

1 March 2011  
National Urban Policies- Our Cities  
Australian Government

Dear Sir/Madam,

Re: *Submission in Response to Our Cities, Discussion Paper 2010*

**About National Seniors Australia**

National Seniors Australia (NSA) is the largest organisation representing Australians aged 50 and over with some quarter of a million members nation-wide. This broad-based support enables NSA to provide a well informed and representative voice on issues of concern for people aged 50 and over.

**This Submission**

National Seniors Australia does not pretend expertise in areas such as planning, building development, design or infrastructure and so will not be making comment on these areas which require a significant amount of knowledge and expertise.

We would like to note that the process for making this submission requires access to the internet to upload and register and that no postal option was available. This was confirmed when we rang the phone number for enquiries. We note that this precludes a number of people from making a submission including older Australians many of them who may not access the internet and other with limited internet access.

NSA in this submission will however, comment on how cities should be inclusive and value older Australians and will flag some of the issues that need to be considered in the planning building and infrastructure for established cities and emerging new urban areas. We hope this input from the perspective of older Australians will provide guidance to those who work to develop relevant policy, design, planning, building and the location and suitability of services.

**Why it is important that Australians over 50 be given consideration in the planning and life of our cities**

The ageing of Australia's population is one of the most significant challenges facing the nation. Action to meet their needs to ensure liveability and non-discrimination are critical.

Without conscious effort and consideration of this group in how we plan and structure our cities with an aging population things will be made more difficult.

We wish to make the following points specifically in relation to the Discussion Paper. We would like to see a shift in perception from that which sees older Australians as a burden rather than an asset. There is a wonderful reservoir of skills, experience and wisdom of older Australians that should be valued. Any consideration of how cities should operate

need to promote the choices and capacity of older Australians to engage in social, cultural and economic activities and work to mitigate social exclusion and discriminatory practises or facilities that affect those with a disability or by virtue of their age. We are firmly of the view that if we work to include and ensure the capacity of older Australians it can improve quality of life and wellbeing of all Australians as well as older Australians. People have families. Members of families like to know that older members of their family are valued and treated with dignity and respect. The way cities are designed, planned, built and operate can all work to enhance people's dignity and their human rights.

## **Key Recommendations**

### **Transport**

1. Federal and State Governments need to address the underinvestment in infrastructure in a more systemic way and require any private providers to invest in infrastructure.

### **Housing**

2. A long term, innovative, sustainable, socially inclusive, community building vision is required to under pin the whole housing policy area at Commonwealth level. A policy which ensures the maximisation of public housing stock and urgency for investment in a massive rebuilding, redevelopment and ongoing, non-piecemeal maintenance regime of existing properties. This can occur through a significant and greater commitment by Commonwealth, State and Local governments, community members, not for profits, community agencies, the private sector as well as private developers to house those from low socio-economic and disadvantaged groups in the longer term.
3. Amendment of legislation across all states and territories to ensure Retirement Village contracts better protect residents and require impartial legal advice to be sought when entering a contract.

### **Aged Care**

4. Enhance structure and performance of the aged care system by adopting a consumer –centred approach when considering reform options.
5. Ensure that 'quality of life' access, flexibility, choice, and highest quality of care for the consumer, as well as 'sustainability', are guiding principles in reform of the aged care system.
6. Effectively engage consumers in the aged care reform process and its ongoing operation.
7. Explore new funding options for aged care, beyond the current limited focus on introducing bonds for high care residents.
8. Maintain a safety-net for those lacking the ability to contribute to the cost of their care.

### ***Facilities and Services***

9. Access to facilities and services and the need for them to be amenable to aging citizens and people with disabilities should be central benchmarks for both government at all levels and private industry in any planning, design and approach taken to make our cities liveable.
10. In 'green field' residential sites access to community services and recreational opportunities should be a fundamental requirement to avert social isolation and exclusion.

