



Demographic Change in Tasmania: challenges and opportunities

Response to Discussion Paper

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Submission from

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Introduction

Anglicare Tasmania would like to thank the Demographic Change Advisory Council for the opportunity to consider and comment on the impact of demographic change in Tasmania.

In general Anglicare considers that the ageing of the population presents a number of exciting opportunities for Tasmania and would like to emphasise the positive aspects of ageing. As a discussion paper by The Australia Institute (Healy, 2004) points out the baby boomer generation are projected to be healthier, wealthier and more active than previous generations and, at least until they reach 75 years, are likely to be net contributors and providers of help and support to the community rather than net receivers.

However Anglicare would also like to express concerns about the differential impact of ageing on low income and disadvantaged households. This submission comments on the implications for particularly vulnerable low income households – those who are long term unemployed or living with disabilities and mental health problems - and their access to housing, employment and community care services.

About Anglicare

Anglicare Tasmania is a non-government organisation that has been working for the Tasmanian community for the past 20 years. Since its establishment it has grown into a state-wide service responding to issues faced by Tasmanians such as financial crisis, homelessness, unemployment, the adverse health, social and economic consequences of alcohol and other drug use, and the challenges faced by people with physical and intellectual disabilities or mental health problems.

Part of Anglicare's mission is to speak out against poverty and injustice and to offer alternatives to decision-makers to help build a more just society. Anglicare practices this advocacy through its Social Action and Research Centre (SARC) established in 1995 to work with low income earners to identify the issues that affect them, and then carry these concerns to Government.

Over the past eight years SARC has produced a series of major research reports on issues affecting low income Tasmanians including access to health care, unemployment, financial crisis and mental illness.

Housing

Relevant question: Social Impacts (4): *What planning and building design issues are likely to emerge as a result of the strong increase in households containing elderly Tasmanians?*

Anglicare's concern is particularly with those older people who will be on low incomes, either due to low levels of retirement savings or reliance on the Aged and Disability Support Pensions. Currently, if they do not own their own home, housing options for these people are limited. The policy decision taken by the State Government to maintain public housing stocks at a residual level only, while maintaining a restrictive, targeted allocation system, means that many older and/or disabled people are effectively excluded from public housing unless they have multiple and complex needs.

The private rental market is also problematic, particularly for lone person households dependent on pensions. A recent survey (Anglicare Tasmania 2007) found that, out of 420 private rental properties advertised in Tasmania on 17 March 2007, only 3 properties would be affordable for a single person on the Age or Disability Support Pension. Of these properties, two were rooms in a share house, and one was a house in Queenstown. For an older person on Newstart Allowance, every single property would leave them in housing stress – that is, unable to afford essentials like food, power and heating once rent had been paid.

A further issue is that the Australian private rental market is structured around short term leases – so that landlords, who are usually small scale, can have swift access to the capital locked up in the property – while older people and low income earners usually prefer the security of tenure offered by a longer term lease (Minnery et al 2003). The private rental market is limited in its capacity to provide people with an ongoing sense of stability.

A number of commentators have recently argued that the situation will not ease until policies that address the demand side of the market, such as cash rent assistance or

home owner grants are replaced by policies to increase the supply of housing, particularly low-cost housing (see for example Eslake 2007).

The discussion paper's expectation appears to be that the demographic changes it describes will lead to the construction of further retirement villages. Yet in 2001, only 3.3% of people aged 65 and over were living in self-care accommodation for the retired ("self-care" meaning that occupants provide their own meals and are generally regarded as being self-sufficient), with a further 2.8% in accommodation for the retired where care was provided. The vast majority – 88.4% - were living in private dwellings such as houses, flats, units and apartments (ABS 2003). Given the significant differences in social attitudes, outlook on life and expectations of baby boomers compared to their parents' generation, the assumption that retirement villages are the only answer to the housing needs of the ageing population is flawed.

