

Western Australian Budget Submission

2020-21

March 2020

Introduction

National Seniors welcomes the opportunity to make a submission to the Western Australian Government as part of the budget process. National Seniors is an independent consumer lobby group for older Australians.

This submission contains recommendations to the Western Australian Government on issues of concern for seniors in the state. The recommendations were formulated by the Western Australia Policy Advisory Group.

The Western Australian Policy Advisory Group plays a key role in identifying important topics and emerging issues affecting seniors. It acts as an important conduit between older people and the Western Australian Government.

The single biggest policy challenge facing all governments is catering for an ageing population. Increased life expectancy and low birth rates across Australia are driving the ageing of the population.

The number of older people in Western Australia is expanding rapidly. In June 2019, the population aged 50 – 64 in Western Australia was estimated to be 466,958, more than double that of 25 years ago, and the population aged 65 and over was 388,712, double what it was only 20 years ago.¹ Future population projections show a similar story, with the proportion of people aged 65 and over estimated to increase from 14 per cent in 2017 to between 20 and 22 per cent in 2066.²

Governments should be implementing policies now to accommodate the nation's changing demographics. Western Australia is no exception.

Seniors are a diverse segment of the state's population. Older people have varying needs and requirements. At the younger end of the spectrum baby boomers are bringing new retirement issues and expectations, replacing traditional views of dependency and decline with independence and productivity.

While older people are increasingly independent and productive, government leadership is required to support older people to maximise their health and wellbeing. Doing so will overcome some of the challenges posed by the ageing population.

¹ Australian Bureau of Statistics (ABS) 2019. *Australian Demographic Statistics, Jun 2019*. cat. no. 3101.0

² ABS 2017. *Population Projections, Australia, 2017 (base) – 2066* cat.no. 3222.0

Recommendations

Health

1. Provide additional funding for seniors' oral health programs to provide comprehensive services on a regular basis.

Housing

2. Introduce a stamp duty concession for eligible seniors comparable with existing schemes operating in other states and territories.

Employment

3. Improve employment outcomes for mature-age workers by providing early intervention re-skilling opportunities.

Substantive issues

Health

1. Provide additional funding for seniors' oral health programs to provide comprehensive services on a regular basis.

Oral health should be a high priority for government. Good oral health is critical to general health. A healthy mouth enables people to eat, speak and socialise without pain, discomfort or embarrassment. Poor oral health is also linked to chronic diseases, including stroke and cardiovascular disease. Because good oral health lessens the incidence of other health conditions it can reduce the risk of being admitted to hospital for related conditions, saving the health budget many millions of dollars.

Unfortunately, financial barriers are adversely impacting dental visits for older people in Western Australia. 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 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.

High costs create treatment barriers for many people. Latest statistics show, for example, that 31 per cent of people aged 15 and over did not see a dental professional at least once when needed, 60 per cent of whom reported this was due to cost.³

One of the unintended consequences of treatment avoidance is it leads to emergency treatment of preventable dental conditions in hospitals. This places strain on emergency departments and the health budget. For example, in 2016-17 there were more than 9,500 Western Australians hospitalised for preventable dental conditions. This represents an overall increase of 13.8 per cent over six years. Western Australia has the second highest proportion of potentially preventable hospitalisation due to dental conditions behind South Australia.⁴

National Seniors acknowledges that the Western Australian Government has in place programs to improve access to dental care, however these have limitations.

The Western Australian Government provides eligible concession card holders with subsidised treatment through the Oral Health Centre. However, demand for these services

³ Australian Institute of Health and Welfare (AIHW) 2018a. [Australia's health 2018](#). Australia's health series no. 16. AUS 221. Canberra: AIHW

⁴ AIHW 2018b. [Oral health and dental care in Australia](#). Web report. Accessed online 21 February 2019

far outstrips supply. Without private health insurance, treatment can be at considerable cost.

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

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. Unfortunately, the scope of this program is limited by the level of funding made available by the State Government.

The Country Patient's Dental Subsidy Scheme (CPDSS) provides subsidised access to private dental services for people who live in an area where there are no public dental clinics. 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. National Seniors calls on the government to expand the CPDSS to ensure all older Western Australians receive assistance no matter their postcode.

