
- allowing purchase of affordable housing properties on a means tested basis as in Recommendation 5

to support older South Australians who seek to downsize their home.

However the federal trial does not assist older Australians who are unable to afford a mortgage or who have not lived in their home for 25 years.

16. The cost of school and child care fees, learning materials, uniforms, and sports gear can have a big impact on households. What would help you manage these costs?

Most seniors are no longer responsible for education costs for children or young adults but many see the impact on their children and grandchildren. However they believe that parents are ultimately responsible for ensuring their children are able to be educated and attend school.

Options to offset the costs were suggested, including ensuring that public education remains cost free and limiting costs for excursions and trips. Where the cost of education is straining family budgets, another suggestion was to add children's education costs to the list of extenuating circumstances under which loans can be taken out against their superannuation accounts.

17. Looking after your health and the health of your family can also be expensive. What is your biggest concern?

By far the greatest concern among National Seniors members is the spiralling cost of private health insurance and the increasing gaps between refunds from MBS and private health insurance and the full cost of care. Rising out of pocket expenses are forcing many older Australians to delay or opt out of private health services. This impact is greatest on retirees on aged pensions or fixed incomes.

The long wait lists for public hospital admissions for elective surgery are also a great worry for members. Although elective surgery procedures are rarely a matter of life and death, failure to access timely treatment has significant impacts on the quality of life of older Australians and frequently contributes to loss of health status and increased morbidity. In turn, these delays contribute to greater costs as conditions progress and more urgent services are required, thus increasing health care costs in the long term.

In 2012, South Australia performed better than most other States and Territories by achieving above 90% of the clinically recommended times within which surgery, or another appropriate treatment should occur for Category 1, 2 and 3 elective surgery patients. However the accepted wait times of 90 days for semi-urgent and 365 days for non-urgent cases still create considerable stress for the patients concerned.

In addition, the failure in 2012 to reach 2010 baselines for reducing the days waited by overdue semi-urgent (at 38 compared with 30 days) and non-urgent (at 66 compared with 45 days) patients is unacceptable to older South Australians¹⁹. Only Queensland had a worse result in terms of not achieving better than their 2010 baseline in 2012.

Members' comments:

That I will continue to be able to afford private health insurance.

*Costs keep rising and private insurance gets more expensive while giving less.
... The gaps in private health insurance seem grossly unfair.*

¹⁹ COAG, 2013. *National Partnership Agreement on Improving Public Hospitals: Performance Report for 2012*. Commonwealth of Australia.

Through circumstances we have not been able to go into private insurance and are now scared because we are getting older and have more and more needs.

That I cannot afford private cover and I'm going to need help and I'm worried that I'll be stuck on a l-o-n-g waiting list when that time comes.

Rising cost of health insurance premiums but they are necessary to cater for the ageing population. People need to take care of their own health so they don't require hospital admissions.

Health insurance goes up every year as though money grows on trees, yet my wages don't increase on the same level!

Recommendation 11:

National Seniors recommends that the South Australian Government increases their resources and reduce the time delays for over-due category 2 and 3 elective surgery patients to zero. In addition, we recommend that the Government continue to pursue options to reduce the waiting time for category 3 procedures to well below the accepted 365 days waiting period.

Further concerns are the lack of affordable dental health and vision services, which are required by many older Australians to maintain their health and personal safety. Members are well aware of the importance of oral health to maintain nutrition and reduce infections associated with higher levels of chronic health conditions. Adequate vision is essential to avoid fall-related fractures which are a significant cause of avoidable hospital admissions and early entry to residential aged care. Eligibility for these public services relies on holding a Pensioner Concession or Commonwealth Seniors Health Card.

Member comment:

Teeth and spectacles, would like better health benefits on these items

The upper threshold for eligibility for a Commonwealth Seniors Health Card has not been increased since 2001. When adjusted for inflation these thresholds would be \$68,000 for singles (not \$50,000) and \$108,000 for couples (not \$80,000). Obviously self-funded retirees in South Australia are experiencing a diminishing of their ability to fund their escalating health and cost of living expenses from their relatively fixed incomes.

Recommendation 12:

National Seniors recommends that the South Australian Government increase the resources allocated to their Adult Dental Service to reduce the current waiting lists and increase eligibility to include retirees with incomes \$10,000 above the current threshold for the Commonwealth Seniors Health Card.

