



Senate Community Affairs Committee
Inquiry into the Cost of Living Pressures on Older Australians

Public Hearing

Brisbane
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OPENING STATEMENT

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We appreciate the opportunity to appear before the Committee today, and commend the Committee for its efforts on this important subject. As our submission points out, and as many of you are aware already, Catholic Social Services Australia's members deliver a wide range of services to older Australians. The experience of these agencies suggests that substantial reforms are required in order to offer many older Australians the dignified life they so richly deserve.

I will briefly touch on three areas:

- Key themes from our Submission,
- Developments since we prepared that submission last July, and
- Some selected issues arising from the Committee's earlier hearings in relation to this Inquiry (of 23 August 2007 and 20 September 2007).

1. Key themes from our Submission

Our **central theme** was that government must ensure that *all* older Australians:

- Have adequate income security,
- Are able to enjoy the fullest possible participation in the community,
- Are accorded the respect due both to their human dignity and to their past, present and future contributions to society, and
- Can access adequate and affordable social services.

Our **recommendations** addressed five areas:

- Climate change (*Recommendation 1*)
- Oral health (*Recommendation 2*)
- Grandparent families (*Recommendation 3*)
- Superannuation (*Recommendation 4-7*)
- Indexation of pensions (*Recommendation 8*)

Here I will emphasise our recommendations on climate change and on superannuation as, on our reading, these issues received relatively less attention in many other submissions.

Our recommendations on **climate change** are based on the notion that older Australians on low incomes should not bear a disproportionate share of costs associated with climate change. Our recommendations draw on a joint submission we made last year with the Brotherhood of St Laurence and the National Welfare Rights Network to the Prime Ministerial Task Group Emissions Trading. (Copies of this submission are available upon request or via our website if members have not already had access).

Our recommendations on **superannuation** flow from a concern that if greater attention is not devoted *now* to the question of equity in retirement incomes, we will see unconscionable disparities in the levels of income, societal participation and dignity which are enjoyed among different segments of our older citizens. This problem is already with us to some extent, and recent changes to superannuation arrangements have offered disproportionately higher benefits to those with the least need for government assistance. The magnitude of these inequities will increase greatly in coming decades if it is not consciously addressed by structural changes to the design of our retirement income policy.

2. Developments since we prepared our submission

The recent change of government does not directly affect our recommendations.

We look forward to progress on these issues through a number of current processes, including, among other avenues:

- The new Government's Social Inclusion strategy and related mechanisms (and I note the Parliamentary Secretary's membership of this Committee),
- The "Australia 2020 Summit" on Australia's long-term future which is scheduled for 19-20 April 2008, and
- Council of Australian Government processes.

3. Selected issues arising from earlier hearings

I have some brief remarks on three issues arising at the Committee's earlier hearings in this Inquiry (of 23 August 2007 and 20 September 2007):

- **Ratio of single relative to combined couple rate of age pension:** As other groups have argued to the Committee, the setting of the single age pension at 60 per cent of the couple rate causes significant hardship for a great number of single parents. We note FaCSIA's comment that international comparisons of this ratio are broadly in the order of 60-70 per cent (20 September 2007 hearing, Hansard). We would like to see

this ratio in Australia increased to at least 70 per cent, but would also stress the more fundamental need to ensure that all such payments are linked to a rigorous assessment of the relevant, real costs experienced by the target group.

- **Indexation of age pension** – The maintenance by the Australian Bureau of Statistics of Analytical Living Cost Indexes for Selected Australian Household Types – including age pensioners – is itself an acknowledgement of the fact that the CPI does not reflect the basket of goods and services purchased by aged pensioners. More work needs to be done to refine the precise nature and quantum of the difference between CPI and actual price rises experienced by pensioners – even different groups of pensioners. We commend the work of St Vincent de Paul to this end, and look forward to further debate followed by policy developments in this important area.
- **Locational disadvantage** – I note that Senator Siewert raised “poverty postcodes” when the Brotherhood of St Laurence gave evidence on 23 August 2007 (*Hansard* p. CA37). I draw the Committee’s attention (once again for most of you) to the findings of *Dropping Off the Edge: Mapping the distribution of disadvantage in Australia* (a report by Professor Tony Vinson which was co-commissioned by Catholic Social Services Australia and Jesuit Social Services). This report maps the concentration of disadvantage across some 24 indicators. While disadvantage is not restricted to the most disadvantaged areas, the mapping provides an important tool for both policy makers and service providers.

That concludes my introductory remarks.

Thank you.

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Catholic Social Services Australia