

Hidden in plain sight: The impact of the COVID-19 response on mature-age, low-income people in Australia

Brotherhood of St Laurence and Nous Group

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The Brotherhood of St Laurence (BSL) is a non-government, community-based organisation concerned with social justice. Based in Melbourne, but with programs and services throughout Australia, the Brotherhood is working for a better deal for disadvantaged people. It undertakes research, service development and delivery, and advocacy, with the objective of addressing unmet needs and translating learning into new policies, programs and practices for implementation by government and others. For more information visit <www.bsl.org.au>.

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Executive summary

COVID-19 is easing, but problems persist for mature-age, low-income Australians.

The Brotherhood of St Laurence (BSL) and Nous Group (Nous) have partnered to analyse the impact of the COVID-19 pandemic public health response on low-income earners aged 50 to 65. **Not yet eligible for the pension or aged care, many of these people are caught between employment and retirement: too old to work and too young to retire.**

Prior to COVID-19, mature-age people on low incomes already faced diverse economic, social, personal and service-access challenges. For example, approximately 12 per cent of Australians aged 51 to 65 live in poverty, compared to the OECD average of 10.5 per cent (OECD 2019; Davidson et al. 2018). **This paper shines a light on the impact of COVID-19 on mature-age, low-income people; a group 'hidden in plain sight'. It builds on nearly a decade of research by the BSL on the experience of mature-age jobseekers and older people.**

In this paper, we focus on broad and multidimensional disadvantage including:

- employment
- economic security
- housing
- health and connections.

The nature of these challenges makes the group particularly vulnerable to the social, health and economic impacts of COVID-19 and associated policy responses. These issues are strongly intersectional in nature – particularly regarding gender. Women are more likely to take time out of work, or to work part-time while caring for children and/or other family members. As a result, women are disproportionately more at risk of housing and financial stress as they age. Refugees and new migrants, Aboriginal and Torres Strait Islander peoples, and anyone facing stigma or discrimination due to disability also experience these challenges in particularly significant and complex ways. We use three case studies to illustrate some of these challenges. Ultimately, COVID-19 has compounded existing vulnerabilities for this group, increasing risks of transition between different forms of disadvantage, and increasing reliance on inadequate social security payments.

As a result of COVID-19 this group, and its challenges, are growing.

Mature-age, low-income people have been strongly and adversely impacted by COVID-19 and the public health response. This group, which includes people who have recently fallen on hard times, faces significant disadvantage. There has been much analysis of the impacts of COVID-19 on health (infection, illness and death), aged care (including community and residential aged care) and the economy (recession and unemployment), but there has been little analysis of COVID-19's impact on older working-age people already disadvantaged prior to the pandemic.

The economic impacts of the pandemic on mature-age, low-income people have been particularly severe. We estimate up to 30 per cent of the newly un- or underemployed are aged 51 to 65. This means nearly 400,000 Australians aged 51 to 65 have had their hours and/or employment impacted. The result is that this group of mature-age, low-income Australians is growing rapidly.

Government responses are welcome but must meet long-term needs.

Australian governments have responded swiftly to COVID-19. Many mature-age, low-income people will benefit from these pandemic-related initiatives. However, most interventions have involved short-term increases in funding, channeled via existing systems and service structures. COVID-19 has highlighted that existing policies do not meet the needs of people who face entrenched disadvantage.

This approach has left many mature-age, low-income people short in two respects. Firstly, initiatives do not address the long-term needs of this group. The impacts of COVID-19 will be felt over the medium and

long term, particularly by those who are forced into retirement and cannot access the Age Pension. Secondly, existing system and services that are being used to channel funding can present significant barriers for mature-age, low-income people. Challenges range from structural issues (e.g. service design, practice approaches, availability) to personal factors (e.g. illness or disability, capability, disadvantage, care responsibilities). Using existing service systems and delivery mechanisms therefore limits potential for meaningful change.

We have an opportunity to achieve sustained and systemic change.

Medium- to long-term solutions require overcoming structural inequalities and barriers that existed prior to COVID-19.

This paper sets out three actions that can be taken immediately to provide quick relief:

1. Strengthen the safety net by providing financial support for immediate needs such as utilities, public transport, medical services and supplies
2. Deliver targeted communications to mature-age people so that they have access to clear information about where and how to seek help
3. Boost funding to financial counselling to support mature-age, low-income people to make informed financial decisions.

