



# Submission to the Western Australian State Budget 2016-2017

February 2016

**National Seniors**

Australia

## 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, bi-monthly 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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## Recommendations

### Age Friendly Communities

1. Introduce an exemption from housing stamp duty to ensure a Western Australian scheme offers levels of support similar to those achieved in Victoria, the Northern Territory and the ACT for those who hold a Pensioner Concession Card (PCC) or Commonwealth Seniors Health Card (CSHC). Such exemptions should not be restricted to new dwellings.
2. Provide a subsidy for practical aids for older Western Australians to modify the family home include smart home wiring and provide support and funding for assistive technologies to allow older Western Australians to remain independently within their own homes for longer.

### Residential Aged Care Safety

3. Make it mandatory for all new aged care facilities to be fitted with fire sprinklers and all existing aged care facilities to be retrofitted with fire sprinklers by 2020. To facilitate the changes, a low interest loan should be offered.

### Mature Age Employment

4. Develop and implement a whole-of-government strategic approach to mature age employment. With the aim of removing barriers and improving employment opportunities for mature age workers and jobseekers by providing early intervention and affordable re-skilling opportunities for mature age employees.

### Cost of Living

5. Apply the Energy Assistance Payment to all utilities accounts of those Pensioner Concession Card (PCC) and Commonwealth Seniors Health Card (CSHC) holders.
6. Ensure equity of costs for non-reticulated gas users and those people living in rural areas with those in metropolitan areas.
7. Local Government Rates Rebate to ensure equity across all Councils as to what is included in Council rates, such as inclusion or exclusion of refuse and levies.
8. The Country Age Pension Fuel Card Scheme to include additional services such as bus travel.

### Dental Health

9. Provide additional funding for the seniors' oral health program that will enable dental therapists to provide comprehensive services to care recipients on a more regular basis.
10. Further extend the reach of domiciliary dental care units beyond Metropolitan areas for non-ambulatory persons and eligible concession card holders in regional/remote Western Australia.

## Health

11. Continue to improve performance to reach targets across all emergency access waiting times.

## Executive Summary

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

One of the biggest policy challenges being faced by Australian governments, on all levels, is accommodating and catering for an ageing population. Increased life expectancy and low birth rates in Australia are the major driving forces behind the nation's ageing population. To sustain an ageing population, governments should be adjusting, planning and structuring current policies to facilitate the nation's future demographics.

As of June 2014, the Australian Bureau of Statistics (ABS) has estimated that the population over the age of fifty is 6.5 million people.<sup>1</sup> The ABS has predicted that close to 800,000 people over the age of fifty are residing within Western Australia.<sup>2</sup> As with the rest of the country, the over fifty demographic is expected to increase in Western Australia.

If Australia continues to follow its current trend, by 2033 the dependency ratio of retirees to workers will be 59 to every 100 people,<sup>3</sup> where 19% of the population is expected to be 65 years and over. The current ratio is 50 per 100.

Beyond 2033, population ageing will be even more pronounced with around 39% of the population being aged 50 and older by 2050.

The over-50s are a diverse segment of the State's population. At the younger end of the spectrum the growth in the 'baby boomer' population is bringing new issues and expectations of retirement, replacing the traditional view of 'dependency and decline' with one of independence and increased productivity. Additionally, increased life expectancies are supporting marked growth in the numbers of people aged 75 and older.

Older Australians are a diverse group with varying needs and requirements to live a healthy and comfortable life. National Seniors' State budget submission therefore seeks to outline those areas which are the key to enhancing the health, well-being and inclusion of older people in Western Australia. This budget submission also seeks to respond to rising demands for essential services and cost of living pressures.

Government leadership is critical to meeting the challenges posed by the demographic changes described above.

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<sup>1</sup> Australian Bureau of Statistics (ABS) 2015. 3101.059 – Australian Demographic Statistics, Mar 2015: Table 59. Accessed 24.11.15

<sup>2</sup> ABS. 2015. 3101.055 – Australian Demographic Statistics, Mar 2015: Table 55. Accessed 24.11.15

<sup>3</sup> ABS. 2014. 4102.0 – Australian Social Trends, 2014. Does Size Matter? - Population Projections 20 and 50 years from 2013. Accessed 24.11.2015

