



5 February 2016

Dr Peter Boxall
Chair, Independent Pricing and Regulatory Tribunal
Level 5, 2-24 Rawson Place

SYDNEY NSW 2000

Dear Sir/Madam

Submission from Older Women's Network NSW on recommendations in the draft IPART report 'More efficient, more integrated Opal fares'

This submission from Older Women's Network NSW (**OWN**) to the NSW IPART report 'More efficient, more integrated Opal fares' represents our concerns regarding the impacts of the proposed changes to the Opal Gold Card on public transport use by older women.

We would be very happy to elaborate further on any of the matters covered in this submission, including by giving oral evidence if that would of assistance. Please direct these inquiries to:

Mary O'Sullivan



Yours sincerely,



Annette Bray

Chair, Older Women's Network NSW



Older Women's Network Comment on IPART proposal to removal universal (Seniors Card holders) access to Gold Opal Card with a \$2.50 daily cap and replace it with a concession based scheme which would:

- **Set the Gold Opal Card cap at 40% of the concession fare (\$3.60) in place of the current daily cap of \$2.50, which has not increased since 2005.**
- **Restrict the Gold Opal card to Pensioners and War Widow/ers**
- **Other seniors would be eligible for the Opal Concession Card (\$9 daily cap) rather than a Gold Opal Card.**

THE OLDER WOMEN'S NETWORK NSW

Established in 1985, the Older Women's Network of NSW (**OWN**) is an active network of older 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 advocating for social justice, and providing meaningful and engaging activities to enhance social connectedness and wellbeing.

The Older Women's Network NSW opposes this proposal to means test access to the Gold Opal Card. We believe the Opal Gold Card should remain as a universal benefit for those over 60, separate from the concession card and Centrelink related benefit categories. We would consider well researched recommendations to modestly increase the current cap of \$2.50 /day, in line with research and transparent benchmarks, such as cost of living for older people on limited and fixed incomes *and* estimates of their overall contributions to community well-being through caring and volunteering.

For example the Card's cap could be reviewed by an independent and appropriately qualified panel every five years. The Australian Bureau of Statistics has developed and trialled methodologies to assess social capital contributions. Such approaches are more relevant to considering public transport fares for seniors than the somewhat narrow economic frameworks applied by IPART.

Nevertheless IPART'S own commissioned research indicates widespread public acceptance that the Opal Gold Card linked to the Seniors Card is a 'fair' acknowledgement of older people's contributions.

The Roy Morgan research report, accompanying the draft IPART report, indicates broad support for the \$2.50 daily cap- in the order of 69% of public transport users.¹ The same research also indicates that 75% of non-Opal card users also support the current arrangement and cap. These figures indicate a deep rooted public understanding of the justice of the current arrangements and is contrary to the draft report's assertion that 'the current system is unfair'².

In this regard OWN supports the concept behind the proposal in the submission from the Combined Pensioners and Superannuants Association to extend eligibility for the Gold Opal card to those on New Start Allowance and Youth Allowance. However our strong recommendation is that the Gold Opal Card be retained as a Seniors only benefit- rather than being linked to concession cards involving Centrelink arrangements.

We are also concerned that in promulgating an argument around the relative 'fairness' of the Opal Gold Card, there is a danger that IPART will unwittingly foster intergenerational rivalry and hostility towards older people in a similar way that some of the rhetoric around the Federal Government's intergenerational Reports have done in claiming older people as a fiscal burden on future generations.

We are very concerned that the IPART draft report proposes to raise the cap for the Gold Opal to \$3.60 a day and links this to the Centrelink related daily concession cap. But the level of the cap, while critically important as an incentive/disincentive to use public transport, is a separate issue from the major policy upheaval being advocated here by the IPART: to make the Gold card a welfare concession rather than a universal right recognizing the life time contributions of older citizens to the community and economy of NSW. Our submission raises particular concerns about the impact on women of the proposal to raise the cap/s but also argues against the proposal to make the Gold Opal a means tested targeted welfare measure.

The extent and nature of poverty amongst older people and particularly amongst older women is not yet well understood and can't be neatly defined via categories such as eligibility for the pension. Older women over sixty years of age are amongst the poorest people in our community³. ABS Labour Force participation data shows that a significant number of older women aged 55 and into their sixties are in low paid and insecure work and work fewer hours than they actually need to pay rent and expenses. Women dependent on the private rental market are considered by most researchers to be most vulnerable - although they may not be eligible for New Start or the pension.

Moreover, household income is not a reliable indicator of relative wealth or income security for many women. Evidence in submissions to the current NSW Parliament Inquiry into Elder Abuse indicates that older women are especially susceptible to

¹ Sydney Public Transport User Survey 2015, Table 12:109

² IPART *More Efficient, Integrated Fares:30*

³ 'Accumulating poverty? Women's experiences of inequality over the lifecycle' Australian Human Rights and Equal Opportunities Commission 2009

inequitable financial arrangements within families, which means that in situations amounting to financial abuse, their actual disposable income can be negligible. In some communities household income is considered a whole of family resource with older women family members seen as least deserving of an adequate share. There is very little research on distribution of income within households, but there is evidence that women are generally not the beneficiaries of inequitable arrangements.

