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29 May 2015

The Research Director
Communities, Disability Service and Domestic and Family Violence
Prevention Committee
Parliament House
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Adequacy of Financial Protections Available to Seniors

Thank you for the opportunity to comment on the existing financial protections for, and level of financial literacy of, older Queenslanders.

National Seniors is the largest organisation representing Australians aged 50 and over, with around 200 000 members nationally including 80 000 members in Queensland alone. We provide a well-informed and representative voice on behalf of older Australians and contribute to public education, debate and community consultation on issues of direct relevance to them.

National Seniors believes that there is a direct link between the level of financial literacy possessed by seniors and their ability to protect themselves from scams, exploitation and abuse. National Seniors is concerned by the current lack of financial literacy amongst seniors, with 51 per cent of respondents aged 40 and older answering incorrectly to a basic question which was developed to test the understanding of the relationship between asset classes and risk.¹

Low financial literacy not only translates into difficulties in making investment decisions but also compromises decisions across a range of products and services including utilities, telecommunications, housing and aged care. Further the growing complexity of financial markets, financial credit products and the retirement income system,² is increasing the need for greater financial literacy for all people.

Fundamentally, the State Government should encourage and provide Queenslanders with the opportunity to improve their financial literacy at any life stage.

¹ National Seniors Australia Productive Ageing Centre (2012) Financial Wellbeing: Concerns and choices among older Australians, National Senior Australia.

² Organisation for Economic Co-operation and Development (2012) OPISA 2012 Financial Literacy Framework, OECD.

National Seniors acknowledges that the Elder Abuse Hotline, Seniors Enquiry Line and Seniors Legal and Supports Services are providing a valuable contribution to the financial protection of older consumers. However, it is crucial to ensure that seniors are aware of these services and that all older Queenslanders can access a similar level of assistance. The absence of senior-specific legal and support services in other regional hubs such as Bundaberg and the Sunshine Coast is notable.

Despite the success of the aforementioned services, there is still limited governmental support to help seniors increase their financial literacy. Knowledge services that empower older Australians in their financial decision-making are vital. The Federal Government has recently withdrawn support for the National Information Centre on Retirement Investments (NICRI) which previously provided older Australians with invaluable independent financial information and education programs including a dedicated phone line. The loss of independent services such as NICRI has been intensified in the context of the recent financial advice scandals.

The state Government must work with the community sector to develop and deliver services and programs which enhance the financial literacy of Queensland seniors. Further, it is essential that any services which are provided are delivered in multiple communication channels and not solely based on a web/online format. Many seniors still find it difficult to access information online and have a learning style which requires more direct forms of communication.

National Seniors recommends the Queensland Government:

- Increase the promotion and scope of the currently available Seniors Legal and Supports Services;
- Develop a Financial Literacy Strategy targeting Queensland Seniors;
- Provide funding for an education program including seminars, dedicated phone line for seniors seeking financial information.
- Grant all pensioners the same level of financial protection by providing all pensioners (including those within rental accommodation, retirement villages and manufactured homes) with access to Queensland Government concessions.

Improvements in financial literacy will enhance the ability of seniors to remain independent, make informed financial decisions and take charge of their financial destiny.

Yours faithfully


Michael O'Neill
Chief Executive

