

INQUIRY INTO PREVALENCE, CAUSES AND IMPACTS OF LONELINESS IN NEW SOUTH WALES

Organisation: Combined Pensioners & Superannuants Association

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**Submission to Legislative Council Standing Committee on Social
Issues: Inquiry into the prevalence, causes and impacts of
Loneliness in New South Wales**

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Page 1 of 19

Combined Pensioners & Superannuants Association of NSW Inc (CPSA)

Website: www.cpsa.org.au

CPSA receives funding support from the New South Wales Government

Combined Pensioners and Superannuants Association

Combined Pensioners and Superannuants Association of NSW Inc (CPSA) is a non-profit, non-party-political membership association that promotes the rights and interests of pensioners of all ages, older people on low incomes and self-funded retirees. Founded in 1931, our aim is to improve the standard of living and well-being of CPSA's constituents.

CPSA's core work is:

- Systemic advocacy on issues that impact our constituents, as identified through engagement and consultation.
- Providing information and referrals to the public through our information line and other communication channels.
- Publishing news, commentary and informational articles on our website that are circulated through a regular e-newsletter and monthly print publication, THE VOICE of Pensioners and Superannuants.

Our services are free to all members of the public, regardless of association membership.

CPSA's local branches provide members with the opportunity to have a say in their local community, as well as shaping the policy and advocacy work of the organisation. Many of our branches are in regional areas, and CPSA is proud to be a voice for our constituents across NSW.

CPSA receives funding support from the NSW Government Department of Communities & Justice under the Ageing Peaks program.

Contact

Policy Manager

Position Statement

CPSA welcomes the opportunity to contribute to the Legislative Council Standing Committee on Social Issues' Inquiry into the prevalence, causes and impacts of loneliness in New South Wales.

Loneliness is a multi-faceted experience that is closely linked to social isolation and social exclusion. The causes and sequelae of loneliness vary considerably based on a range of interrelated factors, many of which cannot be resolved satisfactorily at an individual level. CPSA strongly believes that an approach which focuses on small, targeted solutions, online information hubs or other overly simplistic fixes will fail to make a significant impact on this complex issue. To put it bluntly, the NSW Government will need to spend money to improve people's lives. The only way to make a real difference is to take a holistic, long-term view and invest in building a more equitable, inclusive future for NSW.

In making this submission, CPSA wishes to emphasise that loneliness is, ironically, not an isolated problem, but is intertwined with many other phenomena. Loneliness often goes hand in hand with financial and social disadvantage, inadequate and inaccessible services, housing insecurity and poor healthcare. CPSA urges the Committee to recognise the complexity of this issue and the structural barriers that prevent many people from escaping situations of loneliness.

The causes and impacts of loneliness are likely to be very different for an older person who lives in regional NSW when compared to a young person who lives in a metropolitan area, and the range of possible solutions are also disparate. It is important that any response to loneliness is tailored appropriately to the needs of different cohorts.

In addition, research shows that older people already participate socially at high rates through volunteering and community engagement¹. Yet loneliness remains a pervasive concern even for people who are active in their communities and social networks.

This submission responds to terms (a), (b), (c), (i) and (k) of the terms of reference. Regarding term (f), CPSA rejects the notion that this issue should be framed as a financial cost to the NSW Budget. While there is ample research to show the financial costs of loneliness, this is first and foremost a moral issue. The issue of loneliness would demand action even if it were more expensive to act than not.

Transport disadvantage

Every person in NSW should be able to access the community and stay connected to others, regardless of age, ability or where they live. Whilst some parts of NSW are connected by a vibrant network of transportation, others are left to rely on private modes of transport due to a lack of viable public and community transport options. This inequity is notable in regional and rural NSW, where it has a disproportionate impact on older people, people with mobility difficulties, and people who are financially disadvantaged.

Community transport is a critical piece of the puzzle, providing door-to-door transport that takes people where they need to go. However, there is currently significant disparities in the availability, affordability and types of services that are available across NSW. Many

¹ <https://nationalseniors.com.au/uploads/NSA-2022-Volunteering-Report-final-July.pdf>

services are staffed by volunteers which can impact service availability if there are no volunteers available due to either short-term or long-term shortages.

Transport disadvantage is a complex issue and currently, community transport is underfunded, understaffed and under-recognised as an essential community service and integral part of the NSW transport system. CPSA recommends that the NSW Government review the current funding model and operational framework for community transport to ensure equitable access and long-term sustainability across the sector.

