



**Joint Council on the Ageing (COTA) NSW and Older Women's Network (OWN) Submission**

**Submission on the IPART report**

***More efficient, more integrated Opal fares***

**Transport – Draft Report, December 2015**

## **Council on the Ageing (COTA) NSW**

COTA NSW is the peak body representing people over 50 living in NSW. We are an independent, non-partisan, consumer-based, non-government organisation. We work with politicians, policy makers, providers of services and products as well as media representatives to make sure wherever possible our constituents' views are heard and their needs met.

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## **The Older Women's Network (OWN)**

Established in 1985 the Older Women's Network (OWN NSW) is an active network of women in NSW who seek to uphold the dignity, respect and rights of older women. Operated almost entirely as a volunteer organisation, OWN has its roots in social justice and providing meaningful activities to enhance social connections and well-being.

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## **The focus of this joint submission**

COTA NSW and OWN are pleased to have the opportunity to respond to the IPART Transport draft report, *More efficient, more integrated Opal fares*. The focus of this submission is around the proposed changes to Opal Gold Card eligibility and pricing and the impact it will have on older people's ability to get around.

**Council on the Ageing NSW and the Older Women's Network do not agree with IPART's recommendation to means test seniors' transport concessions and believe it should remain a universal benefit for all people aged 60 years and over living in NSW who do no more than 20 hours paid work per week (Seniors Card recipients). We also believe that the daily \$2.50 Gold Opal card fare cap should not change.**

## **The purpose of concessions**

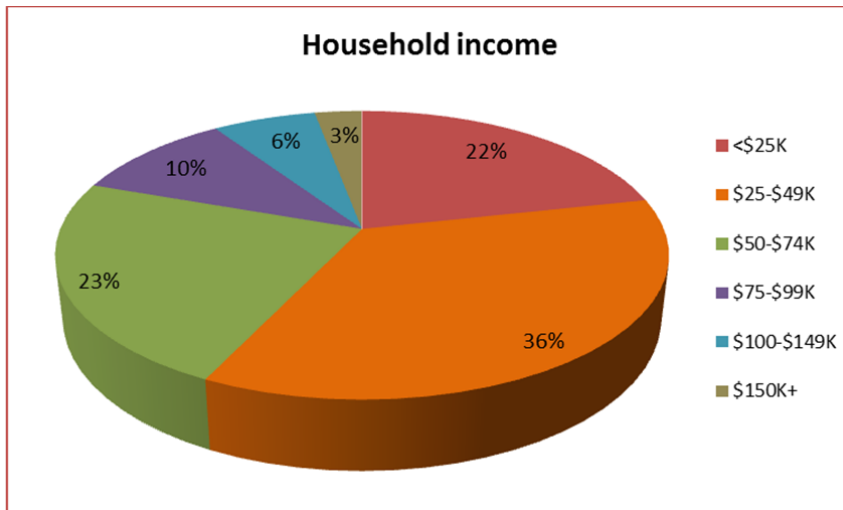
The Tribunal acknowledges that concessions pricing 'usually serves social policy objectives' (IPART, Transport Draft Report, section 1.4). We agree with this assessment. The \$2.50 concession for seniors was initially set as a universal entitlement for people over 60 living in NSW who do no more than 20 hours of paid work per week, regardless of their circumstances. The aim was to promote older people's ability to get out and about, to limit their chances of social isolation, and to encourage their contribution to the third economy.

Data is available about when Opal Gold card users travel and why they might be travelling. They avoid peak travel times, preferring to use off peak times to travel for such things as recreational activities. They are also travelling on public transport for a range of reasons, such as getting to cultural and recreational activities, medical appointments, or fulfilling various caring and volunteering responsibilities that they provide for free. (IPART, Transport Draft Report, Dec 2015, section 2.8.2).

## **Older people on fixed incomes cannot offset fare increases**

We disagree with the Tribunal's assessment that the current system is "unfair as it allows some customers on relatively high incomes to access concessions that are far more generous than those available to many low income earners, such as job seekers, who are eligible for a Concession Opal card, but not a Gold Opal card" (IPART, Transport Draft Report, section 2.8.3).

The 2015 **COTA NSW Consumer Survey** found that 80% of survey respondents living in NSW (N= 3,893) had a household income of less than \$75,000 per annum, with the majority of people living on a household income of between \$25,000 and \$50,000 per annum.