It also sets out ten recommendations relating to social security, employment supports, housing and care:

1. Address discrimination experienced by mature-age workers through practical reforms, including:
 - better targeting of education, training and upskilling opportunities
 - improving access to careers advice for mature-age workers at risk of involuntary retirement or unemployment
 - strengthening policies that promote workplace flexibility, inclusive employment and retention practices, including government demonstrating leadership through public service employment policies such as the Collaborative Partnership on Mature Age Employment.
2. Ensure mainstream employment services are adequately equipped to respond to the distinct needs of mature-age workers
3. Continue and expand targeted superannuation schemes to promote greater equity within the system and economic security in retirement
4. Ensure social security benefits remain above subsistence levels
5. Benchmark the liquid asset test for JobSeeker against median incomes
6. Index Commonwealth Rent Assistance (CRA) payments to movements in national rents to provide immediate relief from housing stress and prevent erosion of the payment
7. Improve security of tenure for renters, including by ending no-cause evictions and enabling reasonable home modifications to support people to age in their communities
8. Facilitate greater collaboration between Commonwealth, state and local governments to grow social housing through a sustained investment plan
9. Expand funding for social, financial and healthcare services available to mature-age and older people facing housing insecurity and/or homelessness as a result of COVID-19
10. Introduce block-funded community care coordination to identify mature-age people at risk and help them navigate systems, minimise crises, facilitate housing security and maintain connections.

1 Mature-age, low-income people were already experiencing disadvantage

Prior to COVID-19, mature-age people on low incomes already faced diverse economic, social and personal challenges accessing services and supports. They face higher barriers to gaining and retaining work, and remain significantly less likely to achieve positive employment outcomes under the current employment services system, Jobactive (Bowman et al. 2018; McGann et al. 2015). The pandemic has widened the gap of opportunity for this group and raised challenges to others who may have previously been just getting by. The dimensions of this group's disadvantage are summarised in four categories as set out in Figure 1.

Figure 1 | Summary of dimensions of disadvantage for mature-age, low-income Australians



This group's disadvantages made it particularly vulnerable to COVID-19. Research shows that the impacts of COVID-19 are likely to be felt more severely and over a longer period by people (Barnard 2020):

- working insecure or unpaid jobs (e.g. carer roles)
- facing reduced income or unemployment
- experiencing financial stress or poverty
- with poor health and/or disability
- who have difficulty accessing standard support systems
- who face social isolation, exclusion and discrimination
- with pre-existing mental health conditions (e.g. anxiety or depression)
- who are in insecure housing and/or experiencing rental stress.

For mature-age Australians, these issues often intersect and are experienced concurrently. The individuals in the group, and the disadvantages they experience, are very diverse, but we have identified three broad subgroups.¹

Juggling risks

People in this group have relatively secure accommodation, access to some superannuation or savings and have greater capability to manage their finances in the short-term. In normal circumstances, this subgroup is well positioned to weather some financial challenges, typically using personal or financial

¹ The case examples in this report are composites drawn from experiences common to clients who interact with BSL services, to avoid the risk of identifying individuals. This decision respects BSL's clients and their privacy.

resources. On the surface this group appears secure, but they are vulnerable to events outside their control.

Betty and **Peter** are both in their early 60s. Like many Australians, they live in a home where they are still repaying the mortgage. Both still work out of necessity, living on a modest income, but they are gradually reducing their hours. Their retirement plan is to pay off their home in the next five years and live off a combination of savings and a part-pension.



Living precariously

With low and fluctuating income from wages and/or income support, including social security, this sub-group are vulnerable to events that disrupt the delicate balance of their lives. Overall, their circumstances are highly precarious. People can find themselves renting insecure or inappropriate housing, face barriers securing work or adequate employment, live payday to payday, and/or have ongoing physical or mental health issues that affect daily living (Bowman & Banks 2018).

Mary is a mature-age administration worker with a long history of living on a low income. This disadvantage was exacerbated when her marriage broke down, with Mary losing her home and much of her savings. Having spent time out of the workforce caring for her family, Mary's employment prospects were again largely limited to low-paying jobs. She used some of her superannuation to buy an onsite caravan in a regional town, thinking it would provide cost-effective accommodation. However, the caravan park was sold to developers, leaving Mary with nowhere to place her van. She has also exhausted most of her superannuation. Mary now lives alone in a private rental, paying over half her income on rent. She frequently misses meals to pay bills and avoids using the heater in winter and cooling in summer to keep costs down.



Experiencing deep, persistent and complex disadvantage

This sub-group experiences significant personal and economic disadvantage that is often heightened by exclusion from services and social protection systems. Their circumstances may include homelessness, mental illness, drug and alcohol abuse, poverty and other complex issues. The financial, health and social supports provided by governments are often inadequate to support these people.

Jack lost his job and home 10 years ago in his mid-40s and has been periodically homeless ever since. This long period of unemployment has harmed his work readiness, job skills and physical health. Jack has several comorbidities and challenging behaviours arising from depression and other mental health concerns, and finds it difficult to engage with services and supports. He relies on public transport, is often late for appointments, and often feels unwelcome at services and in the community.

This group is not homogenous. Rather, many different forms of disadvantage are represented. These case studies highlight the strongly intersectional nature of challenges faced by some people in this group.