Cost of living

Financial pressures have increased for many people in recent years. These pressures have hit people on low incomes hardest as rising costs have often forced them to choose between paying bills on time or paying for a weekly grocery shop. CPSA has heard from many of our constituents who have had to sacrifice entertainment and social outings in order to afford food, medical expenses, insurance premiums and energy bills. One CPSA member told us that:

“The food bill for my house of 4 adults has gone up from \$500 a week to \$700, so our budget for entertainment has been reduced to zero. We don’t drink alcohol, we never smoked and now we don’t eat out”.

Though the Age Pension is adjusted for inflation twice per year to notionally keep up with rising costs, these indexations are always chasing price rises that have already occurred. This means that pensioners are made to struggle more and more throughout this six-month cycle and are never able to feel as though they are getting ahead of future inflation. One CPSA member described the situation as follows:

“The twice annual CPI increase is based on past economic performance. When received its benefit has already been eroded by inflation. Concessions/rebates are not automatically adjusted when costs increase. Pensioners are forced to exist on a roller-coaster of uncertainty”.

Another member succinctly described it thus:

“The twice yearly adjustments to the pension are a joke and do nothing to alleviate the cost of living crisis”.

Research shows that financial security facilitates stronger social connectedness, which in turn has positive impacts on physical and mental health, and on overall quality of life². The inverse is also true though, with financial *insecurity* restricting people’s capacity to foster and maintain social connectedness and impacting their wellbeing as a result.

In hearing from our constituents, CPSA has found that ‘entertainment’ and social outings are often seen as non-essential expenses, especially in a tight budget when weighed against less flexible costs such as groceries, bills and healthcare. However, sacrificing these activities can lead to social isolation and loneliness, and can have a detrimental effect on people’s physical and mental health, and quality of life. People on low incomes already face marginalisation, being less able to engage in social activities at the best of times, therefore it

² Cruwys, T., Haslam, C., Steffens, N. K., Haslam, S. A., Fong, P., & Lam, B. C. P. (2019). Friendships that money can buy: financial security protects health in retirement by enabling social connectedness. *BMC Geriatrics*, 19(1), 319–319.

<https://doi.org/10.1186/s12877-019-1281-1>

is crucial that they are supported in being able to access these activities without having to make difficult and often impossible decisions about how to budget for them.

Below is a case study of a CPSA constituent who spoke to us about how this issue impacts her.

Case study: Meredith* *recently contacted CPSA to express her concerns about the inadequacy of pensioner discounts at a number of public venues around Sydney. While Meredith receives the Age Pension, all her friends are either self-funded retirees or still in the workforce. Because of the disparity in their incomes, Meredith's friends frequently suggest activities that are unaffordable to her, including museum and gallery exhibitions, live performances and classes.*

While most of the venues offer a pensioner discount on tickets to these activities, they are negligible discounts (often around 10% or less) and do not make these activities affordable for Meredith. These meagre discounts can also be quickly eroded by hidden costs like online booking fees that place a premium on accessibility. The lack of meaningful concessions means that Meredith is forced to opt out of many social engagements, which contributes to a sense of social isolation and loneliness for her.

Meredith is faced with a sense of shame or embarrassment when she tells her friends that she cannot join them for social outings, or when she has to ask someone else to help her pay. She feels anxious when friends reach out to plan activities and has lost the excitement that she once had for visiting art galleries and museums.

Even though many of the venues that host these activities are owned and administered by the NSW Government, they are still financially inaccessible to someone in Meredith's position.

The costs of these social activities are even less affordable when considering the rising costs of housing, groceries, energy and other essentials.

Meredith's circumstances are similar to many pensioners and people on low incomes. The high cost of many social activities, combined with rising living costs prohibits people like Meredith from being able to participate socially with friends, and makes it impossible for her to engage with many cultural events on offer in her community.

Even though general admission at many state-owned venues is free, admission to specific events or exhibits often requires purchasing tickets that are expensive and unaffordable for people on low incomes, even with existing concessions. Meredith is made to feel as though social and cultural life is a two-tiered system, and that she is simply unable to enjoy it in the way that her more affluent friends can.

With Meredith's permission, CPSA is including her story in our submission to the NSW Legislative Council's Loneliness inquiry.

The NSW Government can support people like Meredith by ensuring that state-owned venues offer sizeable concessions for people on low incomes. CPSA argues that a minimum 50% discount for pensioners and Low Income Health Care Card or Opal Concession card holders would remove a significant financial barrier for accessing these venues and the events held there. As Meredith herself pointed out, as a pensioner, she would be able and willing to visit these venues outside of peak visiting periods, so expanding access to her and others like her would not add significantly to congestion on weekends or holidays.