### ***Contribution to the workforce and productivity***

11. Develop an incentive scheme for employers to employ and retrain older workers.
12. Establish a program of grants for employers to train older workers, especially in information technology.
13. Provide financial support for employers to redesign workplaces and work practices for older workers.
14. Existing anti-discrimination legislation should be strengthened and extended, together with broader community education and increased awareness of the value of older workers. This could be begun by strengthening the Age Discrimination Act.
15. The removal by government of age-based limits to workers compensation and sickness insurance to ensure that injured or ill mature aged workers are not disadvantaged compared to other sections of the working population.
16. The provision of incentives by government to encourage mature age workers to increase and update their skills and to remove any disincentives; particularly those relating to loss of income associated with studying.

### ***Cost of Living***

17. Equitable mature age income provision through the removal of the age cap on superannuation and removal of the disincentive of effectively high marginal tax rates when age pensioners seek employment via part-time /casual work.
18. Press the State Governments in NSW, Victoria, WA and the ACT to permanently quarantine the September 2009 age pension increase from the calculation of public housing rents to ensure the pension increase is actual spending power in the pockets of people with lower incomes.
19. Take strong leadership at the Council of Australian Governments (COAG) to discuss the issue of cost of living pressures for people on fixed incomes, which will potentially intensify even further as the full impacts of recent natural disasters and subsequent additional investment in infrastructure are felt across communities: Should/ could there be regulations for a minimum rebate for utility costs enforced across all states/ territories?

20. Investigate ways in which the seniors supplement could actually more truly reflect the increases in utility costs – biannual CPI adjustments seem inadequate to address average increases in utility costs of about 10% per annum. NSA believes that cost of living pressures are felt so severely by people on low, fixed incomes that both the Federal Government and the State Governments need to investigate potential additional, more effective ways of assisting those people to cope with the vast increase in utility costs.

This submission will now comment on some key areas that affect older Australians as follows:

1. Transport Issues
2. Diversity of dwellings
3. Facilities and Services
4. Contribution to the workforce and productivity

### ***1. Transport issues.***

Seniors require affordable, accessible, reliable, frequent public transport with well-connected services. The public transport, parking areas and the stations/stops must be clean, well-lit, safe and accessible for everyone including people with limited mobility or a disability. Adequate provision of clearly-marked and effectively-supervised priority seating on all forms of public transport is required for people with special needs.

Adequate and clear signage and information, mobility aids on public transport, affordable and available taxi programs and programs to support seniors to drive safely for longer are all important.

In capital cities, public transport has suffered from a lack of investment in infrastructure in the post-war years. For example, in Melbourne, there has been no significant extension of the suburban rail network since the 1940s and only minimum expansion of the Melbourne tram network despite a huge suburban growth in that period. This is similar in some other cities across Australia.

More recently failure of State governments to provide sufficient funds for the replacement of existing infrastructure nearing the end of its effective life and for necessary ongoing maintenance has seen increasingly frequent breakdown in working systems. Ironically, this is occurring during a return to an increasing patronage of public transport in most capital cities.

Federal and State Governments need to address the underinvestment in infrastructure in a more systemic way and require any private providers to invest in infrastructure. There is a need for urgent action so that capital cities do not become less liveable and to ensure safety.

National Seniors Australia believes that within each city there is a need for the integration of public transport agencies and authorities to ensure better co-ordination between public

transport services. Some states have also established Transport Ombudsman Office to deal with consumer concerns and make recommendations for improvements. This is commendable. Each city requires an independent public transport authority to integrate multiple transport agencies and authorities that have a primary focus on service delivery and coordination.

National Seniors Australia supports the concept of high speed rail services between major cities and notes that this was a policy in the election platforms of both the present government and the Coalition prior to the recent federal election.

From an environmental and health and well being perspective encouraging more seniors to walk or ride bicycles will be of benefit. Having facilities to support this is important with safe bike tracks and bike racks. For walking or cycling to be a realistic alternative to driving, the places to be accessed must be reasonably close and the paths from home to destination and between destinations must be clearly marked, protected from other traffic, not uneven, irregular or surfaced with unsuitable materials and they must be well-maintained.

For seniors with decreased mobility there should be programs to promote greater use of motorised mobility devices. There is a need to establish regulations that will safely maintain the free use of motorised scooters in increasing numbers. Regulations must ensure the safe integration of pedestrian traffic and motorised scooter traffic.