Older Tasmanians will be looking for accommodation that is close to services, particularly health services, shops, transport and family members and friends – housing that will allow them to "age in place". It will need to be easily modified and accessible housing, to cater for future frailty or disability. But such housing will also need to be available across the full range of tenure types, including public housing, private rental and purchased housing, and dwelling types, from stand-alone houses or units to properties that are part of a complex. Above all, in responding to the housing needs of older people, the Tasmanian Government will need to provide choice. For those people retiring on comfortable incomes or as home owners, these choices will generally be accessible. But when it comes to people reliant on pensions or those on low, fixed retirement incomes, policy interventions may be required to ensure that the full range of choices is available.

Employment

Relevant questions: Workforce (1): *As Tasmania's population ages, are there any groups of persons that will have increased difficulty in entering, or remaining in, the work force?* (2) *What factors cause people to leave the workforce before they choose to? Is this likely to become an increasing problem as the workforce becomes older?* (3) *Can we expect any age groups to increase their participation in the workforce in future decades? If so, what factors might encourage this?* (6) *What are the impediments, if any, to employing and re-skilling mature age workers?*

Anglicare has long been concerned about long-term unemployment. The most recent figures (ABS 2007) show that 16% of unemployed people fit into this category, having been out of work for over a year. Of this group, 44% have been unemployed for over 2 years. And even though people aged 45 and over make up only 23% of people out of work, they account for 35% of those who are long-term unemployed.

A person can be on Newstart up to the age of 65¹, yet realistically, people in older age groups are unlikely to be successful in finding work, due to skills mismatch or other factors such as age discrimination. Six years ago a State Government report considered in detail the issue of mature age unemployment in Tasmania (Webber 2001). The key finding of the report was that negative employer attitudes were the greatest obstacle faced by mature age jobseekers. The report included consultation with unemployed people, most of whom were long-term unemployed. All but one had experienced discrimination on the grounds of age either in a former workplace or while looking for work, and almost all considered that employers did discriminate against older jobseekers.

The knock-on effects of being unemployed and unable to find work are significant in a climate where increasing emphasis is placed on the need for people to fund their own retirement rather than expect to depend on government benefits. People out of the workforce for long periods of time have interrupted superannuation contributions. The experience of unemployment and underemployment (it is important to note that the ABS definition of “employed” is that the person worked for a minimum of just 1 hour during the week of the survey) is also linked to poverty, stress, negative impacts on personal and family relationships and significantly reduced social and community networks, which can all lead to lasting consequences for a person’s health and wellbeing, including economic wellbeing (see for example Madden 2003).

An Anglicare survey of the Tasmanian community (Madden 2006) found that 40% of respondents who were under 60 and unemployed had no superannuation at all. Among those respondents under 60 and not in the labour force for other reasons, such as caring responsibilities or ill health, 57% had no superannuation. Even

¹ At present, women can qualify the Age Pension when they are younger than 65, depending on their date of birth. However, Centrelink are changing the eligibility policy to bring the requirements for women in line with those for men, and by 2014, the minimum qualifying age (65) will be the same for everyone. This will mean that anyone aged under 65, if unemployed, will be on Newstart Allowance. As at 19 April 2007, a single person on Newstart Allowance would receive a base payment of \$424.30 a fortnight (\$464.70 for a person aged over 60 after 9 months) plus rent assistance, compared to \$525.10 a fortnight plus rent assistance on the Age Pension (Centrelink 2007).

among those who were working, 9% of casual employees and 3% of employees with paid entitlements reported that they did not have any superannuation. These figures raise serious concerns about the capacity of older Tasmanians to fund their own retirement. These concerns are reinforced by recent research conducted by the Australian Institute, which found that baby boomers on lower incomes had little or no capacity to fund their retirement themselves, and were expecting to stay in the workforce beyond retirement age, not out of choice, but out of concern about their financial security (Hamilton and Hamilton 2006).