The Gold Opal card is currently available to all eligible permanent residents aged 60 years old and over who work no more than 20 hours a week on average. The IPART proposal to means test access to the Gold Card would exclude all seniors /older people not of pensionable age (under 65 and from 2017 gradually increasing until age 67 in 2023) and hit women in this 60-65/7 category particularly hard. With a cap for the proposed concessionary card rising from \$2.50 to \$9/a day, on the basis of a daily return trip, weekly transport costs for women and older people in the 60-65/67 could triple from \$17.50 to \$63 a week.

Moreover, restriction of access to the Gold Card to pensioners and war widows fails to acknowledge the Federal Government's recent initiatives to further restrict access to the aged pension through changed tapering and other initiatives. Older people, and especially older women with small amounts of super are likely to be pushed to the economic margins as these changes bite over time; not eligible for the pension but living close to the poverty line- especially if they depend on rented accommodation⁴. In this regard we note that the CPSA advocates that the Gold Card be available to Health Concession Card holders, many of whom will be victims of the Federal Government's recent adjustments to pension rates and eligibility.

Nevertheless we believe that IPART should be mindful of the 'big economic and social picture' in considering seniors fares. Excluding the assets of the family home, OECD data indicates that Australian seniors are already amongst the poorest in the developed world, with older women particularly vulnerable due to lifetime disadvantage⁵.

The technical papers IPART uses to justify its recommendations include scant justification for the increases in the caps or for the cessation of the Gold Card as a universal entitlement. IPART's 'Information Paper No 5' at least acknowledges that 'Public Transport services create large external benefits and should be subsidised'.⁶ However 'Information Paper Number 8', which purports to analyse public transport as a lever to foster 'social inclusion' – an area critical for older women who can be so often marginalised - then dismisses the benefits of social inclusion as more private

⁴ See data quoted in Women's Electoral Lobby Submission to the 2014 NSW Legislative Council Inquiry into Affordable Housing.

⁵ See <http://www.smh.com.au/national/onethird-of-australian-pensioners-live-in-poverty-oecd-report-20160106-gmOuno.html#ixzz3z918uBXO>

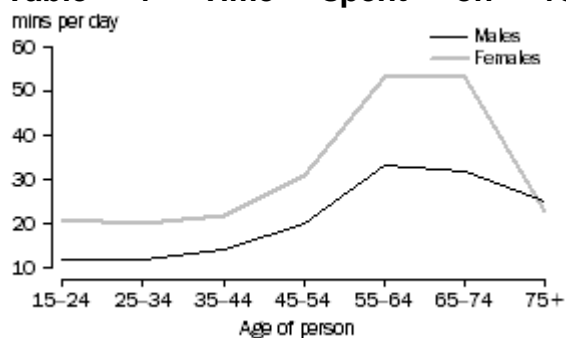
⁶ IPART December 2016 'Socially optimal consumption and prices':6

than public and furthermore only applicable to 'the few'. In an implicit criticism of the Gold Opal Card as a universal benefit the paper states that *fares should not be lowered for the benefit of the few who may be excluded.*⁷

There is ample emerging evidence of the 'social capital' that older people and especially older women can create. The 2006 ABS Time Use Survey reported that men were spending 15 minutes a day and women 24 minutes (table 1) on support for other adults, which includes informal help.

The ABS reports that amount of time spent on voluntary work and care activities increases for both men and women up to the age group 55 to 64 years, with women spending proportionately more time than men in each of the age groups. Time spent on voluntary work and care activities declines for those aged 75 years or more –due to increasing frailty.

Table 1 Time spent on voluntary work and care by age



The most recent survey on volunteering from the Australian Bureau of Statistics states that women are more likely to volunteer than men (34% compared with 29%). Around 29% of people aged between 55-64 volunteer and 34% or those between ages 65-74. Moreover around 53% of volunteers report expenses for volunteer work are not reimbursed with travel costs being the largest component.⁸

Caring work undertaken by older people for grandchildren, relatives and community members also involves travel expenditure, although there is little research on the incidence of these types of journeys and their frequency. Certainly the Roy Morgan research commissioned for the IPART Review failed to factor in this social dimension of public use. Seventy percent of primary carers are women and are most likely to be older themselves, with the largest age category being 55-66. Two thirds of primary carers live in households in the bottom 2 quintiles of gross household income⁹

⁷ IPART December 2016 'External benefits and costs': 18-19

⁸ Australian Bureau of Statistics General Social Survey: Summary Results 2014

⁹ ABS 4430.0 - Disability, Ageing and Carers, Australia: Summary of Findings, 2012

Supporting this is emerging empirical evidence that low cost or even free public transport is critical to older people's well-being and to their civic and voluntary activities. The author of a just released South Australian based study of the impact of free public transport on older people's lives states that the evidence shows that 'public transport is often used for life enriching activities such as volunteering, or civic and social engagements, going to the movies, visiting friends , or travelling to the city for a day out.'¹⁰

OWN (with Women's Electoral Lobby) has made a recent submission to the NSW Legislative Council Inquiry on Elder Abuse and the particular vulnerability of women aged 55 years and over to violence and abuse, which is seriously underreported in the community. A strong theme in many of the submissions, including ours, is that participation in community and social activities serves as the best prevention against elder abuse and the best means for victims to seek help. Unconstrained and universal access to public transport is critical to developing this capacity for independent action in older people. A universal benefit with minimal conditions such as the Gold Opal provides, encourages older women and older people more generally to develop and sustain independent social and community involvements involving or separate from their families and without reference to household income.

¹⁰ See 'Free Public Transport critical for seniors' well being'
<https://www.adelaide.edu.au/news/news82402.html> accessed 2/2/2016