## **2. Diversity of living dwellings**

Making our cities more liveable for all Australians involves strengthening and supporting the ageing in place concept. National Seniors Australia notes that the availability of accessible, affordable and decent housing is critical. Housing should be able to meet different and diverse needs and promote social inclusion, privacy and dignity. This is necessary to allow people with special needs to live for longer and more independently in their own homes.

### *Affordable and more Housing*

One of the key issues across all states and territories is the lack of affordable accommodation for low income people. Research data carried out since the early 1990s shows that many of the most pressing health and social problems are worse in more unequal societies - often much worse. Societies with bigger income differences between rich and poor seem to suffer more of a very wide range of health and social problems. (See the research discussion of the Equality Trust UK <http://www.equalitytrust.org.uk/>). This is a good reason why social, health, legal and economic policies should seek to look after those on low incomes and the disadvantaged. The provision of a framework and policy setting for the provision of long term social and public housing for those with minimal income who cannot afford full market prices is an essential element of this introduce measures to increase the stock of housing provided by the not-for-profit section that is available to people in lower socio-economic groups.

The way in which the various departments responsible for housing respond to community concerns needs to be more responsive and lines of management need to ensure accountabilities exist within their Departments. Currently, the experience of many people is that they receive poor and sometimes discriminatory treatment, dismissive responses, lack of follow-up and a poor uncoordinated response to issues of maintenance - some of which

Departments themselves define as urgent. People are often very unaware of their rights as residents and confused by the complex systems they are required to navigate with little help and a failure to monitor a fairly basic service.

Waiting lists for housing are long, with many people giving up and falling off these lists. There is a lack of information, communication and transparency about wait times which leads to great stress and uncertainty in people's lives. This all goes back to the underlying cause of the problem which is the lack of public housing stock. People pay rent and often for properties that have been significantly run down and poorly maintained. Whilst acknowledging they pay a rent less than the market rate (which on their incomes they could never survive on) they deserve to be treated fairly, to be heard, not judged and to have access to decent housing.

### **Case Study**

An elderly lady on an aged pension was living on the fourth floor of a hotel. She was paying more than 35% of her pension on rent. The lady had a chronic health condition, was overweight and had a bad leg and hip. The only working bathroom with a toilet facility was on the second floor. The lady had been trying to get help from a local housing association to be placed on the waiting list in her state for public housing. The worker there had decided being overweight was the lady's issue and had refused to assist the lady in getting on a public housing waiting list. The lady had given up hope of finding better living conditions. It was not until the lady was assessed for her chronic disease at the local hospital that she was linked up to a Hospital Admission Risk Program (HARP) nurse that with the nurses assistance and that of a community lawyer, that the Housing Association was forced to assist.

Why should consideration of the building of more housing stock become more of an imperative?

- It is predicted that the Australian population will reach 39 million by 2049. On 30 June, 2007 the population was 21 million. (Source: Australian Bureau of Statistics).
- Barriers to home ownership mean prices have risen at a higher rate than household incomes placing pressure on the private rental market and thus people face upward moving rental costs.
- With rising demand for public housing by people on very low incomes and the disadvantaged eligibility for public housing has been tightened with the public having less and less access leading to more pressure on private rental and price increases in private rental and increasing levels of homelessness.
- The availability of public and private rental properties has declined. Private owners buy and sell often for speculative purposes while at the same time the public housing stock has shrunk and is shrinking.
- More than 200,000 people are on public housing waiting lists across Australia. (Australian Institute of health and Welfare), 600,000 private renters have housing stress and there are an estimated 400,000 units of affordable housing Australia-wide.
- On any given night Victoria, for example, over 23,000 people are homeless. Furthermore, in 2006-07, at least 38,000 people were assisted by homelessness assistance services and these numbers have been steadily increasing.
- In November 2009, Federal Minister Tanya Plibersek then Minister for Social Inclusion, in outlining Federal Government initiatives in housing indicated that further investment 'was not going to come again anytime soon'. For well over a decade,

