



**Submission to the
Victorian State Budget
2018-2019**

February 2018

About National Seniors Australia

National Seniors Australia is a not-for-profit organisation that gives voice to issues that affect Australians aged 50 years and over. It is the largest membership organisation of its type in Australia with around 200,000 members and is the fourth largest in the world.

We give our members a voice - we listen and represent our members' views to governments, business and the community on the issues of concern to the over 50s.

We keep our members informed - by providing news and information to our members through our Australia-wide branch network, comprehensive website, forums and meetings, quarterly lifestyle magazine and weekly e-newsletter.

We provide a world of opportunity - we offer members the chance to use their expertise, skills and life experience to make a difference by volunteering and making a difference to the lives of others.

We help our members save - we offer member rewards with discounts from thousands of businesses across Australia. We also offer exclusive travel discounts and more tours designed for the over 50s and provide our members with affordable, quality insurance to suit their needs.

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Introduction

National Seniors' Victorian Policy Advisory Group plays a key role in identifying important topics and emerging issues affecting the over-50s in the State. It also acts as a conduit between National Seniors members within the State, relevant community organisations and the Victorian State Government.

This submission outlines 11 recommendations that National Seniors believes are key to addressing cost of living pressures and enhancing the health, well-being and inclusion of older people in Victoria.

Transport

- 1. Ensure public transport is accessible by testing new design features with elderly passengers.**
- 2. Provide funding to improve bus and rail connectivity in outer urban and regional areas as well as between transport hubs in suburban areas.**

More and more seniors in Victoria rely on public transport systems to get around due to conditions that cause limited mobility and reduced strength. Often the ailments of older passengers are ignored when new vehicles are being designed, for example seats are removed to increase standing capacity or door handle changes to avoid trapping clothing. This has negatively impacted usability for older passengers.

Testing new designs with elderly passengers would help ensure public transport is accessible for older people with decreased mobility and agility. Each new transport vehicle must have adequate priority seating that considers the scope of those who would use them. Likewise, safe, secure and accessible hand grips for the full range of passenger heights are needed for all passengers (regardless of their age) who are left to stand in transit vehicles.

Seniors want to use Metro trains but find access to their local station almost impossible unless they take a taxi to and from the station or get dropped off by a friend or relative both ways. Station car parks (where available) overflow by 7.30am and local bus services either do not connect with the station or suffer frequency drop off after the morning peak period. Better coordination between bus and rail services at major Metro stations in outer urban areas could alleviate these issues and make better use of existing network capacity. Funding for these local transport services should be included in the Age Friendly Communities program commitment to address public transport.

Housing

- 3. Ensure the rates concession keep pace with local government rate rises.**
- 4. Increase the dutiable value for stamp duty concession to \$900,000 (currently \$750,000).**
- 5. Ensure a sale or leasing of Land Use Victoria protects older people against a diminution of data security and a surge in costs.**

Older Victorians are concerned about unpredictable rate hikes and need ongoing support from the State Government to cope with future increases. National Seniors notes speculation about additional costs to councils under the plan to have centralised valuations by the Valuer-General, which may be passed onto ratepayers.

We are calling on the State Government to ensure the rates concession for eligible ratepayers keeps pace with local government rate rises. We also highlight the need for strong consumer protections if implementing centralised valuations. This includes considering the needs of older ratepayers and providing alternatives to online lodgement of disputed valuations.

Stamp duty is an influencing factor when older people are considering their housing needs. The State Government should consider lifting the dutiable value for stamp duty concession to \$900,000 (currently \$750,000) in recognition of the substantially increased value of homes being sold in Victoria. We believe this would encourage more older Victorians to downsize and would support healthy ageing.

The proposal to privatise Victoria's land titles registry office may result in higher fees for property transactions, which would have a disproportionately adverse impact on older people with limited fixed incomes. National Seniors also raises concerns about a non-government, for profit entity holding significant amounts of sensitive data on individuals and properties and the risk this information could be compromised.

As part of any privatisation process, National Seniors seeks assurance from the State Government that appropriate oversight and safeguards will be implemented as well as penalties for improper use of personal and sensitive data. In addition, older people must be protected from excessive fee increases. National Seniors urges the State Government to guarantee ongoing provision of stamp duty concession for eligible older people.