For example, Jack's story highlights the distinctive challenges faced by people with histories of extreme poverty, homelessness and long-term unemployment (Fiedler 2020). Mary's story, meanwhile, highlights the gendered nature of disadvantage present throughout employment and into older-age. Women are more likely to experience disruption to their time in the workforce, including working part-time while caring for children and/or other family members. Return to work following disruptions can mean limited or slower career progression. Women are therefore at greater risk of housing and financial stress as they age. Older women are the fastest growing cohort of homeless people in Australia, with 34 per cent of women aged over 60 living in poverty (Feldman & Radermacher 2016). Involuntary and earlier retirement tends to be more common among women, informal carers and, perhaps surprisingly, people with lower retirement savings and household incomes (Irving et al. 2017; Hart, Bowman & Mallett 2019).

Similarly, groups such as refugees and new migrants, Aboriginal and Torres Strait Islander peoples, and anyone facing stigma or discrimination as a result of disability, gender or other personal factors experience

disadvantage in a particularly significant and complex manner. This can increase barriers to secure, gainful employment, and inclusion in essential services systems like education, housing and health. These intersectional issues are not explored in any detail in this report. Nonetheless, they should be noted as major contributing factors to people's wellbeing and welfare.

2 As a result of COVID-19, this group and its challenges are growing

The economic, social and health impacts of COVID-19 have amplified disadvantages for mature-age, low-income people across a range of life domains. This section sets out the ways COVID-19 has left mature-age, low-income people more disadvantaged.

COVID-19-related job losses mean there are more mature-age, low-income people

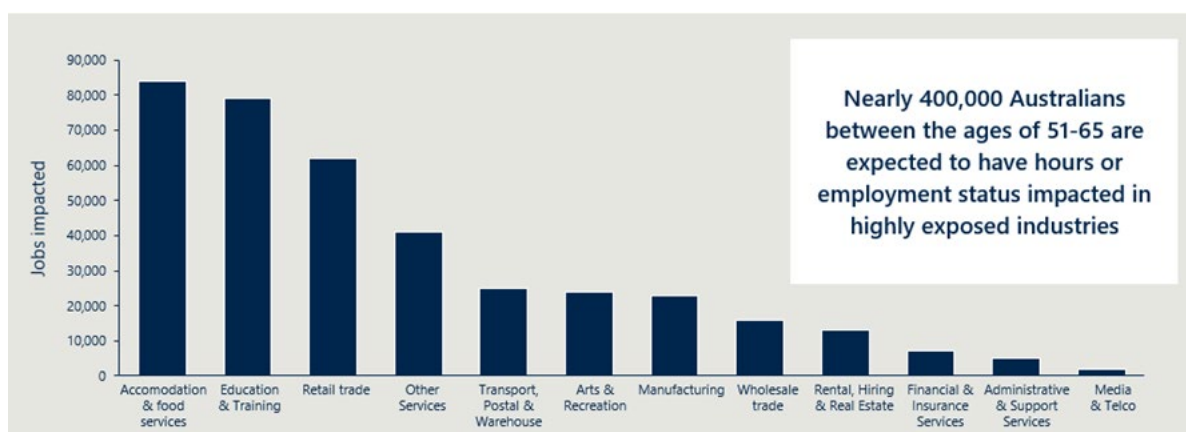
The public health response to COVID-19, particularly lockdowns and social distancing requirements, has had significant impacts on economic activity, including business closures and job losses.

The unemployment rate surged to 7.1 per cent in May, up from 5.1 per cent in February, seasonally adjusted, with a loss of 838,000 jobs in that time (Australian Bureau of Statistics 2020a). The number of underemployed Australians also increased in this period, with 636,000 additional workers indicating they did not work full hours or would prefer more hours (Australian Bureau of Statistics, 2020a). Low-wage industries have been particularly hard-hit with people losing their jobs at a higher rate than other industries (Australian Bureau of Statistics, 2020b). Examples include accommodation and food (27 per cent reduction in jobs), arts and recreation (19 per cent reduction) and rental, hiring and real estate (13 per cent reduction) (Australian Bureau of Statistics 2020b).

Women have lost their jobs at a greater rate than men (Australian Bureau of Statistics, 2020b). Between March and April 2020, part-time work declined by 9 per cent, having a disproportionate impact on women who are significantly more likely to be in part-time employment. Yet, the type of economic recovery projects promoted have typically focused on male-dominated industries and have overall benefitted men more than women, despite their overrepresentation (Richardson & Denniss 2020).

Industries impacted by the shutdown are often significant employers of mature-age people (among other precarious and low-wage groups). Over 30 per cent of the newly un- or underemployed are estimated to be aged between 51 and 65 (Australian Bureau of Statistics 2020a, Table 22). According to our calculations using Australian Bureau of Statistics 2016 adjusted industry data by age and industry estimates from the Grattan Institute (Coates, Cowgill, Mackey & Chen 2020) some industries most impacted by COVID-19 - education and training, retail trade and accommodation and food services - have a disproportionately high number of employees aged 51 to 65 (Australian Bureau of Statistics, 2016a, INDP – 2 Digit Level by AGEP age). These industries employ 315,000, 233,000 and 112,000 people in this age group, respectively. We estimate that nearly 400,000 Australians aged between 51 and 65 will have their hours and employment impacted in these and other highly exposed industries, as shown in Figure 2.