Australian public housing has been run down with capital funds under the old Commonwealth State Housing Agreement (CSHA) hardly keeping up with the disposal of poor quality housing with good replacement stock. Capital funding for public housing under the CSHA has been in absolute decline for decades with barely enough to replace old stock let alone meet growing need. The newly announced initiatives by the Federal Government, while many of them are laudable, risk making an already complex and under-resourced system even more difficult to manage and coordinate. The system will see multiple and new providers making the system even more difficult to monitor, standards hard to action and does not ensure outcomes in terms of housing mix and affordability for those on low incomes or who are disadvantaged who cannot afford market rates. Accordingly, the stimulus and building of housing must have at its core a commitment to public housing in numbers able to support the population on low incomes and who are disadvantaged combined with the infrastructure to maintain and support it.

The Australian Institute of Health and Welfare noted in 2009 (ABC News 28/1/09) that housing is provided first to those in greatest need. They stated that lower rents in public housing are needed more than ever. Poor health is directly linked to poor housing and housing infrastructure (B J Currie, J R Carapetis, Skin infections and infestations in Aboriginal communities in northern Australia [*Australas J Dermatol* 2000;41: 139-45]). Housing problems that can have a health impact have been identified as where the housing is poorly designed, not secure, not affordable or cannot be accessed (Social Determinants of Health: Housing Fact Sheet, Southern Public health Unit Network, West Moreton Public health Unit Ipswich, <http://www.health.qld.gov.au/ph/Documents/saphs/20398.pdf>).

What is needed is a long term, innovative, sustainable, socially inclusive, community building vision to under pin the whole policy area. A policy which ensures the maximisation of public housing stock and urgency for investment in a massive rebuilding, redevelopment and ongoing, non-piecemeal maintenance regime of existing properties. This can occur through a significant and greater commitment by Commonwealth, State and Local governments, community members, not for profits, community agencies, the private sector as well as private developers to house those from low socio-economic and disadvantaged groups in the longer term.

#### *Aged Care*

Service integrated housing in the Australian context is the retirement village (in various forms) catering for people with needs between those of community care and residential care. According to our members, more uniform, consumer-friendly retirement villages' legislation is required. Resident's of these retirement villages need to be consulted by providers and have a greater capacity to have a voice.

Providing for quality care in later life is a key concern of Australians as they age. The ability to access aged care services, from home assistance through to residential care, is an *essential* service to protect older Australians when they become more vulnerable. In a survey of 801 Australians aged 50 and over conducted earlier this year, 74% of respondents said aged care was an extremely important issue and 14% said aged care policies would influence who they voted for in the 2010 federal election (National Seniors Australia, 2010).

As noted in the Productivity Commission Issues Paper, five substantial inquiries have been undertaken in as many years, with a view to improving the quality of care provided by

Australia's aged care system. From the 2004 Hogan Review of Pricing Arrangements in Residential Aged Care to the release earlier this year of the Henry Tax Review report, they all recognised that without swift and systemic action the aged care system will not be able to cope with the rapidly growing demand for aged care services as a result of Australia's ageing population.

All of these inquiries made recommendations for substantial reform in the areas of funding, regulation, sustainability, access, and choice. However, to date, all governments over the last five years have chosen to apply 'band-aid' solutions rather than implement these recommendations.

Earlier inquiries also indicated that the concept of a high level of care provided to the consumer has taken the 'back seat' to the dominant service delivery model as defined by the service providers, and the funding as defined by the funding bodies. However, the National Health and Hospital Reform Commission (NHHRC) in its final report concluded that a consumer-centred approach was needed. "The underlying premise of our recommendations...is that we need to redesign health services around people, making sure that people can access the right care in the right setting" (NHHRC 2009, p.102). National Seniors Australia (NSA) strongly agrees with this point of view.

While NSA acknowledges that 'sustainability' is important, it also believes that "quality of life" standards in the provision of aged care are paramount and that reforms to the aged care system should be designed with the consumer at the centre, ensuring that access, flexibility, choice, and best quality of care are guiding principles in the provision of aged care services.

### **3. Facilities and Services**

An issue that our members regularly raise concerns about is access to facilities and services and the need for them to be amenable to aging citizens and people with disabilities.