Improving the oral health of older Western Australians should be viewed as an investment, not a cost. It will minimise future health costs to government and the taxpayer. Treatment of complex problems in hospitals, visits to GPs and pharmacists for treatment of pain and infection, are additional financial burdens which can be avoided through the provision of basic dental services.⁵

The State Oral Health Plan 2016-2020 recognises frail older people as a priority group. It also acknowledges that accessibility to dental services is an issue for older Western Australians.

In line with this plan, National Seniors is calling for additional funding for the seniors' oral health program and an extension of dental care services in regional areas.

⁵ National Advisory Council on Dental Health, 2012. *Report of the National Advisory Council on Dental Health*.

Housing

2. Introduce a stamp duty concession for eligible seniors comparable with existing schemes operating in other states and territories.

Research undertaken by National Seniors has found that 36 per cent of people aged 50 and over live in a home that is not suitable for them as they age and that only 38 per cent of older people have taken steps to prepare themselves for getting older.⁶

More recent research by National Seniors shows that a high proportion of people (42.1%) have no intention to move or downsize from their family home. This research has shown that older people who choose to remain in their home, even if it is unsuitable to their needs, are often influenced by financial concerns. Almost one-quarter of people planning to stay cited the impact of downsizing on the Age Pension, cost of stamp duty and general cost of moving as factors which discourage them from downsizing.⁷

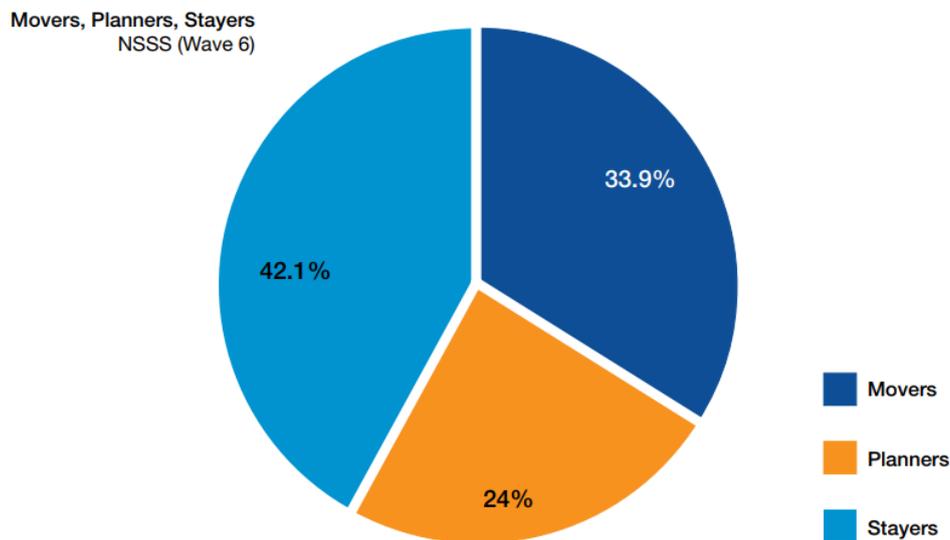


Figure 1: Proportion of older people who have downsized (movers), plan to downsize (planners) or have no plans to downsize (stayers)⁸

Stamp duty is a clear disincentive to downsizing, one that discourages older people from moving into a home that is more suitable to their needs as the age.

Seniors in Victoria, the Northern Territory, the Australian Capital Territory (ACT) and Tasmania are eligible for a stamp duty concession to assist them to downsize their home

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

⁷ Rees, K. & McCallum, J. 2017. *Downsizing: Movers, planners, stayers*. Brisbane: National Seniors.

⁸ Rees & McCallum 2017. *Ibid.*

(see Addendum for details). Western Australian seniors should have access to a concession to bring Western Australia into line with the other states and territories.

National Seniors recommends that there be a concession for stamp duty for Pensioner Concession Card and Commonwealth Seniors Health Card holders in Western Australia.

The concession shouldn't be restricted to new dwellings, however there should be a sliding scale applied to the concession, as is done in the ACT to ensure the policy is targeted at need.

This will assist those who are reluctant to downsize due to associated costs and provide the opportunity to relocate to more suitable accommodation. It would have a flow on effect of allowing a more efficient use of housing stock, with more larger houses available for young growing families in Western Australia.