Figure 2 | Estimated employment impacts for 51-65-year olds' by industry²




Newly un- and underemployed mature-age people are at risk of joining the low-income group, particularly if they do not regain employment in the short or medium term. The group will continue to increase, which means more people will require support. It also means that if the right support is not provided, the long-term challenges faced by this larger group will be amplified for them, their families, their communities and the economy.

COVID-19 has increased the challenges faced by mature-age, low-income people

For mature-age, low-income Australians, COVID-19 and the public health response has substantially increased their challenges. The impact is set out in Table 1.


Table 1 | Impacts of COVID-19 on existing challenges for mature-age, low-income groups

Existing challenge	Impact of COVID-19
 <p>Difficulties finding new employment and recovering from job loss</p>	<p>Mature-age employees late in their working lives often find it difficult to regain full-time employment (Bowman et al. 2018; Bowman et al. 2016). Pre- and post-pandemic barriers have led to:</p> <ul style="list-style-type: none"> • increased population-wide unemployment, creating greater competition for available jobs • a gendered impact on unemployment. Traditionally 'female-dominated' sectors (such as healthcare and social assistance, education and public administration) have experienced the fastest growth. These sectors are however often more insecure, with lower wages (Cassells et al 2018). • lower average education levels among mature-age people, contributing to poorer employment outcomes (Bowman, McGann, Kimberley & Biggs 2016). Using figures adapted from the last Census, 1.6 million Australians aged 51 to 65 listed secondary school as their highest educational attainment (Australian Bureau of Statistics 2016b, HEAP – 1 Digit level by AGE5P). This data also shows that just 26 per cent of people aged 50 to 65 have a university degree, about half the rate for people aged 30 to 40. • sectors with higher mature-age participation being particularly impacted by COVID-19. <p>For mature-age workers, these factors may contribute to long-term unemployment and forced retirement. Previous BSL research on mature-age jobseekers highlights that workers who retire involuntarily (whether retrenched or retiring early) can become stuck in a 'netherworld' or pushed into poverty and disadvantage (Bowman et al. 2016; McGann et al. 2015).</p>

² These estimates have been calculated using Australian Bureau of Statistics 2016 census data by AGE and INDP – 2 Digit Level, adjusting for age and death rates in the intermittent period. Grattan Institute (Coates et al. 2020) industry by industry job loss probabilities ranging from -100 (100 per cent industry job loss) to +10 (10 per cent industry job increase) were applied to census data by industry. The Grattan Institute job loss probabilities are not broken down by age group, so the actual number of impacted 51-65-year olds' may vary depending on whether employees in different age groups have been impacted first.

Existing challenge	Impact of COVID-19
 <p>Housing insecurity and rental stress</p>	<p>Workers ineligible for JobKeeper and those out of the labour market are at serious risk of rental stress or homelessness. The widespread economic shock of COVID-19 have made the housing and private rental markets highly volatile.</p> <p>Housing is a persistent unresolved issue, with home ownership rates falling and renting increasing dramatically prior to the pandemic (Daley, Coates & Wiltshire 2018; AIHW 2019). Before COVID-19, over half of low-income households in private rentals were in rental stress (AIHW 2019). The 2020 Anglicare Australia rental affordability snapshot shows only 11.6 per cent of properties surveyed are affordable for a couple on JobSeeker, even with the \$550 Coronavirus Supplement; and a couple on minimum wage can reasonably afford just 22 per cent of available properties (Anglicare Australia 2020).³ Inadequate housing makes it more difficult for people to comply with government directives to stay at home and self-isolate.</p>
 <p>Low savings and superannuation</p>	<p>Low-paid jobs and intermittent employment mean many people in this group, especially women, lack adequate savings and/or superannuation if they lose their job or are forced into retirement. Compulsory superannuation was introduced in 1992. Nous calculations suggest that people in their early-50s have superannuation for around 80 per cent of their working lives, whereas people in their mid-60s only have superannuation for 60 per cent of their working lives. This will be significantly less for people (especially women) who have had breaks in work for reasons such as care responsibilities or periods of unemployment.</p> <p>Low savings and superannuation are particularly problematic for people not yet eligible for the Age Pension. Women also have significantly lower superannuation than men, owing to the gendered pay gap (Hodgson & Hamilton 2019) and periods spent out of the labour market due to care responsibilities. Only 18 per cent of women in Australia aged between 55 and 59 hold a 'high-balance' of \$200,000 or more – compared to 37 per cent of men. Half of all women aged 55–59 approach retirement with less than \$50,000 in their superannuation and are 50 per cent more likely than men to have inadequate superannuation (Association of Superannuation Funds of Australia 2018).</p> <p>Superannuation balances and investments have been reduced by COVID-19 (Lonsec Group, 2020). These economic shocks have hit people with smaller balances particularly hard and reduced the likelihood of future returns on superannuation investments across the sector. Government policy permitting early superannuation withdrawals of up to \$20,000 may provide short-term financial relief. However, it is also likely to undermine superannuation as a safety-net for this group by immediately reducing their balance and the returns they would have otherwise earned.</p>
 <p>Poor financial literacy and understanding</p>	<p>The economic pressures from COVID-19 may result in difficult financial decisions, including withdrawing superannuation and drawing down on home equity. By mid-June 1.98 million people had withdrawn more than \$14.8 billion from their superannuation since the crisis began (APRA 2020). However, many people may have done so for convenience rather than necessity: 40 per cent of those who withdrew superannuation over the past two months had experienced no drop in income or had their loss fully offset by government payments (Charlton 2020).</p>
 <p>Social isolation and loneliness</p>	<p>Prior to COVID-19, people aged 55 to 64 were the most likely to report social isolation (Relationships Australia 2020). COVID-19 restrictions are likely to have made this worse as many organised activities (clubs, pubs, sporting teams) have become unavailable, as have some informal support networks (the capacity to see family and friends).</p> <p>Social isolation is linked to health outcomes for this group, as often mature-age people rely on prompts from family and friends to seek medical treatment. Impacts of social isolation are also seen in mental health, with reports of moderate to high levels of anxiety and depression, suggesting a 'second wave' of COVID-19-related effects still to come (Carbone & Jorm 2020).</p>