#### **Case Study**

A recent telephone conversation with a lady member related to a number of large shopping centres in her area which had removed seating so there were less spaces for people to rest or gather as a small community or where seating had been changed so that it was too low for people who were old, frail or had disability to be able to easily get up. She stated that she may now have to stop her weekly shopping trips from her retirement village as she was no longer certain that she would be able to rest regularly as her doctor had advised she needed to do.

She indicated that this shopping trip is major highlight of the week. For older Australians, like anyone else they like to have opportunities to congregate with other, rest and feel secure in the knowledge that such facilities will be provide amenity.

In designing cities and in the refitting/renovation/building of shopping centres more consideration needs to be given to the needs of shoppers with disability access and seating appropriate to such groups.



Where “green fields” sites for new settlements are established all essential services and facilities should be provided. They need to include all of the following:

- All water, sewerage, drainage, gas, electricity and communications services needed for the mature development,
- Schools (land reservations as the absolute minimum),
- Medical centres and community health and social welfare services,
- Child care facilities,
- Community facilities including halls, sporting, recreational and open space facilities, cafes and these should be suitable and accessible for the age range of residents of the development,
- Effective public transport both locally and linking to other areas
- Police stations to suit local policing needs of the residents,
- Local strip shopping centres which reduce the need for car trips,
- Ambulance and fire services,
- Age care facilities

#### **4. Contribution to the Work force and productivity**

National Seniors Australia believes that a major productivity challenge facing our cities (and indeed elsewhere in Australia) is the under-utilisation of older Australians i.e. those 55 years and over in work.

“Still Putting In” published by the National Seniors Productive Ageing Centre draws attention to this.

The report highlighted the following:

March 2009 ABS data revealed the work participation rate of people aged 55-59, was the highest on record since 1978 yet 3,564,838 people aged 55 years and over were not in the labour force. Of these it was estimated 2,000,000 were wanting work.

Using a Gross Domestic Product per capita weighting (\$53,523 in 2007/08) as a proxy measure it was estimated there had been an economic loss of \$10.8 billion per year to the Australian economy as a result of not utilizing the skills and experience of older Australians.

This comprised a loss of \$8.7 billion a year for not using the skills and experience who want to work but had given up because they were discouraged. (ABS data estimates 161,800) and a loss of \$2.1 billion a year for not utilizing 39,331 who were unemployed but actively looking for full-time work as at March 2009 but it does not include 17,073 looking for part-time work

National Seniors Australia believes that barriers are presented to older Australians who want to work.

A report “Experience Works – the Mature Age Employment Challenge” published by the National Seniors Productive Ageing Centre listed a number of these barriers.

- (1) Specific Age Discrimination Legislation. Examples of such legislation include the superannuation guarantee not applying to workers over 70 and the age restriction that prevents people from making personal contributions to their own superannuation after the age of 75 years. Income protection insurance policies which are not available to those over 65 is another example as are current limitations on workers compensation.
- (2) Aged based discrimination based on negative perceptions of older workers by employers.
- (3) Training and skills barriers prevent mature age workers from engaging and re-engaging in the labour force.
- (4) Government income support policies limit access to training and education for older workers and act as disincentives to combining part-time/casual paid employment with income support – including the application of the age pension.

National Seniors Australia believes that to achieve greater productivity through the increased participation of older Australians in the workforce, the Australian Government can assist through policy changes in the following areas:

- (1) Existing anti-discrimination legislation should be strengthened and extended, together with broader community education and increased awareness of the value of older workers. This could be begun by strengthening the Age Discrimination Act.
- (2) The removal by government of age-based limits to workers compensation and sickness insurance to ensure that injured or ill mature aged workers are not disadvantaged compared to other sections of the working population.
- (3) The provision of incentives by government to encourage mature age workers to increase and update their skills and to remove any disincentives; particularly those relating to loss of income associated with studying.
- (4) Promoting age management in the workplace
- (5) Equitable mature age income provision through the removal of the age cap on superannuation and removal of the disincentive of effectively high marginal tax rates when age pensioners seek employment via part-time /casual work.