Opal Gold card customers, face rising cost of living expenses, while for most of them their income remains largely fixed. Community aged care, home maintenance, council rates, strata fees and rents, food and utility costs are all increasing, while the majority of older people’s incomes remain fixed and its purchasing power is falling.

In fact, unlike those people working full time, older people’s incomes tend to decrease over time, as they give up work completely, draw down their superannuation and then become increasingly reliant on the age pension. So there is no way the majority of older people can make up the difference in the proposed concession fare increases.

In addition, any even modest increase in the Opal Gold card concession rate will impact those who can least afford it – those older people living on full pensions, who have no additional source of income. So if fairness and equity are considered, then we believe that any means testing and increase to concession pricing for seniors is unfair and inequitable.

### **Older women are particularly affected**

Older women over 60 years of age, particularly older single women, are among the most disadvantaged people in NSW. Even a modest hike in the daily Opal Gold card fare from \$2.50 to \$3.60 has the potential to further disadvantage this group.

The Gold Opal card is currently available to all eligible people 60 years and over who work no more than 20 hours a week. The proposal to means test access to the card could exclude a large group of seniors/older people who have not yet reached pensionable age (65 up to 2017, gradually increasing to 67 by 2023) and would hit single women in this category particularly hard.

## **The potential impact of fare increases**

The Tribunal has not provided evidence that usage by older people will not be negatively affected by fare increases. We maintain, from discussions with our constituents, that any increase to the \$2.50 fare has the potential to reduce the number of older people using public transport, regardless of their income. How can you help create 'optimal use of the network' when any increase in fares for older people will likely reduce their usage?

According to the latest COTA NSW Consumer Survey, *Tell us how you get around*, older people who live in the Sydney metropolitan area are using public transport to a far greater extent than people in other parts of NSW where public transport is not as readily available. Our survey also shows that in the Sydney metropolitan area the use of public transport increases with age, as people forego driving to use public transport. Public transport is an affordable alternative to driving for older people in Sydney.

Concessions on public transport for older people do serve social policy outcomes. Keeping fares low helps encourage older people to get out and about and promotes social inclusion. This is supported by a University of Adelaide study that found that older South Australians were embracing free off peak travel on public transport to socialise, to care for grandchildren, to volunteer and to take part in cultural activities. The research also found that it helped keep cars off the road, reducing congestion during the day.

<http://www.abc.net.au/news/2016-01-11/seniors-using-adelaide-public-transport-to-socialise/7081200>

In addition, we believe that any increase to concession fares for older people will directly affect the third economy, which contributes billions of dollars to the NSW economy every year by way of retirees providing their time volunteering and caring for others in the community. COTA NSW and OWN agree with the Centre for Volunteering in their submission that any increase in fares will likely have a negative effect on the already declining volunteer sector. "We consider that if implemented, this proposal would lead to a reduction of the numbers of volunteers in NSW...especially self-funded retirees." (The centre for volunteering submission to IPART, Jan 2016)

We believe that even a modest increase in price will impact seniors, regardless of their household income and will create far reaching social impacts.

OWN (with the women's electoral lobby) recently made a submission to the *NSW Legislative Inquiry on Elder Abuse* and voiced concern for women who experience violence and abuse, which goes unrecognised and underreported in the community. There was strong recognition in many submissions of the value of social participation in the prevention of elder abuse.

Universal access to public transport is critical in maintaining individual independence in older people. A universal benefit with minimal conditions such as the Gold Opal card encourages older people to develop social connections separate from their families and without reference to household income. The proposal to triple the cap on the new concession Opal from \$2.50 to \$9.00 a day is unreasonable and will particularly impact older women who are disproportionately involved in travelling to undertake unpaid caring duties, often on a daily basis.

## **Conclusion**

If we as a community want to encourage older retirees to contribute their time to unpaid volunteering and caring activities that benefit everyone in the community, as well as ensure that older people remain socially connected, we must provide incentives for them to get out and about. This we believe was the original intent of the low cost daily fare.

We understand that consideration of 'social outcomes' is out of the scope of IPART's report but believe that evidence has not been provided that use of public transport by people 60 years of age and older will not be negatively affected by these proposed changes. In addition we believe there could be more far-reaching negative social outcomes as a result of these changes.

As a consequence, COTA NSW and OWN oppose any means testing related to travel concessions for people over 60 doing less than 20 hours paid work per month and believe that universal access to the Gold Opal card should remain. We also believe that the \$2.50 daily cap should remain, as the majority of older people's fixed household incomes cannot absorb the increase.