Although the decline in the proportion of the population that is of working age predicted in the discussion paper theoretically should mean more opportunities available to Tasmanian workers, including people who are long-term unemployed and older jobseekers, our concern is that many people who have been out of work for some time are not job-ready. There is often a skills mismatch, particularly for blue-collar workers who are unemployed because the industry in which they are trained and have worked for many years has shrunk or disappeared. For other jobseekers, the pace of technological change can mean their skills are now out-of-date. Many people who have been out of work for long periods also lack confidence and self-esteem, as well as more practical things like the financial resources required to initially afford transport to and from work or buy decent clothes for job interviews. If Tasmania is to tap into the pool of long-term unemployed to meet its future labour shortages, significant investment in training and support for these jobseekers will be required.

Disability

Relevant questions: Social impacts (2) *How might these changes affect the demand for services?* Population health (2) *Are there some social groups that will be more vulnerable to poor or worsening health conditions?* Workforce (3) *Can we expect any age groups to increase their participation in the work force in future decades?*

The comments outlined here are drawn from the findings of Anglicare research (Hinton, 2006) which explored the experiences and circumstances of the 24,800 Tasmanians (Centrelink statistics, May 2006) with disabilities in receipt of the Disability Support Pension (DSP) and of the informal carers who support them. The research found a strong correlation between poverty and disability in Tasmania where many reliant on the DSP experience serious financial disadvantage due to

lower workforce participation rates, low incomes and higher disability related expenses. This is compounded by difficulties in accessing support services due to shortfalls in service provision, long waiting lists, a fragmented service system and a lack of information for consumers about what services might be available to them. This means that not only are people with disabilities poor but they also lack access to adequate levels of basic support like personal care, aids and equipment, supported housing, respite, health services, transport and recreational opportunities.

We also know that disability is not a random occurrence (Burchardt, 2003). Those already disadvantaged are at significantly greater risk of becoming disabled and there are strong associations between being poor, out of work, low educational qualifications and the risk of developing long term health problems or impairments. This means that the most vulnerable – the low paid and unemployed – face higher risks and are the least well protected from becoming disabled.

It is anticipated that as the likelihood of disability increases with age an ageing population will mean increased levels of disability and chronic health problems and an increasing demand for support services. ABS projections (Disability Services Tasmania, 2005) estimated that increased support requirements nationally will result in a growth in demand of between 3% to 8% per annum. A failure to meet the need for growth funds in the disability budget will serve to entrench and deepen the existing disadvantages experienced by DSP recipients and fuel greater divergence between higher and lower income households coping with disability.

Employment can protect people with disabilities against the risk of poverty and disadvantage but Anglicare's research into the experiences of people with a disability found a number of barriers to gaining and sustaining employment in Tasmania. These included discrimination, the additional costs faced by disabled employees and welfare to work reforms which mean that many people with disabilities are now more cautious about entering the workforce because of concerns about losing access to the DSP. Acquiring a disability early in life can also lead to cumulative disadvantage whereby individuals receive below standard education, have poor life skills development and lack experience of part time work. These factors reduce their chances of employment in the longer term.

A decline in the working age population combined with an increased demand for community based support services could potentially open up new employment

opportunities for those who currently operate on the fringes of the labour market. However in order to take advantage of these opportunities initiatives will be required to boost training and educational levels for disabled workers, tackle discrimination and provide more adequate subsidies to counter any additional disability related costs in the workplace.

Mental Health

Relevant questions: Social impacts (2) *How might these changes affect the demand for services?* Population health (2) *Are there some social groups that will be more vulnerable to poor or worsening health conditions?*

These comments are based on Anglicare research which examined the experiences of people with serious mental illness in Tasmania (Cameron & Flanagan, 2004). While only around 3% of the population experience serious mental illness, that is, the spectrum of psychotic disorders such as schizophrenia, affective disorders such as bi-polar disorder and depression and severe and disabling anxiety disorders, the economic, social and personal disadvantages of this group are extreme. Anglicare's research confirmed that people with serious mental illness are among the most disadvantaged in the community – their support needs often not addressed. Anglicare's recommendations, subsequently confirmed by the findings of the Bridging the Gap review team were for greater investment by Government into the mental health service system to ensure a range and sufficiency of community based services to support people with mental health problems living in the community.