An area of productivity that is often overlooked is the contribution made by those who engage in unpaid work. “Still Putting In” quantified the value of unpaid work by older Australians using typical hourly pay rates. It was estimated that the economic contribution made by older Australians performing general volunteer work in 2006 was \$2 billion. It was also estimated that the cost to the economy of replacing older Australians who provided unpaid childcare and unpaid help to people with a disability, with paid workers, would have been \$4.8 billion. Clearly, enhancing the productivity of our cities must also include the

nurturing of volunteering and the recognition of volunteers. We reiterate the point made at the beginning of this submission about the need to value, acknowledge and appreciate the contribution of older Australians rather than slip into stereotypes about older Australians being a burden.

Older Australians remaining in work beyond traditional retirement age or re-entering the workforce having already left, continue to face major cultural and institutional barriers. The Australian Government has indicated that it will expect Australians to extend their working lives but little is done to help older workers remain at work. Employers find it increasingly difficult to find a skilled workforce but at the same time they continue to discriminate against older workers. It is essential to combat age discrimination in access to employment.

Another block to older workers remaining in the workforce is legislation that imposes arbitrary age limits on benefits and protections. This includes the end of the superannuation guarantee once workers reach 75, and limits on the federal workers' compensation scheme for those over 63.

There are increasing numbers of older workers who wish or need to continue to work in paid employment. It's not about forcing people to work longer but about ensuring choice, and ensuring that those who choose to work longer or to re-engage in the workforce are given the same opportunities as other age groups.

National Seniors Australia is working with the government through the Consultative Forum on Mature Age Participation. More can be done to encourage employers to hire and keep older workers.

In a number of submission NSA has requested that government:

- Develop an incentive scheme for employers to employ and retrain older workers.
- Establish a program of grants for employers to train older workers, especially in information technology.
- Provide financial support for employers to redesign workplaces and work practices for older workers.

### ***Cost of Living and other pressures***

Expanding cities may experience “growing pains” through lack of adequate infrastructure to provide for growing populations, industries and services. This may be due to either inadequate funds for providing necessary infrastructure provision or insufficient physical resources to build the infrastructure.

Older, established larger cities already suffer from lack of investment in maintenance of existing infrastructure and services, and for replacement of life-expired infrastructure. Much of the existing infrastructure of the inner and middle suburbs in capital cities is either life expired or is nearing the end of its effective life. These problems are often compounded by the trend towards denser living. The problem is understood to be a factor contributing to large increases in utility costs in capital cities.

#### *Utilities*

Electricity and other utility prices are regulated at the state level. Therefore, concession schemes available to seniors to assist with cost of living pressures differ from state to state.

Examples are the Cost of Living Rebate for seniors in WA, Pensioner Rate Subsidy Scheme in QLD, and the year-round reduction of 17.5 per cent on electricity bills for concession card holders in Victoria.

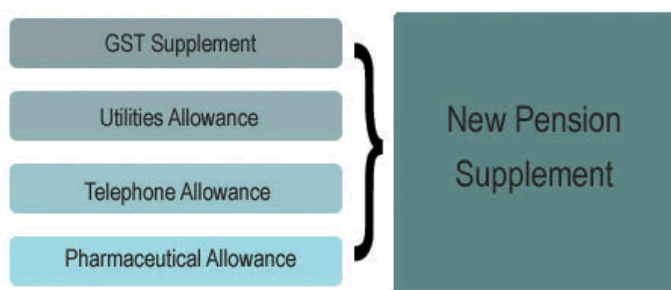
### Age Pension

As part of the Federal Government’s pension reform, mechanisms were included in calculating pension rates which enable the pension’s responsiveness to rising costs of utilities. As such, the maximum base pension rates are adjusted each March and September by the greater of the movement in the Consumer Price Index (CPI) and the Pensioner and Beneficiary Living Cost Index (PBLCI). The objective of indexing pensions in line with a living cost index is to ensure that pensions keep pace with increases in prices.