³ The Anglicare Australia report was published prior to the 19 June 2020 announcement of a 1.75 per cent increase to the minimum wage.

Existing challenge	Impact of COVID-19
 <p data-bbox="215 347 391 414">Vulnerability to health issues</p>	<p data-bbox="470 268 1426 369">The public health response to COVID-19 has impacted access to health services. Many health services have been reduced (e.g. elective surgery) or moved to telehealth to comply with social distancing requirements.</p> <p data-bbox="470 369 1426 557">Since the outbreak of COVID-19 in Australia, fewer people have sought medical treatment for reasons including fear of infection, reluctance to burden the health system and reluctance to engage services via phone. There was a 10 per cent drop in GP visits for the management of chronic disease in March 2020 compared to March 2019 (Heart Foundation 2020). This is particularly concerning for mature-age people, who are more likely to have underlying and chronic health conditions that could be exacerbated by a delay in seeking treatment.</p>

Below, we use our case studies to illustrate how COVID-19 has deepened existing disadvantage across the mature-age, low-income group.



Juggling risks

Like everyone in the mature-age, low-income group, this subgroup have been negatively impacted by COVID-19. Yet overall, they are better positioned than others in the broader group to weather new challenges, because of their access to personal and financial resources, even if limited. However, without support, risks will increase with time. Even if they can manage in the short-term, their long-term financial position is likely to be substantially impaired. Their ongoing situation is very uncertain.

Betty has had her hours and pay cut and **Peter** lost his job due to COVID-19, so they are experiencing greater financial stress. Betty had been with her employer for over a year and should be included in JobKeeper, and Peter has applied for JobSeeker. Betty is concerned that her company will take some time to restore her usual hours, and Peter is concerned about his ability to find new employment. The couple feels relatively secure in the short term because they can draw on savings, adjust their mortgage payments and negotiate reductions on regular bills. However, they are worried about their long-term security and retirement prospects. Their five-year retirement timeframe will now be extended with the extension of their mortgage, and they worry about how much of their modest savings they will use in the meantime.



Living precariously

This group had pre-existing disadvantages that make them particularly vulnerable to COVID-19. This group is the main target and beneficiary of expanded health, social security and income protections. The moratorium on evictions, rent amnesties and other hip-pocket relief are likely to benefit people in this marginal group. The temporary waiving of the liquid assets test has also benefited people who require income support but have savings.

Mary is extremely worried about losing her job due to COVID-19. With very little superannuation, and no other supports or assets, she would be forced to rely on JobSeeker until she is old enough for the Age Pension. However, if JobSeeker returns to the pre-COVID-19 rate, she will struggle to make ends meet. Without her regular income, she will have no way to pay rent and is at risk of eviction.



Experiencing deep, persistent and complex disadvantage

This group will be severely, and in some cases permanently, displaced by the policy impacts of COVID-19. They are unlikely to be able to access expanding social protection systems, which they were already excluded from. Barriers for people in this subgroup are well documented, ranging from discrimination and limited availability to lack of service connectivity (Fiedler & Faulkner 2019; Mission Australia 2017; McGann et al. 2016). The financial, health and social supports provided by the government in response to COVID-

19 do not help these people. Social isolation and increased demand on services entrench their disadvantage and difficulty accessing services.

Jack has not benefitted from COVID-19-related income protections and superannuation changes. Increased demand and reduced face-to-face supports mean Jack finds it even harder to access the services and supports he relies on. He faces difficulties finding temporary accommodation as many crisis shelters have experienced increased demand. Jack is not patient waiting in long queues and does not have access to the internet, so he struggles to engage with Centrelink. Jack's access to health services is also disrupted, even with telehealth, as he does not feel comfortable talking to staff on the phone about his needs.