## Age Friendly Communities

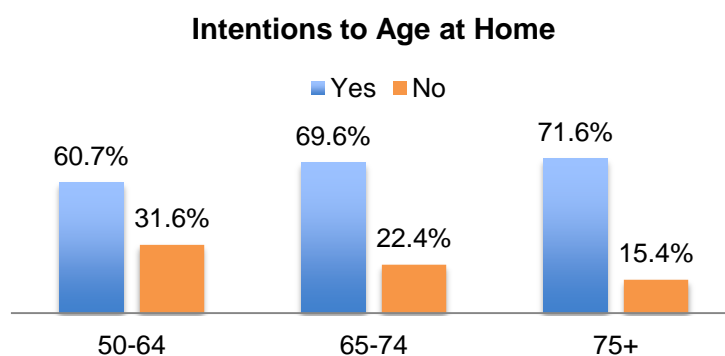
**1. Introduce an exemption from housing stamp duty to ensure a Western Australian scheme offers levels of support similar to those achieved in Victoria, the Northern Territory and the ACT for those who hold a Pensioner Concession Card (PCC) or Commonwealth Seniors Health Card (CSHC). Such exemptions should not be restricted to new dwellings.**

**2. Provide a subsidy for practical aids for older Western Australians to modify the family home include smart home wiring and provide support and funding for assistive technologies to allow older Western Australians to remain independently within their own homes for longer.**

We acknowledge that 13 metropolitan and 14 non-metropolitan local governments have received State Government funds to adopt an age-friendly approach to their planning. National Seniors supported the announcement in 2014 to provide funding to regional councils to help create better communities for older people<sup>4</sup>. National Seniors encourages the continuation of funding for such initiatives to ensure Western Australian communities are accessible and accommodating to people of all ages.

National Seniors calls for a continuation of such initiatives to promote age friendly cities and communities, with a range of cultural and recreational opportunities for citizens of all ages. This will result in the provision of spaces and opportunities for people to interact, feel safe and contribute in a meaningful way to their community.

Previous research has shown that 36 per cent of the over 50s live in a home that is not suitable for ageing. Only 38 per cent of over 50s have taken steps to prepare themselves for getting older<sup>5</sup>.



National Seniors research also shows that two in three Australians relocate between the ages of 55 and 75 and that in many cases they are compelled to make decisions to either

<sup>4</sup> The Hon Tony Simpson MLA. 2014. Press Release: Regional seniors get an age-friendly boost. *Saturday, 15 November 2014*

<sup>5</sup> National Seniors. 2012. *Where will I live as I age? Senior Australians' needs and concerns about future housing and living arrangements*. Brisbane

reside within their current home or to move due to demands of home maintenance and everyday costs<sup>6</sup>.

Whilst My Aged Care<sup>7</sup> allows for some fully-funded or subsidised modifications to the home, those who are on a low-fixed income and are ineligible for My Aged Care will find it difficult to age in place and put their health at risk.

Our research has also found that many individuals who choose to remain in their own home as they age are influenced by financial concerns and the large costs of relocating – with stamp duty being a major impediment and disincentive to downsizing or relocating. In fact, the cost of stamp duty was reported as a disincentive by 33 per cent of people in a recent report by National Seniors<sup>8</sup>.

People aged over 50 and concession card holders residing in Victoria, the Northern Territory and the ACT are eligible for stamp duty relief to assist in relocating to accommodation that is more suited to their needs. (See Addendum).

National Seniors recommends that an exemption from housing stamp duty for relevant concession card holders in Western Australia. This will assist those who are reluctant to downsize due to associated costs and provide the opportunity to relocate to more suitable accommodation. This would have a flow on effect of increasing the availability of housing in the State.

## Residential Aged Care Safety

### **3. Make it mandatory for all new aged care facilities to be fitted with fire sprinklers and all existing aged care facilities are retrofitted with fire sprinklers by 2020. To facilitate the changes, a low interest loan should be offered.**

National Seniors urges the Western Australian Government to follow the lead of Victoria and Queensland and more recently, New South Wales, to make sprinkler systems a mandatory requirement within aged care facilities.

Automatic sprinkler systems are widely recognised as one of the most effective defenses against fire. The installation of both automatic sprinkler systems and smoke alarms within a residence increases a person's chance of surviving a fire to over 97 per cent<sup>9</sup>. Having fire sprinklers installed also reduces average property loss by approximately 71 per cent.

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<sup>6</sup> Source: National Seniors. 2012. *Where will I live as I age? Senior Australians' needs and concerns about future housing and living arrangements*. Brisbane

<sup>7</sup> <http://www.myagedcare.gov.au/help-home/home-maintenance-and-modifications>

<sup>8</sup> National Seniors Productive Ageing Centre. June 2014. *Downsizing Decisions of Senior Australians: What are the Motivating and Discouraging Factors?* Melbourne.