The latest statistics by the ABS show that the PBLCI rose 3.8% through the year to September quarter 2010, showing a larger increase through the year to September quarter 2010 than the CPI (+2.8%) (Source: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6467.0>)

### Seniors Supplement

From 20 September 2009, the payments of the Pharmaceutical Allowance (PA), the Utilities Allowance (UA), the GST Supplement, and the Telephone Allowance (TAL) were rolled into the Pension Supplement which will be automatically paid to pensioners with their regular fortnightly payment. This Pension Supplement is separate and in addition to the increase to the pension rate.



The current (20 September 2010) annual rates of pension supplement, minimum pension supplement amount and pension supplement basic amount are as follows. The maximum fortnightly rate of Pension Supplement is \$57.70 for singles or \$43.50 for each member of a couple.

Family circumstance	Pension supplement	Minimum pension supplement amount	Pension supplement basic amount
Single	\$1,500.20	\$806.00	\$525.20
Partnered (each eligible member of a couple)	\$1,131.00	\$608.40	\$436.80
Partnered - illness separated couple, respite	\$1,500.20	\$806.00	\$525.20

care couple			
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Source: [http://www.fahcsia.gov.au/guides\\_acts/ssg/ssguide-5/ssguide-5.1/ssguide-5.1.9/ssguide-5.1.9.10.html](http://www.fahcsia.gov.au/guides_acts/ssg/ssguide-5/ssguide-5.1/ssguide-5.1.9/ssguide-5.1.9.10.html)

The Pension Supplements are indexed on 20 March and 20 September of each year in line with CPI increases.

### Seniors Supplement - Annual

Annual Amount	Previous Amount	20 Sept 2010	Increase
Single	\$795.60	\$806.00	\$10.40 pa
Partnered	\$600.60	\$608.40	\$7.80 pa
Illness separated, respite care or partner in gaol	\$795.60	\$806.00	\$10.40 pa

Source: [http://www.fahcsia.gov.au/about/mediareleases/2010/Pages/rates\\_index\\_tbl.aspx](http://www.fahcsia.gov.au/about/mediareleases/2010/Pages/rates_index_tbl.aspx)

Despite pension rate increases introduced in September 2009, biennial indexation of age pension rates, and seniors supplement payments accompanying the pension payments, people on the aged pension and also on other low, fixed income arrangements, struggle to cope with increases in utility costs and therefore feel increasing cost of living pressures. It further has to be taken into account that cost of living pressures seriously impact on people's quality of life, and both their physical and mental health.

The increases and supplements outlined above, in conjunction with State/ Territory run rebate/ concession schemes do not seem adequate in addressing the disproportionately high increases in electricity, gas, water and other utilities witnessed in recent times, and subsequently people on fixed incomes struggle to pay for higher bills while still maintaining a decent standard of living.

CPI and PBLCI adjustments do not meet the increases in utility costs, and NSA urges the Federal Government to investigate ways in which pressures arising from increasing costs of living can be eased for people on fixed incomes such as the age pension.

To address the policy issue, the Federal Government could:

- a. Press the State Governments in NSW, Victoria, WA and the ACT to permanently quarantine the September 2009 age pension increase from the calculation of public housing rents to ensure the pension increase is actual spending power in the pockets of people with lower incomes.
- b. Take strong leadership at the Council of Australian Governments (COAG) to discuss the issue of cost of living pressures for people on fixed incomes, which will potentially intensify even further as the full impacts of recent natural disasters and subsequent additional investment in infrastructure are felt across communities: Should/ could there be regulations for a minimum rebate for utility costs enforced across all states/ territories?

- c. Investigate ways in which the seniors supplement could actually more truly reflect the increases in utility costs – biannual CPI adjustments seem inadequate to address average increases in utility costs of about 10% per annum. NSA believes that cost of living pressures are felt so severely by people on low, fixed incomes that both the Federal Government and the State Governments need to investigate potential additional, more effective ways of assisting those people to cope with the vast increase in utility costs.

We hope that this submission will assist the Australian Government in working to make 'Our Cities' more productive, sustainable and liveable and importantly inclusive. Please do not hesitate to contact me should you have any questions or queries on (02) 62304588.

Yours faithfully,

**Dr Liz Curran**  
**Director of Policy**