

Chapter Fourteen

Non-financial Planning for Retirement

Introduction

14.1 During the inquiry, various parties argued that planning for retirement should include more than just financial planning – it should also include planning for such things as personal relationships, health, housing, and intellectual and social activities. The Committee was particularly interested in this issue and was keen to raise the non-financial aspects of planning for retirement with parties during the conduct of hearings.

The importance of lifestyle planning

14.2 A number of parties highlighted to the Committee in their written submission the importance of good lifestyle planning prior to retirement. For example:

- ARPA(SA) argued that planning for retirement should involve more than just financial planning (although that is important) and should also encompass planning a retirement lifestyle through organisations such as ARPA(SA).¹
- AIR argued that financial planning for retirement should be accompanied by planning in other areas of life such as personal relationships, leisure time, health, accommodation and lifestyle choices.²
- The Association of Independent Retirees – Whyalla and Districts Branch observed that retirement planning sessions tend to focus only on financial planning, with no information about living and growing in retirement.³

14.3 The importance of lifestyle planning was also raised during hearings. For example, Mr Goodacre representing AIR noted in the hearing on 5 May 2003 that when he was preparing for retirement, his financial adviser included in his planning consideration of Mr Goodacre's lifestyle priorities – such as traveling in retirement. As such, his financial planner went beyond consideration of the financial side of retirement.⁴

1 *Submission 13*, ARPA(SA), p. 3.

2 *Submission 16*, AIR, p. 8.

3 *Submission 20*, The Association of Independent Retirees – Whyalla and Districts Branch, p. 6.

4 *Committee Hansard*, 5 May 2003, pp. 73-74.

The impact of good lifestyle planning in retirement

14.4 In his evidence on 5 May 2003, Mr Goodacre also noted that retirement fundamentally changes a couple's relationship, and suggested that both parties in a relationship should be involved in activities that take them away from their partners.⁵ In addition, involvement in voluntary activities in retirement, such as Meals on Wheels, can help older people stay mentally alert and content:

A lot of our members facilitate that transfer by undertaking a good deal of voluntary work in retirement. So those opportunities should be emphasised and the variety of those opportunities should be drawn to the attention of workers pre-retirement so that they can say, 'Yes, I would be interested in doing that,' or, for example, 'I would be interested in going to the Australian Museum and assisting there on a voluntary basis.' In my view, those are the things that make retirement a rewarding activity. In my case, I think I have probably put 10 years of my 15 or 16 years of retirement actively into this association, and that has kept me mentally alert. I think I have developed something from it, and I believe I have gained as much as I have put into the organisation by being involved on behalf of other people. That is one form of voluntary work. Meals on Wheels is another typical one, and there are so many activities. I can never understand people in retirement who you hear saying, 'I have no idea what I'm going to do,' because there are so many things that can be done, and they really are attractive activities.⁶

14.5 Various other parties also argued that good lifestyle planning for retirees can significantly improve the quality of life and health outcomes. For example, ARRA(SA) noted in its written submission that retirees involved in sporting, intellectual and social activities are demonstrably less likely to need health and community care.⁷ This was reiterated by Dr Parkinson from ARPA(SA) in the hearing on 9 May 2003:

We believe that the seeming longevity of members of ARPA is because most of them are fully involved in a whole range of activities. If you compare them with people who are not involved, they seem to either die earlier or need long-term care or even mental health care. A lot of that, I am sure, in those later years comes from a lifestyle which does not involve the person. It cuts them off from the rest of society, does not give them social opportunities, and does not stimulate them intellectually or physically. I firmly believe that if we can involve older Australians in a range of activities, make them feel wanted and make them feel they are contributing, many mental health problems just would not occur.⁸

5 *Committee Hansard*, 5 May 2003, pp. 71-72.

6 *Committee Hansard*, 5 May 2003, p. 73.

7 *Submission 13*, ARPA(SA), p. 3.

8 *Committee Hansard*, 9 May 2003, p. 186.

14.6 The Committee also notes the work of the University of the Third Age.⁹ In its written submission to the inquiry, the University of the Third Age noted that it provides to those aged over 50 various courses at nominal cost on a range of subjects.¹⁰

14.7 This was reiterated to the Committee by Mr Lawton representing the University of the Third Age in the hearing on 9 May 2003. He indicated that members of the Adelaide group pay an annual fee of \$60, in return for which the University offers about 150 courses a year, mostly language and humanities courses such as the history of buildings in and around Adelaide and the history of the motor car. It also offers physical courses such as Tai Chi and yoga.¹¹ Mr Lawton also commented:

As far as the students are concerned, people have said to me that it has changed their lives, and sometimes they have said, 'It has saved my life.'¹²

14.8 In response to a question on notice, Mr Lawton also provided the Committee with a study by Sindell and Vassella entitled 'U3As in Australia and New Zealand: Society's four million dollar bonanza',¹³ which noted that participation in organised activity such as that available at the University of the Third Age increases mental stimulation and late life health and well being.¹⁴

Helping retirees plan for retirement

14.9 Given the importance of good lifestyle planning for pre-retirees and retirees, the Committee notes the evidence of Dr Parkinson from ARPA(SA) to the Committee on 8 May 2003 that many people need education and training about what changes to expect to their lifestyle in retirement, and how to plan accordingly.¹⁵

14.10 Therefore, Dr Parkinson advocated that the government, perhaps in combination with employers, should be prepared to set aside a modest amount of money to train a small group of retirees who have successfully made the transition to

9 The organisation originated in France in 1972 in Toulouse. In France it was the wish of the government at that time that universities – that is formal degree granting universities – should provide courses for retired people which were non-credit courses but which would be offered at lower fees than would apply to those in degree courses. This spread through France mainly by government action and then the idea spread through other European countries. The title comes from the French reference to retirement as the 'third age'.

10 *Submission 11*, The University of the Third Age.

11 *Committee Hansard*, 9 May 2003, pp. 210-211.

12 *Committee Hansard*, 9 May 2003, p. 211.

13 Referring to saved teaching costs and the U3A's contribution to community health.

14 Mr Lawton, Response to questions on notice, 14 May 2003.

15 *Committee Hansard*, 9 May 2003, p. 181.

retirement to be presenters and mentors to people coming towards the end of their careers.¹⁶

14.11 At the same time, however, the Committee notes the evidence of Mr Kemp, chairman of the Gawler Branch of the University of the Third Age, in the hearing on 9 May 2003:

I am critical of retirement seminars. They only catch a very small group of people; they do not catch the huge number of retirees. One of the best bits of advice I received was, 'Stay where you are.' You do not often hear that. People say, 'I would like to go to live in Victor Harbour when I retire.' They leave the area where they have built up their little society—all their contacts—and they go and live at the beach and they do not know anybody. They become lonely retirees, and they want to go back home. One of the best bits of advice for retirees is, 'Stay put in your society and help that society.'¹⁷

14.12 In response to this evidence on the need to plan lifestyle in retirement, the Committee notes that FaCS makes available a range of booklets to assist pre-retirees and retirees. The issue is their distribution to individuals, and whether additional distribution mechanisms have to be made available through employers, superannuation funds, interest groups such as the University of the Third Age and other retiree groups.¹⁸

16 *Committee Hansard*, 9 May 2003, pp. 180-181.

17 *Committee Hansard*, 9 May 2003, p. 218.

18 *Committee Hansard*, 9 May 2003, p. 221.