<sup>9</sup> NFPA. 2013. Sprinkler Facts. Accessed 10 January 2013, Available at <http://www.nfpa.org>



The Australian Bureau of Statistics (ABS) indicates that people aged over 85 account for the majority of people who reside within aged care facilities<sup>10</sup>. It is estimated that by the year 2031, around 28 per cent of Australians aged 85 and older will be a resident within an aged care facility.

As the likelihood of restricted mobility increases with age, it is imperative to provide fire safety systems within aged care facilities to minimise the risk of harm. The mandatory installation of sprinklers within aged care facilities would allow those people who are most vulnerable additional time to reach safety and further reduce the costs and physical impacts of a fire.

## Mature Age Employment

### **4. Develop and implement a whole-of-government strategic approach to mature age employment, with the aim of removing barriers and improving employment opportunities for mature age workers and jobseekers by providing early intervention and affordable re-skilling opportunities for mature age employees.**

Over the last 20 years, increased workforce participation among older age groups has been integral to Australia's sustained economic growth. In Western Australia, workers aged 50 and older now make up more than one quarter of the total State workforce, compared to only 20 per cent of the total workforce 10 years ago<sup>11</sup>. Furthermore, it is estimated that by 2056 Western Australia's workforce will be 2.2 to 2.9 million, up from 1.2 million in 2012. This infers that an additional 1 to 1.7 million workers may be required to maintain the State's anticipated level of economic development in the future<sup>12</sup>.

If the anticipated workforce in 2056 is to be fully employed, 23,000 to 39,000 jobs per year will need to be created in Western Australia. Therefore, the recruitment and retention of a skilled workforce will continue to be an important issue.

National Seniors recommends tailored assistance relevant to the conditions of the current labour market in Western Australia to provide awareness of the most current employment opportunities and limitations. Such assistance should focus on an individual's needs and aim to help older job seekers in Western Australia to gain the skills needed to manage their own careers, achieve their own career goals and reinvigorate personal interests.

The initiative formed by the American Association of Retired Persons (AARP) titled 'Life Reimagined' provides a suitable platform on which to build mature age employment programs in Western Australia.

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<sup>10</sup> Australian Bureau of Statistics (ABS). 2012. *Australian Demographic Statistics: June 2012*. Australian Government: Canberra.

<sup>11</sup> Australian Bureau of Statistics (ABS). 2012. *Australian Demographic Statistics: June 2012*. Australian Government: Canberra.

<sup>12</sup> Western Australian Government. June 2014. *State Planning Strategy 2050: Planning for Sustained Growth and Prosperity*. Western Australian Planning Commission: Perth.

## Cost of Living

**5. Apply the Energy Assistance Payment to all utilities accounts of those Pensioner Concession Card (PCC) and Commonwealth Seniors Health Card (CSHC) holders.**

**6. Ensure equity of costs for non-reticulated gas users and those living in rural areas with those in metropolitan areas.**

**7. Local Government Rates Rebate to ensure equity across all Councils as to what is included in Council Rates, such as inclusion or exclusion of refuse and levies.**

**8. The Country Age Pension Fuel Card Scheme to include additional services such as bus travel.**

The stated objective of the Western Australian Government Energy Subsidy Scheme is to provide a subsidy to people who are financially disadvantaged in order to assist with the costs of buying energy of all types. The current Energy Assistance Payment (EAP) provides \$227.14 incl. GST, to a concession holder to subsidise electricity usage. This payment is either divided into daily amounts and credited directly to the energy supplier (Synergy or Horizon Power) or provided directly to the concession holder if they are not with an approved energy supplier. However, it does not offer any assistance to offset the supply charge for gas.

For many regions, heating is only required for two or three months of the year, meaning that for the remainder of the year the gas account purely reflects the supply charge. Users of non-reticulated gas also face a similar charge when purchasing bottled gas, which typically requires a rental payment for gas cylinders.

Rising energy costs have had a pronounced impact on Western Australian households with low fixed incomes. Energy costs will increase further over the coming years. Ensuring the Energy Rebate is equitable for low income households is one of the ways by which the Western Australian Government can ensure that all of its disadvantaged residents are adequately accommodated.

Along with solar energy, gas heating is regarded as one of the 'green alternatives' and is more environmentally friendly than non-solar alternatives, therefore it should be treated equally within the distribution of the EAP payment provided by the Western Australian Government.