3 Broad-based government interventions are welcome but do not meet all of this group's needs

Government interventions have mitigated some short-term impacts of COVID-19, as outlined above, but have largely failed to address the long-term needs of the mature-age, low-income group.

Governments have introduced population-wide policies to mitigate the economic, social and health impacts of COVID-19

COVID-19 has necessitated a large and immediate response from governments. Social, economic and health supports have been announced, many of them directly supporting mature-age, low-income Australians. Government policy responses to COVID-19 broadly fall into four categories:

1. Measures to control the spread of infection, including public health campaigns and social distancing regulations and enforcement
2. Measures to bolster the healthcare system, primarily to boost the capacity to respond to COVID-19 (e.g. cancelling elective surgery)
3. Measures to mitigate the economic impacts of COVID-19 (e.g. temporary increases to JobSeeker, the introduction of JobKeeper, moratoriums on evictions)
4. Measures to mitigate the social impacts of COVID-19 (e.g. increased funding to services such as drug and alcohol support and family violence support)

While most measures represent a greater investment in the current systems of support, some initiatives involve a new or different way of addressing challenges. Examples are the introduction of telehealth services, rent relief and moratoriums on evictions. These are welcome reforms.

Governments have introduced some measures targeted at older Australians (Mills & Finnis 2020). However, these measures are primarily aimed at people aged 65 and over. Some examples include:

- enhancements to the Community Visitors Scheme to connect with mature-age people in residential aged care online and over the phone
- the introduction of a 'care army' of professionals and volunteers, as well as a new telephone hotline for senior citizens in Queensland, introduced by the state government
- the introduction of a National COVID-19 Older Persons Information Line to provide information and advice regarding COVID-19 restrictions and their impacts
- a national communications package aimed at preventing loneliness and social isolation among mature-age Australians including a telephone support service (Friend Line) and access to digital devices for at-risk seniors.

For the most part, these supports have been provided through the health and aged care systems. To date, there has not been a comparable set of targeted policies designed to address the specific needs of mature-age Australians.

While mature-age, low income people will benefit from some government initiatives, most initiatives do not address the long-term needs of the group

Government responses to date have largely focused on short-term relief. However, COVID-19 will have medium to long-term impacts on mature-age, low-income people. While necessary, the current measures alone will not address the long-term needs of the group. For example:

- The current increased rate of the unemployment benefit (JobSeeker) is a temporary measure. Significant hardship is anticipated once, or if, the temporary increase is removed. In addition, more mature-age people are likely to need income support post COVID-19, as outlined in Table 1.
- Most funding boosts to ease pressure on systems and services dealing with increased demand (e.g. mental health, alcohol and drug services, domestic and family violence services) are time-limited. However, increased demand is likely to continue as the medium and long-term impacts of COVID-19 are realised.
- Providing early access to superannuation provides immediate financial relief to many people doing it tough. However, for this age group, who have less time to regain employment and to grow their superannuation, early withdrawals may have long-term negative consequences, including greater demand for the Age Pension, people needing to work longer (assuming this is possible), and overall reduced economic security (such as inability to pay off a mortgage).
- People who continue to experience financial hardship after the rental moratorium period ends will be at risk of arrears or eviction. This means there will be increased housing insecurity, or even homelessness.

The existing systems and service structures are inadequate to effectively address the challenges for this group

Finally, COVID-19 initiatives are largely being delivered through existing system and service structures. However, many of these systems and service structures are not fit for the purpose of delivering support. Relying on existing systems and service structures assumes both that they were effective pre-COVID-19 and that they will be effective in a COVID-19 and post-COVID-19 context. Assumptions underpin access to services, many of which do not account for the barriers faced by this group (Bowman et al. 2018; BSL 2020a, 2020c). For example, many services require users to actively seek out relevant services and navigate complex service systems.