The NSW Government could also support people to visit private and council-owned venues by incentivising venue operators to offer substantial discounts to people on low incomes.

Rates

For many older people on low incomes, council rates present another rising cost that can have significant impacts on their ability to participate in social activities. Pensioner concessions have existed for council rates and water bills since 1993. At its inception, the rebate for council rates was set at 50% of the rate charged up to a maximum of \$250³. However, the cap on these concessions has not increased for more than three decades. Over this period, rates have increased significantly, so while average residential council rates in NSW were \$423 in FY 1994/1995⁴, they were \$1,083 in FY 2022/2023⁵.

The size of rate increases has also been uneven across NSW over this period. Between FY1994/1995 and 2022/2023 average residential rates in Brewarrina (the cheapest council in both years) went from \$75 to \$183. In contrast, average rates in Hunters Hill (the most expensive council in both years) went from \$835 to \$2,185.

Rising rates coupled with fixed rebates erode the financial stability of older people who own their homes. As rates are linked to land values, there is a perverse push/pull incentive for a lot of older people who may be faced with the prospect of selling their home to buy or rent in a cheaper area. This could mean leaving their families, communities and social

³ <https://legislation.nsw.gov.au/view/html/inforce/current/act-1993-030>

⁴ <https://webarchive.nla.gov.au/awa/20090908044346/http://pandora.nla.gov.au/pan/105288/20090908-1348/Comparatives+1994-95.pdf>

⁵ <https://www.olg.nsw.gov.au/public/about-councils/comparative-council-information/your-council-report/>

networks behind. While such a move could give them more financial security, this can lead to a loss of social engagement and mental wellbeing.

While CPSA recognises that council rate rebates are jointly funded by the NSW Government and by local councils, the NSW Government can and should increase the amount of funding provided to councils to support these rebates, with the proviso that councils do not reduce their own share of funding. When CPSA previously raised this issue to the NSW Minister for Local Government in December 2023, the issue was dismissed as largely a matter for councils to resolve. CPSA believes this response is wholly unsatisfactory and does nothing to ameliorate the impact of rising rates on low-income homeowners.

Housing

New South Wales is in the midst of a housing crisis that affects people of all ages. For older people who do not own their own home, rising and unpredictable rents, poor quality housing and a lack of security of tenure are major issues. Some of the problems with housing in NSW have developed and ossified over many years, but this is no reason for them to be ignored or thrown into the 'too hard' basket. Inaccessible, insecure and unaffordable housing can isolate people from their communities and social networks. It can exact heavy financial costs, forcing them to sacrifice social outings as an unaffordable expense. It can even force people to leave their homes and neighbourhoods and risk losing the place-based connections that they have built over years.

Rents

CPSA was recently contacted by a woman in her 70s who was living in share housing in Sydney's Inner West. Because of her low income on the Age Pension and various medical

expenses, she could only afford to rent a small, dark and cold flat with two men who were also on the Age Pension.

When she called CPSA, she had just received notice that her rent would be increased by \$150 per week, along with every other household in the building (all of which was owned by a single landlord). Even split three ways, this was an unaffordable rent increase for her, and her requests for a lower increase were rejected. This meant that her only option was to move away from her community to a cheaper area which would in turn require her to borrow money from a friend in order to cover moving expenses. However, finding an affordable rental was by no means guaranteed, with research released earlier this year showing that just 0.2% of rental properties across Australia were affordable for a single Age Pensioner⁶.

For this woman and many people like her there is no meaningful security in rental housing. This also has implications for how renters experience loneliness and social isolation, which is reflected in academic research. Morris and Verdasco (2021) found that:

“older Australians who are private renters are far more likely than their counterparts in social housing to experience loneliness. The high cost of their accommodation results in private renters having no resources for socialising and the possibility that they can be

⁶ <https://cpsa.org.au/article/rental-affordability-out-of-reach-for-many-australians/>

*asked to vacate at any time evokes much anxiety. These features make retaining social ties extremely difficult and many experience loneliness.”*⁷

Even with the NSW Government’s recently announced changes to no-fault evictions, many tenants remain in a state of constant precarity with the knowledge that one unaffordable rent increase could force them out of their homes and even their communities. In practice, the lack of regulation of rents means that tenants in the private market can still face eviction at any time if their rents suddenly become unaffordable. This has contributed to older women becoming the fastest growing cohort to experience homelessness in Australia⁸.