## Dental Health

**9. Provide additional funding for the seniors' oral health program that will enable dental therapists to provide comprehensive services to care recipients on a more regular basis.**

**10. Further extend the reach of domiciliary dental care units beyond Metropolitan areas for non-ambulatory persons and eligible concession card holders in regional/remote Western Australia.**

The Australian Institute of Health and Welfare reports that oral health and use of dental services provides stark evidence of the dental health crisis facing the community<sup>13</sup>. According to the National Dental Telephone Interview Survey, from 1994 to 2010, there was an increase in the proportion of adults avoiding visits to a dentist due to costs, from about 25 per cent to 30 per cent<sup>14</sup>.

Oral health issues in particular are preventable and are strongly linked to a person's general health. Poor oral hygiene also results in social isolation which further leads to depression and mental and physical illnesses.

In February 2012, the National Advisory Council on Dental Health reported that poor oral health has an impact on individuals in terms of overall health, pain, nutrition, social exclusion and economic loss. Treatment of complex problems in hospitals, visits to GPs and pharmacists for treatment of pain and infection, are additional financial burdens on Commonwealth, State and Territory governments<sup>15</sup>.

People aged 65 and older experience higher rates of oral health issues than younger groups, with around 20 per cent reporting each of missing teeth, avoidance of certain foods and concerns regarding their appearance<sup>16</sup>.

Income support recipients are particularly disadvantaged when compared with the rest of the Australian population, being up to three times more likely to have had all their teeth extracted; 47 per cent more likely to have experienced toothache in the last year; and 76 per cent more likely to have avoided certain foods because of problems with their teeth. The AIHW report also confirms the long waiting times in the overstretched and under-funded public dental system with one in three (32%) card holders reporting waiting more than 2 years on the waiting list for public dental care.

Private oral health care services are expensive, with a standard consultation costing around \$100 (compared to approximately a \$30 gap fee for a standard General Practitioner consultation after the Medicare rebate). More complex procedures, like root canal, can cost

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<sup>13</sup> Australian Government, Australian Institute of Health & Welfare – *Oral Health and use of dental services 2008 finding from the National Dental telephone interview survey 2008*.

<sup>14</sup> AIHW. 2014. *Oral health and dental care in Australia: Key facts and figures trends 2014*.

<sup>15</sup> National Advisory Council on Dental Health, 2012. *Report of the National Advisory Council on Dental Health*.

<sup>16</sup> Australian Institute of Health and Welfare, 2012. *Australia's Health*. Commonwealth

as much as \$1,500. Medicare rebates applying to dental services are limited and there is little direct control of fees charged by private dentists.

The Western Australian State Government provides eligible concession card holders with subsidised treatment through the Oral Health Centre. However, the demand for these services far outstrips supply and for those without private health insurance treatment can still be a considerable cost.

Residents living in aged care facilities are eligible for free annual dental examinations; however, these are at most minimal screenings.

The preventative health benefits of treating the dental health of older Western Australians will minimise future health costs of the Western Australian State Government. Eligible concession card holders in metropolitan areas of Western Australia have access to dental services through the Metropolitan Patient's Dental Subsidy Scheme. Patients eligible for public dental services may be referred to private dental practitioners for treatment (at the subsidised rate) through this scheme.

The Country Patient's Dental Subsidy Scheme (CPDSS) allows persons eligible for public dental services who live in an area where there are no public dental clinics to access care through private dental services, at a subsidised rate. However, this scheme is not available to older Western Australians who are housebound or require ambulatory transport to a dental care service area due to a medical condition or disability. Moreover, the domiciliary dental care services for non-ambulatory persons are only available to eligible people in metropolitan areas.

## Health

### **11. Continue to improve performance to reach targets across all emergency access waiting times.**

In the 2014-2015 Mid-Year Economic and Fiscal Outlook (MYEFO), the Federal Government abolished funding for the Expert Panel to review Elective Surgery and Emergency Access Targets. Furthermore, the Federal 2014-2015 budget ceased the National Partnership Agreement on Improving Public Hospital Services (NPAIPHS) from July 2015. Under the NPAIPHS, the states and territories received funding for improving access to elective surgery, emergency care and sub-acute care. In order to improve emergency access, financial assistance is needed to continue if the goal admittance and discharge times of within 4 hours are to be consistently achieved.