The level of need for these services is confirmed by a review of the data on people with serious mental health problems. Nationally around 25% of people on the Disability Support Pension were disabled by a psychological or psychiatric condition, making it the second most common form of disability after musculo-skeletal or connective tissue conditions (FACS, 2003). Most of what is known about Australians living with serious mental illness comes from the Low Prevalence Disorder Study, a component of the National Survey of Mental Health and Wellbeing. The study provides epidemiological, clinical and social data on the needs of people with psychotic disorders. The portrait it provides of the social and economic status of people living with serious mental illness in our community suggests the scale and range of support needs of this population.

- The great majority (72%) were unemployed; 85.2% were dependent on government pension or benefit;
- 47.8% had no school qualification;
- 31.3% lived alone in single person households;
- 59.1% of the sample did not socialize outside the home; and in 57.6% of cases, this was rated as social withdrawal, self-isolation and avoidance of people;
- Only 9.3% lived with a carer, who was most frequently their mother (41.8%) or their partner (24.2%);
- 44.7% lived in hospital or a nursing home, hostel, group home, supported housing, rooming house, hotel, crisis shelter, or were homeless or with no fixed address;
- Almost 30% of participants showed impairment in self-care (personal hygiene, care for one's appearance and physical fitness) with 3.6% of participants showing marked self-neglect;
- Obvious or severe dysfunction in daily family or household activities (such as cooking, cleaning, sharing meals) was present in 25.8% of the sample;
- 51.6% of the participants had been admitted to hospital once or more in the preceding year, with 45.8% having at least one involuntary admission;
- A high proportion (43.9%) of the participants had at least one contact with an emergency service in the preceding year;
- 48.5% of participants reported having used street drugs or non-prescribed medications;
- While 91% received service in relation to medicine prescriptions, only 25.2% received help with self-management and care of the home; 30.7% received social support and only 33.5% received assistance with managing housing and financial matters;
- 10.2% had been arrested in the past year and 17.6% had been the victim of violence, with 15.3% feeling unsafe in their current locality in the past month;
- The participants who were marginalized or homeless and not in contact with mainstream mental health services reported a much higher arrest rate (20.8%) and were much more likely to be the victim of violence (30.8%);
- 16.5% had attempted suicide or self harm in the past year; this rate was also markedly higher for the marginalized or homeless group at 25.8%;

- 47% of all participants reported being unable to access a particular service they needed in the previous 12 months, including 25.6% who needed a mental health service;
- And only 19.1% of the sample reported participation in any rehabilitation activities in the previous year (Jablensky et al, 1999).

In addition to the list of social, personal and economic disadvantage outlined above, the general health of people with mental illness is significantly worse than the general Australian population. Research has revealed that people with mental illness have considerably higher mortality rates than the general population from all the main causes of death (2.5 times higher) and alarmingly elevated rates of physical illness. The authors of a recent Western Australian study state that their findings indicate major health problems for people with mental illness that are strongly associated with their life circumstances, including poverty, poor diet and limited physical activity and access to health services (Lawrence et al, 2001). The ageing of people with mental health problems bring with it needs for particular support services, that are both able to support the complex needs of people who have survived a lifetime of disadvantage and the particular needs of people with psycho-geriatric conditions.

Informal Care

Relevant questions: Social impacts (4) *How is population ageing likely to affect informal care?*

Home based care relies heavily on the availability of informal carers and there are 22,000 primary carers in Tasmania (ABS, 2004). Indeed Tasmania has – along with South Australia – the highest percentage of the population living in households providing care in Australia (AMP.NATSEM 2006). However Anglicare’s research into the experiences of people with disabilities also demonstrates that Tasmanian carers experience a high cost in their caring role in terms of restricted employment opportunities, extra costs, low levels of financial and practical assistance and a high risk of poverty and disadvantage. These operate as significant disincentives to care. The majority of primary carers are middle aged or older and their numbers are projected to fall while the working age population of people with disabilities is projected to rise. In these circumstances it becomes imperative to counter the disincentives to care by improving financial and practical support in order to sustain levels of informal care in the community.

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