Managing Utility Costs

- 6. Introduce 'no frills' option for energy contracts.**
- 7. Increase the Annual Electricity Concession and Winter gas concessions from 17.5 per cent to 20 per cent.**
- 8. Increase funding for the Electricity and Water Ombudsman Victoria to cover complaints made by customers against on-sellers of utility services.**

An Independent Review found Victorian households are paying on average around 21 per cent per year more for their electricity than the cheapest offer available in the market.¹ It also found that the retail charge is a major contributor to energy prices in Victoria, making up around 30 per cent of the household bill.

Older Victorians are struggling to cope with rising energy costs. The financial burden is especially severe for those reliant on the Age Pension and renting in the private market. Energy Australia recently announced it would increase prices by 14.9 per cent for electricity and 13.5 per cent for gas, adding around \$278 and \$192, respectively onto the bill for an average residential customer.² Other energy retailers are likely to adopt similar price increases.

The rapid adoption of roof solar panel installations on business properties and private homes will potentially reduce the need for grid supplied power thus increasing the cost of supplying this power. The solar option is a very practical one for those who can afford it. However, there are many seniors for whom the installation cost is prohibitive so they remain fully exposed to retail power companies pricing practices.

National Seniors welcomes the Governments *Energy Efficiency and Productivity Strategy* with associated funding and programs as well as the rebates for customers on 'default deals'. However, in line with recommendations from the Independent Review, National Seniors believes a 'no frills' basic contract must be introduced as part of a reregulated pricing scheme. Ongoing monitoring by the

¹ Independent Review into the Electricity & Gas Retail Markets in Victoria, August 2017 at https://www.energy.vic.gov.au/__data/assets/pdf_file/0030/79266/Retail-Energy-Review-Final-Report.pdf

² Elsworth, S. (2017). *Victorian households to be slugged by energy price rises between 10 and 20 per cent*, Herald Sun, 18 November 2017 at <http://www.heraldsun.com.au/news/victoria/victorian-households-to-be-slugged-by-energy-price-rises-between-10-and-20-per-cent/news-story/5e00b4bd6cd9ac9c41c1160d8f30817b>

Essential Services Commission is also needed to ensure these 'no frills' contracts comply with simplicity of language and are unambiguous for vulnerable consumers.

The Annual Electricity Concession and Winter Gas Concession should be increased from 17.5 per cent to 20 per cent to reflect increased charges. Even then older customers will still be financially disadvantaged because retail costs continue to increase at rates considerably greater than CPI.

National Seniors regards its suggested changes to concessions as a short-term approach to the issue of compensating concession cardholders for utility price increases. An equitable long-term solution to the problems of ever increasing utility costs is for the Victorian Government to drive a national approach through the Council of Australian Governments.

Concessions are paid from taxation revenue and as such must not be regarded as some form of indirect subsidy by utility service providers. For this reason, National Seniors believes all utility price increases should be capped to CPI only. Capping price increases as occurred in the early years of electricity privatisation in Victoria certainly reduced bill shock for customers. National Seniors suggests there is considerable merit in reintroduction of a price cap as a means of partially addressing the problem of ever increasing energy costs.

National Seniors understands there is currently no formal complaints body to handle disputes between occupiers and on-sellers of utility services in retirement villages and other multi-unit developments. We suggest increasing the scope and funding of the Electricity and Water Ombudsman Victoria so it is able to investigate and resolve these types of disputes.

Mature Age Employment

9. Remove age restrictions from all state legislation affecting employment of older Victorians, including WorkCover.

10. Develop capital access and incentivising programs to facilitate entrepreneurship among seniors.

Increased workforce participation among older Victorians is critical for economic growth and enhancing self-sufficiency in retirement. An extra 3 percentage points of labour force participation among workers aged 55 and over would result in a \$33 billion boost to GDP; a 5 percentage point lift in participation among this group would see around \$48 billion in extra GDP.³

However, many older Victorians are unemployed or underemployed. Among people aged 55 and over in November 2015, 6.3 per cent of employed people were underemployed; the unemployment rate was 3.8 per cent of the workforce in that age group.⁴ Older workers are also discouraged from looking for jobs because they experience age discrimination. The 2015 National Prevalence Survey of Age Discrimination found over a quarter (27 per cent) of people aged 50-plus had experienced age discrimination in the workplace in the past two years. A third of those who had experienced age discrimination gave up looking for work.