## Addendum

### Stamp Duty Concessions

The following provides information on stamp duty concessions for seniors, within the ACT, NT and Victoria. Table 1 is provided for a comparison of all three jurisdictions.

*Table 1: Property value overview of lower and upper thresholds and full value of concession at a lower threshold<sup>17</sup>*

		Vic.	NT	ACT
Home	Lower threshold (full concession)	330,000	292,300	625,000
	Upper threshold (no concession)	750,000	750,000	807,000
	Value of full concession (at lower threshold)	12,870	10,000	20,830
	Stamp duty payable at full concession rate	0	0	20
Land	Lower threshold (full concession)	n/a	292,300	332,100
	Upper threshold (no concession)	n/a	385,000	391,700
	Value of full concession (at lower threshold)	n/a	10,000	7,884
	Stamp duty payable at full concession rate	n/a	0	20

### Australian Capital Territory

#### *Pensioner Duty Concession Scheme:*<sup>18</sup>

Is available to eligible pensioners who are moving into accommodation more suited to their needs, this duty is charged at a concessional rate.

The property value thresholds vary depending on the date the transaction to purchase the property was entered into:

- 3 June 2015 - 31 December 2015
- 1 January 2015 - 2 June 2015<sup>19</sup>
- 4 June 2014 - 31 December 2014<sup>20</sup>

<sup>17</sup> Figures are based on current rules as at 1 December 2015 and subject to change.

<sup>18</sup> ACT Revenue Office. 2015. *Pensioner Duty Concession*.

<http://www.revenue.act.gov.au/home-buyer-assistance/pensioner-duty-concession>

<sup>19</sup> ACT Revenue Office (2015) *Pensioner Duty Concession – 1 January 2015 – 2 June 2015*.

<http://www.revenue.act.gov.au/home-buyer-assistance/pensioner-duty-concession/1-January-2015-2-June-2015>

The Scheme has been extended into the 2015-16 Budget.

### **Northern Territory**

*Senior, Pensioner and Carer Concession:*<sup>21</sup>

Is to assist eligible senior citizens, pensioners and carers that are not first home owners, in acquiring a home or land on which to build a home by reducing the stamp duty that would otherwise be payable.

The current value of the concession, for any contract after the 28 of April 2015, is an amount up to \$10 000 off the stamp duty payable.

For contracts signed on or after 4 May 2010 but before 28 April 2015, the concession amount was up to \$8500 off the stamp duty payable.

The scheme is not means tested, however eligibility ceases if the dutiable value of the property at the date of conveyance exceeds \$750,000 and \$385,000 respectively. There is no limit on the cost of the home to be built on land.

Was scheme was administered by the Department of Treasury and Finance and is now administered by the Department of Health<sup>22</sup>.

### **Victoria**

*Pensioner exemption or concession on Land Transfer Duty:*<sup>23</sup>

An exemption of concession for Land Transfer Duty has been available for pensioners

The value of the concession is calculated on a sliding scale between \$330,000 and \$750,000<sup>24</sup>.

A full stamp duty exemption is available when buying property up to \$330,000, and not concession is available for properties over \$750,000.

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<sup>20</sup> ACT Revenue Office. 2015. *Pensioner Duty Concession – 4 June 2014 – 31 December 2014*. <http://www.revenue.act.gov.au/home-buyer-assistance/pensioner-duty-concession/4-June-2014-31-December-2014>

<sup>21</sup> Department of Treasury and Finance. 2015. *Senior, Pensioner and Carer Concession*. <http://www.treasury.nt.gov.au/TaxesRoyaltiesAndGrants/HomeOwnerIncentives/SeniorPensionerandCarerConcession/Pages/default.aspx>

<sup>22</sup> Department of Health. 2015. *Northern Territory Pensioner & Carer Concession Scheme*. [http://www.health.nt.gov.au/NT\\_Pensioner\\_and\\_Carer\\_Concession\\_Scheme\\_NTPCCS/index.aspx](http://www.health.nt.gov.au/NT_Pensioner_and_Carer_Concession_Scheme_NTPCCS/index.aspx)

<sup>23</sup> State Revenue Office Victoria. 2015. *Apply for a pensioner duty exemption or concession*. <http://www.sro.vic.gov.au/first-home-owner/apply-pensioner-duty-exemption-or-concession>

<sup>24</sup> Department of Human Services. 2015. Stamp Duty Concession. <http://www.dhs.vic.gov.au/for-individuals/financial-support/concessions/rates-and-property/stamp-duty-concession>