The rental landscape in NSW is clearly untenable, but the NSW Government can improve it in three key ways.

First, the NSW Government should invest massively in public and community housing to allow more people to move out of the private rental market and receive security of tenure and manageable rents. As Morris and Verdasco’s (2021) research demonstrates: *“the manageable rent of older social housing tenants and guaranteed security of tenure creates a foundation for social engagement and maintaining strong friendships”*⁹.

Second, the NSW Government should expand eligibility criteria for public and community housing to ensure a diversity of tenants and to allow more economic mobility for

⁷ Morris, A., & Verdasco, A. (2021). Loneliness and housing tenure: Older private renters and social housing tenants in Australia. *Journal of Sociology (Melbourne, Vic.)*, 57(4), 763–779. <https://doi.org/10.1177/1440783320960527>

⁸ <https://www.mercyfoundation.com.au/our-focus/ending-homelessness/older-women-and-homelessness/>

⁹ Morris & Verdasco, (2021).

tenants without risking their eligibility. Currently, the narrow eligibility requirements for public and community housing can mean that if a tenant's income increases above a certain threshold, they will lose their eligibility and be forced into the private rental market where the higher rent may eliminate any additional income that they may have earned. This can prevent public and community housing tenants from taking on more or better paying work¹⁰.

Third, the NSW Government should regulate the magnitude of rent increases in the private rental market, not just their frequency. Capping rent increases or requiring that proposed rent increases be approved by an independent body would ensure that nobody is forced out of their community and into homelessness because they cannot afford a rent increase and have no footing on which to challenge said increase. While some people have suggested that this strategy could lead to landlords pulling out of the rental market and leaving their homes unoccupied, this could be addressed through a vacant property tax. In the event that landlords instead choose to sell their investment properties, this will free up more supply for first home buyers who will in turn leave the rental market, thereby commensurately reducing demand.

Housing accessibility

Even when someone has access to affordable housing and security of tenure, the design of that housing can create barriers to mobility, independence and social connectedness. CPSA recently heard from a constituent who lived in community housing.

¹⁰ <https://blogs.cityfutures.unsw.edu.au/news/future-directions-must-address-public-housing-work-disincentives>

After developing a disability that required him to use a wheelchair, he was unable to navigate the steps to his front door without assistance. This meant that he was effectively prevented from leaving his home and participating in his community as he did not have anyone who was consistently available to assist him to leave and enter his home. Without this relatively simple barrier, he would have been able to live his life independently and come and go as he wished. Instead, he was socially isolated, lonely and depressed due to the loss of his self-efficacy.

While the NSW Government has implemented a requirement for silver minimum accessibility standards in newly built public and community housing, this is only a fraction of the housing landscape in NSW and does nothing to support people with disabilities who are ineligible for public and community housing. The NSW Government should therefore follow the lead of every other Australian state and territory (except for WA) in implementing a requirement for silver accessibility standards in all newly built dwellings. Research from the Australian Building Codes Board suggests that implementing such standards even to the highest cost dwellings would add less than \$4,400, significantly less than the cost of renovation to include such standards retroactively¹¹.

¹¹ <https://www.abc.net.au/news/2024-08-06/advocates-nsw-standards-residential-building-disabilities/104179526>

Built environment

In order for people to engage and participate in their communities, those communities must be designed and built in ways that makes them safe, attractive, accessible and enlivened. As Lam and Wang (2022) state: “the built environment provides the context for social interactions”¹².

Extensive research, summarised by Lam and Wang (2022), demonstrates that effective urban design can combat loneliness and social isolation in simple ways: by facilitating and promoting pedestrian activity and public transport over private car use; by providing ample ‘third spaces’ or areas outside the home where people can gather, socialise and engage in a variety of activities without needing to spend money; by fostering place-based attachment that allows people to feel connected to physical spaces and to feel a sense of belonging; by encouraging diversity of cultures, ages and socioeconomic backgrounds which helps develop stronger and more interconnected communities¹³.

These design principles convey both short- and long-term benefits. Not only can they have an immediate impact on the people who live in effectively designed communities by allowing them to more easily navigate and participate in their communities, they can also allow people to develop stronger social and place-based ties over the long term, and can

¹² Lam, J., & Wang, S. (2022). Built Environment and Loneliness Among Older Adults in South East Queensland, Australia. *Journal of Applied Gerontology*, 41(11), 2382–2391. <https://doi.org/10.1177/07334648221114345>

¹³ Lam & Wang, (2022).

promote ageing in place so that older people are not faced with the prospect of leaving their homes and communities and losing much of their independence in the process.