Age based limitations in Victoria's workers compensation scheme creates disincentives for mature age workforce participation. The Willing to Work Inquiry recommended removal of age based limitations and cut offs for workers compensation and at a minimum, ensure any aged based limits for workers compensation salary replacement payments are linked to the Age Pension qualifying

³ Deloitte Access Economics (2012). *Increasing participation among older workers: The grey army advances*. Report prepared for the Australian Human Rights Commission.

⁴ AIHW (2017). *Older Australia at a glance, April 2017* at <https://www.aihw.gov.au/reports/older-people/older-australia-at-a-glance/contents/social-and-economic-engagement/employment-and-economic-participation>

age.⁵ National Seniors urges the State Government to remove all age based limitations under workers compensation legislation.

Research supported by National Seniors found there is insufficient government support for current and aspiring 'seniorpreneurs', despite the high likelihood that helping people aged 50 and over to participate in business start-ups could increase workforce participation in Australia and reveal a new generation of entrepreneurs.⁶ Older people can be deterred from reaping the benefits of entrepreneurship because of the complex regulatory requirements to start a business and the lack of capital. This is an under-resourced economic opportunity which is currently being supported by government initiatives in the USA and UK.

Importantly, National Seniors believes the State Government must take a leading role to counter prevailing stereotypes of ageing which continue to obscure the capabilities of mature age workers. Ageing is widely perceived to be an entirely unwelcome and negative experience of progressive decline, both physically and mentally, and increasing uselessness. This is far from the truth yet these perceptions are implicitly fostered in the media, government commentary and policies, and in the workplace.

Programs that highlight healthy, engaged and meaningfully contributing seniors are required to foster more positive perceptions of aging, recognising that seniors have much to offer both economically and socially. The State Government should take the lead in this regard and ensure that, in practice not just in policy, older people have genuine equal opportunity in public sector recruitment. Eliminating all government terminology and references that portray older Victorians as an economic burden on society would also help shift ubiquitous negative perceptions to more positive ones.

Office for Senior Victorians

11. Establish an Office for Senior Victorians.

The State Government has an Office for Youth, but no complementary Office for Senior Victorians. We acknowledge existing programs to encourage social and economic participation by seniors, which is overseen by the Commissioner for Senior Victorians. We also recognise initiatives aimed at improving the capacity of local councils to plan and create communities that better accommodate their ageing populations, using information from the Global Network of Age-friendly Cities and Communities. All these initiatives are welcomed by National Seniors, but there is currently no mechanism for older Victorians to influence policy across all relevant government departments.

*Victoria in Future 2016*⁷ projects a total population for Victoria of 10.1 million in 2051, with 3.9 million or around 38 per cent aged 50 and over. The number of people aged 65 years and over in Victoria is likely to almost triple from 2011 to 2051 as the large population currently 45 to 65 ages with increasing life expectancies.

Given the age structure of the population projections, National Seniors recommends the State Government establish and adequately fund an Office for Senior Victorians. It could be set up similar to the current Office for Youth, but with a dedicated focus on older people and a strong coordination role with current programs operating within the office of the Commissioner for Senior Victorians. An Office for Senior Victorians would provide a central focus to ensure that all legislation, government programs and initiatives likely to impact on older Victorians would be assessed for impact and appropriateness.

⁵ Australian Human Rights Commission (2016). *Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability*.

⁶ Maritz, P.A., Zolin, R., de Waal, G.A., Fisher, R. Perenyi, A., Eager, B. (2015). *Senior Entrepreneurship in Australia: Active Ageing and Extending Working Lives*.

⁷ Department of Environment, Land, Water and Planning (2016). *Victoria in Future 2016: Population and household projections to 2051*. Victoria State Government.