

## ISSUE: FINANCIAL SECURITY

### Council on the Ageing (COTA) NSW Policy Position

Financial security refers to the peace of mind that comes with adequacy of income. When a person or family has financial security, it implies that they have sufficient financial resources to participate in the life of the community, and specifically, to access adequate food; clothing; housing and heating; medical including dental, optical care and prescribed medications; social and legal services; educational; leisure; cultural and spiritual activities and to carry out family commitments and family carer responsibilities. Financial security also implies that people have built up sufficient resources to cover emergencies, without anxiety and stress. COTA NSW strongly supports the right of older people to financial security and would consider freedom from financial insecurity a basic right. If an older person has not built up adequate financial resources to meet their needs independently then COTA NSW believes that Government pensions and financial and non-financial benefits should be adequate to enable older people to meet these needs.

### Rationale for COTA's NSW position

- Affluent societies should aim towards ensuring the well-being, which includes the financial security, of their citizens. Yet in Australia disparities between the well-being of groups are growing. COTA NSW's own research (2017) highlighted concerns around an emerging two-tier system in the areas of housing, income, health and other standard of living measures. Older people receiving the Department of Veterans' Affairs Pension, Age Pension or Carer Payment are particularly vulnerable to experiencing a low standard of living.
- Research studies, particularly budget standard studies, show that the financial circumstances of people of all ages represent the main determinants of their living standard and well-being. While many older people are now amongst the most financially comfortable in Australia, they are also represented amongst the most financially disadvantaged. Consequently, they are amongst those in our community who experience the lowest levels of well-being by all measures.
- Research demonstrates that inadequate income has a negative impact on older people in respect to:
  - adequate nourishment and diet
  - secure housing
  - access to medical, dental and optical care, including allied health services such as podiatry, physiotherapy and other services
  - ability to meet heating and energy bills.
- The impacts of low income are particularly severe amongst older women who are less likely than men to have built up sufficient reserves of income or superannuation because of their intermittent work histories and family carer responsibilities.
- The impact of low income is also particularly great amongst rural and regional people because essential service provision in these areas is patchy and expensive.

### Actions COTA NSW Calls For

- A rise in the levels of the relevant pensions and Newstart Allowance so that they more realistically reflect the cost of living.
- An increase in the volume and level of subsidies for essential services, such as, pharmaceutical subsidies, heating allowance and domestic services, for older people on a full or part pension.
- An increase in the provision of bulk billing for GP services and bulk billing for accessible and comprehensive oral and dental health programs.
- The development of a marketing strategy to increase the take up of benefits and services amongst eligible older people.
- The wider promotion of the free, independent and confidential financial advice service provided by Centrelink.
- The Federal Government to widely promote its measures to enhance the financial circumstances of older Australians, as described in the Government's *More Choices for a Longer Life*, and to better protect older Australians from financial abuse by banks and other financial service providers.