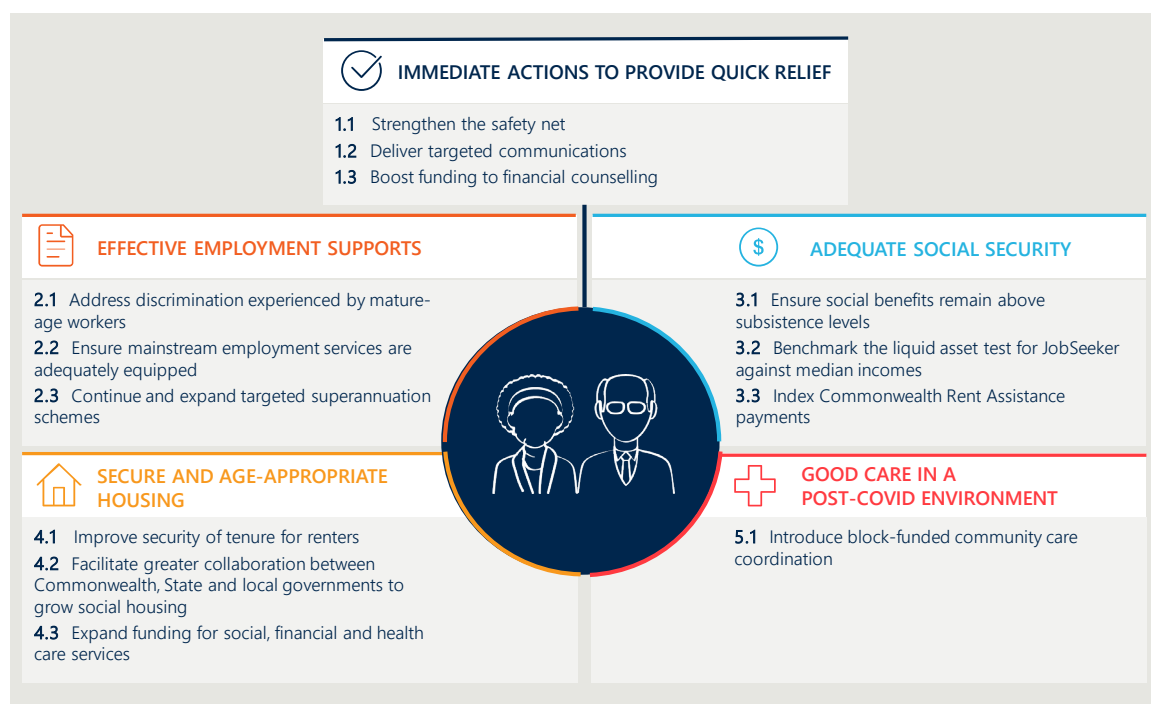
Additional funding for existing systems may not meet people's needs. As temporary measures are lifted in the coming months, 'returning to normal' for this group means returning to dealing with the same, and in many circumstances, greater, challenges. Rather, we need targeted, effective supports for mature-age, low-income people that proactively address their circumstances and/or disadvantage.

4 There are better ways

There are opportunities to do things better. A comprehensive set of interrelated, whole-of-person reforms that promote adequate social security, effective employment supports, safe and secure housing, and quality care in a post-pandemic environment, is required.

Figure 3 summarises our recommendations, which are explained in further detail below.

Figure 3 | BSL and Nous' recommendations to strengthen government response to the impacts of COVID-19 on mature-age, low-income people



1. Immediate actions to provide quick relief

1.1 Strengthen the safety net by providing financial support for immediate needs such as utilities, public transport, medical services and supplies. Some of these are already available to people eligible for the Age Pension. Extending these supports to anyone receiving income support is important to ensuring their economic security and capacity to participate in the community and/or labour market.

1.2 Deliver targeted communications to mature-age people so that they have access to clear information about where and how to seek help. Services need to reach people where they are. For mature-age people with disability, mental illness, social isolation and other barriers (such as language) these places are harder to reach. Communications strategies should be inclusive of a broad range of people and their circumstances.

1.3 Boost funding to financial counselling to support mature-age, low-income people to make informed financial decisions. Counselling services could be supported with a targeted campaign to encourage take-up and engagement.

2. Effective employment supports

2.1 Address discrimination experienced by mature-age workers so that they may engage in meaningful employment. Reforms should focus on:

- better targeting of education, training and upskilling opportunities towards low-income mature-age workers in vulnerable sectors (e.g. services, transport, etc.).
- improving access to careers advice for mature-age workers at risk of involuntary retirement or unemployment
- strengthening policies that promote workplace flexibility, inclusive employment and retention practices, including government demonstrating leadership through public service employment policies such as the Collaborative Partnership on Mature Age Employment.

2.2 Ensure mainstream employment services are adequately equipped to respond to the distinct needs of mature-age workers. Previous BSL research underscores the importance of employment services and

supports tailored to the needs of mature age workers to ensure the best outcomes for employers, employees and governments (Bowman et al. 2018). For example, employment services need to have more diverse workforces (including mature-age staff who can relate to mature-age jobseekers) and provide more staff training in assessing transferable skills and providing career guidance to mature-age workers. The economic fallout from COVID-19 makes these supports even more important.

2.3 Continue and expand targeted superannuation schemes to promote greater equity within the system and economic security in retirement. Supports for low-income workers are a proven means of promoting fiscal independence and security in retirement. Schemes should ensure minimum coverage and 'top-ups' for low-income workers and people temporarily out of the labour market due to illness, injury or care responsibilities. Options include the expansion of programs like the Low Income Super Tax Offset and government co-contributions for low-income workers; a more ambitious, universal superannuation scheme; or a guaranteed minimum superannuation contribution.

3. Adequate social security

3.1 Ensure social security benefits remain above subsistence levels. Sufficient social security is a prerequisite to reengage with the labour market and participate in social and community life.