Recommendation 13:

National Seniors recommends that the South Australian Government increase eligibility for the South Australian Spectacles Scheme to include retirees with incomes \$10,000 above the current threshold for the Commonwealth Seniors Health Card.

The case for additional support to older Australians is well documented in a variety of research reports. Older Australians are facing onerous out-of-pocket costs in an environment of spiralling health care costs that are rising at levels higher than inflation.

A 2012 National Seniors report showed a prevalence of chronic conditions among mature age people. The report's authors found that 570,000 people aged 55 years and over spend more than 10% of their income on health and about 250,000 spend over 20%.

The research showed that on average older Australians spend \$353 per quarter on out-of-pocket health care costs. Worryingly, those with five or more chronic conditions spend \$882 per quarter which is almost six times as much as those with no chronic conditions²⁰.

Research from the Commonwealth Fund also estimated 18% of the Australian adult population had not seen a doctor when they were sick or had not received recommended care due to cost. A further 12% of Australians had not filled prescriptions or had skipped doses of prescribed medications to save money.

In 2011, a further National Seniors report by the Productive Ageing Centre showed that 65% of mature age people (aged 50-79) did not purchase health insurance because they simply could not afford it. It also revealed that 180,000 people aged 50 or over with health insurance were paying a lifetime health cover surcharge of between 40% and 70% on their health insurance premiums.

The removal of the federal Government's rebate on this component is likely to place further pressure on already stretched household finances. A 55 year old who purchased insurance at age 50 would pay 12% more under the change and this equates to an extra \$180 on a \$1500 policy²¹.

South Australia is the only state in Australia that provides rebates for personal alert systems that protect frail older people who are alone in their home from

²⁰ National Seniors Productive Ageing Centre, 2012. *The Health of Senior Australians and the Out-of-Pocket Healthcare Costs They Face*. National Seniors Australia.

²¹ National Seniors Productive Ageing Centre, Research Monograph No. 1, October 2011. *A CARROT AND A BIG STICK: Understanding Private Health Insurance and Older Australians*. National Seniors Australia.

unattended falls and health emergencies. The rebate on personal alert systems of up to \$380 for the purchase and installation of approved monitored systems and auto-diallers and up to \$250 per year for approved applicants for monitoring services for approved monitored systems are highly prized by eligible South Australians aged 75 and older and who have medical certification.

18. Life changing events can include things like relationship breakdown, house repossession or bankruptcy which involve legal fees. What would help you in these circumstances?

Overwhelmingly members cited access to economical legal services offering reliable and trustworthy advice as the most important support in such situations. Concerns were expressed about the difficulty in navigating the legal system, lack of knowledge about their rights and where to obtain help and how to negotiate reasonable costs for legal services.

Members' comments:

Cheaper access to legal aid or Govt. subsidy for certain cases.

Assistance with legal fees or free service for those over a certain age (70?).

I believe we should all pay our way, but there should be low cost service available with an extended pay back eg by the week scheme.

The legal profession having some ethical and moral compassion instead of seeing how much money they can gain from each client. It is all about the money and winning - nothing else.

Better access to information without having to pay a so called expert who can rip you off. ... Free advice on-line.

Although a very small number of respondents provided examples of traumatic situations where such support was not available, their comments were particularly relevant. This included the shock of separation from partners because of death or divorce, leaving individuals without anticipated resources for their retirement and the perceived unfairness in the way in which assets are shared following relationship breakdown, especially in de facto situations.

Members' comments:

Have a plan and finance input at the commencement of the marriage or from a designated age.

Change the law re De Facto!! It's too easy to get ripped off of your house.

Recommendation 14:

National Seniors recommends that the South Australian Government actively investigate situations in which older South Australians are most likely to require legal assistance and promote available sources of legal support suitable for such circumstances eg in the event of relationship breakdown.

Conclusion

National Seniors has made a number of recommendations on *South Australia: An affordable place to Live: Have Your Say* for consideration by the South Australian Government. The recommendations focus on supporting older South Australians to

- continue living in their own homes;
- maintain their independence for as long as possible;
- alleviate the escalating costs of living especially for basic necessities;
- simplify bills and concessional information for ease of comprehension; and
- access essential services, including utilities, health and dental services.

National Seniors thanks the South Australian Government for this opportunity to provide comment based on the needs of our members. We encourage the Government to remember that South Australia has the largest proportion of older people in Australia and to support them to be productive and engaged members of their communities by ensuring that the rights and needs of older South Australians are at the forefront of their decisions.