In the Australian context, Lam and Wang's research shows that these principles are most evident in "compact neighbourhoods with higher population and housing density, smaller land parcels, and more access to green space"¹⁴. According to their research, older people living in such areas report lower levels of loneliness and higher levels of self-efficacy.

In contrast to this style of urban design, many Australian suburbs, especially newly developed suburbs, are characterised by large, single-family homes, car-centric streets, limited walkability, negligible public transport access, limited green space and a total lack of third spaces¹⁵. These neighbourhoods prioritise life inside the family home to life outside of it. By definition, this promotes social atomisation, the weakening of community connections and, as a result, loneliness and isolation. While these neighbourhoods may be functional for young families who commute by car to work and to school, and for whom a large house may be a priority (or at least a bonus), these neighbourhoods are hostile to an ageing population and limit their capacity to age in place. Large houses occupied by 'empty nesters' looking to retire are more expensive and energy intensive to heat and cool. Car-centric suburbs are dangerous and inaccessible for older people who are no longer able or willing to drive. A lack

¹⁴ Lam & Wang, (2022).

¹⁵ <https://research-repository.griffith.edu.au/server/api/core/bitstreams/2aebaacf-6557-4945-b151-e7110c698842/content>

of green space and third spaces gives older people fewer opportunities to leave their homes and enjoy their communities.

While ‘downsizing’ is often suggested as a solution to better utilise the state’s housing supply and to allow older people to retire with greater financial security, this could result in a population churn in these neighbourhoods, where young families move in, raise their children and then leave when their adult children move out. Without providing the amenities and design features that allow and encourage people to age in their communities, these neighbourhoods will struggle to develop any sense of community or long-term interconnectedness.

The NSW Government can improve the state’s built environment by planning and encouraging a diversity of housing types in neighbourhoods, so that public, community and affordable housing is built alongside private housing. This will ensure that low-income residents, including Age Pensioners, have some safeguard against being ‘priced out’ of a neighbourhood and forced to leave their communities and social networks. The NSW Government can also plan urban spaces that favour pedestrian access of private car usage and that have ample green spaces and third spaces in close proximity to people’s homes and communities.

Recommendations

Recommendation 1:

That the NSW Government reviews the current funding model and operational framework for community transport to ensure equitable access and long-term sustainability across the sector.

Recommendation 2:

That the NSW Government ensures that state-owned venues offer sizeable concessions for people on low incomes. CPSA argues that a minimum 50% discount for pensioners and Low Income Health Care Card or Opal Concession card holders would remove a significant financial barrier for accessing these venues and the events held there. The NSW Government could also support people to visit private and council-owned venues by incentivising venue operators to offer substantial discounts to people on low incomes.

Recommendation 3:

That the NSW Government increases the amount of funding provided to councils to support council rate rebates, with the proviso that councils do not reduce their own share of funding.

Recommendation 4:

That the NSW Government invests massively in public and community housing to allow more people to move out of the private rental market and receive security of tenure and manageable rents.

Recommendation 5:

That the NSW Government expands eligibility criteria for public and community housing to ensure a diversity of tenants and to allow more economic mobility for tenants without risking their eligibility.

Recommendation 6:

That the NSW Government regulates the magnitude of rent increases in the private rental market, not just their frequency. Capping rent increases or requiring that proposed rent increases be approved by an independent body would assist in ensuring that nobody is forced out of their community and into homelessness

because they cannot afford a rent increase and have no footing on which to challenge said increase.

Recommendation 7:

That the NSW Government follows the lead of every other Australian state and territory (except for WA) in implementing a requirement for silver accessibility standards in all newly built dwellings.

Recommendation 8:

That the NSW Government improves the state's built environment by planning and encouraging a diversity of housing types in neighbourhoods, so that public, community and affordable housing is built alongside private housing.

Recommendation 9:

That the NSW Government plans urban spaces that favour pedestrian access of private car usage and have ample green spaces and third spaces in close proximity to people's homes and communities.

Other matters

Whilst it may be tempting to see loneliness as a problem that can be solved through individual choices – such as reaching out to friends and family, participating in community activities or seeking mental health support – these acts are likely to be insufficient in the face of the underlying structural factors described in this submission. Addressing loneliness must include confronting the interrelated elements of our social and economic lives that can both cause and exacerbate this issue.

CPSA appreciates the opportunity to provide comment on this topic. We are available for further consultation on any of these issues.