3.2 Benchmark the liquid asset test for JobSeeker against median incomes. This change would ensure that mature-age, low-income earners are not forced to run down their meagre savings in order to access social security. The liquid asset test was suspended from 23 March 2020, in recognition that it would place undue pressure on many households during the pandemic and beyond (Services Australia 2020). If the test is reinstated it should be reviewed to continue to prevent avoidable financial hardship.

3.3 Index Commonwealth Rent Assistance (CRA) payments to movements in national rents to provide immediate relief from housing stress and prevent erosion of the payment. While CRA is an essential support for low-income households, 40 per cent of those receiving CRA are still in rental stress (Productivity Commission 2020). As with recommendation 2.1, indexation would ensure regular reviews to maintain adequacy and public value.

4. Provision of safe, secure and age-appropriate housing

4.1 Improve security of tenure for renters, including by ending no-cause evictions and enabling reasonable home modifications to support people to age in their communities (e.g. need for rails, step-in showers, etc.). Almost one-third of Australian households rent, and many low-income households will rent for life. High rents, declining social housing stock and an inability for renters to modify their homes compound the challenges faced by mature-age renters (BSL 2020a, 2020c).

4.2 Facilitate greater collaboration between Commonwealth, State and local governments to grow social housing through a sustained investment plan. Housing affordability is vital to health, educational attainment, productivity and community life, as well as preventing people falling into homelessness. As many as 500,000 social and affordable housing places are needed nationally over the next decade.⁴ Developing these homes will provide a major opportunity for ongoing economic development and government investment in a post-pandemic landscape (as has already been signaled by the Victorian Government); this would be supported by a clear and coherent national strategy. Failure to address housing security has direct economic and social impacts, both through loss of productivity and participation, and through personal consequences for individuals and families. Governments do not save money by not addressing housing insecurity and homelessness (BSL 2020c). Rather, costs are shifted to other levels of government, different public agencies, the community sector and individuals.

4.3 Expand funding for social, financial and health care services available to mature-age and older people facing housing insecurity and/or homelessness as a result of COVID-19. Individuals presenting at crisis centres often reveal a complex set of personal circumstances that require attention. Providers often seek solutions and provide assistance across multiple domains: for example, a need for housing assistance may be accompanied by a need for financial counselling, and other support, including addressing health

⁴ The BSL is a member of the Everybody's Home campaign. See <https://everybodyshome.com.au/our-campaign/>

needs. The challenge for providers is their funding is generally tied to specific direct services and so block or general funding is needed to cover services across other domains (see below). The post COVID-19 environment will likely mean the demand for these services will be greater than ever, as will the need for innovative solutions (including funding approaches).

5. Good care in a post-COVID environment

5.1 Introduce block-funded community care coordination to identify mature-age people at risk and help them navigate systems, minimise crises, facilitate housing security and maintain connections to place (e.g. BSL 2020b). Timely interventions, access to relevant information, help with system navigation, and other supports are far more efficient than responses centred at crisis-points, or high-care alternatives. Such a model would incorporate elements of social work, case management, local area coordination, navigation, planning, community visitor schemes and other roles, with the aim of providing proactive support. The utility of these place-based models is well-understood for at-risk young people (BSL 2017; Coddou, Borlagdan & Mallett 2019); we note that mature-age people often require similarly tailored, proactive approaches to mitigate challenges and help insulate against disadvantage. In a post-pandemic landscape, utilising scarce resources in a person-centred manner will have significant benefits for communities and service-users.

Glossary

Term	Definition
Age Pension	A fortnightly, means-tested income support payment for people aged 66 and older.
Commonwealth Rent Assistance	An income supplement payable to eligible people who rent in the private rental market or community housing.
Community Visitors Scheme	A scheme under which volunteers visit to older people receiving government-subsidised residential aged care or Home Care Packages, to provide friendship and companionship.
Coronavirus supplement	An automatic fortnightly payment of \$550 between 27 April and 24 September 2020 paid to people who receive eligible income support payments.
Jobactive	The Australian Government program that aims to connect jobseekers with employers. It requires jobseekers to agree to a job plan under which jobseekers do certain activities (called mutual obligation requirements) in return for their payment.
JobKeeper	A temporary subsidy for businesses significantly affected by COVID-19. Eligible employers, sole traders and other entities can apply to receive \$1,500 per eligible employee per fortnight.
JobSeeker	A fortnightly payment to people aged between 22 and 65 who are looking for work, or sick/injured and unable to do their usual work or study for a short period. The precursor to JobSeeker was Newstart Allowance and Sickness Benefit.
Liquid asset test	Applicants for certain income support payments who have readily available funds must meet eligibility requirements under the liquid asset test.
Low Income Super Tax Offset (LISTO)	An automatic refund on concessional superannuation contributions for workers earning \$37,000 or less a year, paid through a government contribution of 15¢ for every \$1 of concessional contributions. This subsidy is unindexed and capped at \$500. LISTO is principally in place to offset the 15 per cent contributions tax for low-income earners.
Rental stress	A person experiences rental stress when they pay more than 30 per cent of their income on rent.

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