National Seniors acknowledges the WA Government's recent initiative, announced in October 2019, to introduce a 75% rebate on transfer duty for multi-tiered apartment purchased off-the-plan.

While this rebate will be available to seniors and will be of benefit to those wishing to downsize to such housing, not all seniors will be interested in this type of housing as it may not be suitable to their needs or lifestyle.

Employment

3. Improve employment outcomes for mature-age workers by providing early intervention re-skilling opportunities.

Workforce participation among older age groups is integral to Western Australia's sustained economic growth. Workers aged 50 – 64 now make up 29.8 per cent of Western Australia's total working age population (20-64).⁹

A significant proportion of older persons in WA (50 per cent of men aged 65 and 30 per cent of women aged 65) are still in the labour force and many prefer a gradual transition into retirement.¹⁰ The State Government needs to improve the workforce participation and retention of mature age workers through policies that encourage new practices and attitudes.

National Seniors recommends creating tailored assistance relevant to the conditions of the current labour market in Western Australia to provide awareness of the most current employment opportunities.

Such assistance should focus on an individual's needs and aim to help older job seekers in Western Australia gain the skills needed to manage their own careers, achieve their own career goals and reinvigorate personal interests.

⁹ ABS 2019. *Op cit.*

¹⁰ Dockery AM, Duncan A, Nguyen H and Ong R 2015. *Securing Our Future: Meeting the Challenges of WA's Ageing Population*, Bankwest Curtin Economics Centre, Focus on Western Australia Series, Issue #6, November 2015.

Appendix 1: State and territory stamp duty concessions

Victoria

Pensioner duty exemption or concession¹¹:

You can receive a one-off duty exemption/concession as an eligible pensioner when you buy a new or established home valued up to \$750,000 to live in as your principal place of residence.

In Victoria, a full waiver of stamp duty is available for houses purchased under \$330,000 (there is no concession available for land purchases. The value of the concession declines until the upper threshold of \$750,000 is reached. Beyond this there is no concession available. The full value of the concession is \$12,870.

Eligibility

- Pensioner Concession Card
- Health Care Card
- Commonwealth Seniors Health Card
- GOLD Repatriation Health Card

Northern Territory

Senior, Pensioner and Carer Concession¹²:

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.

In the NT, a full waiver of stamp duty is available for houses and land purchased under \$292,300. The value of the concession declines until the upper threshold of \$750,000 is reached for a house and \$385,000 for land. Beyond this there is no concession available. The full value of the concession is \$10,000.

Eligibility

- Pensioner Concession Card

¹¹ State Revenue Office Victoria 2016. *Apply for a pensioner duty exemption or concession.* <http://www.sro.vic.gov.au/first-home-owner/apply-pensioner-duty-exemption-or-concession>

¹² Department of Treasury and Finance 2016. *Senior, Pensioner and Carer Concession.* <http://www.treasury.nt.gov.au/TaxesRoyaltiesAndGrants/HomeOwnerIncentives/SeniorPensionerandCarerConcession/Pages/default.aspx>

- Health Care Card
- Commonwealth Seniors Health Card
- GOLD Repatriation Health Card – This card needs to have TPI or War Widow/er imprinted within the card to be eligible
- Repatriation Pharmaceutical Benefits Card (Orange Card)
- DVA Pensioner Concession Card (Blue Card)
- DVA Commonwealth Seniors Health Card

Australian Capital Territory

Pensioner Duty Concession Scheme:

Assists eligible pensioners, who own a residential home, to move to accommodation more suited to their needs (for example, moving from a house to a townhouse) by reducing the duty payable on their new purchase of a residential home or residential vacant land.

In the ACT, a full waiver of stamp duty is available for houses purchased under \$420,000 and land under \$277,200. The value of the concession declines until the upper threshold of \$530,000 for a house and \$385,000 for land. Beyond this there is no concession available. The full value of the concession for a house is \$8,680. ACT are transitioning to land tax and therefore the value of the concession has recently declined.

Eligibility

- Pensioner Concession Card;
- Disability Support Pension recipient, 50 years of age or more and holding a Pensioner Concession Card; or
- Department of Veterans' Affairs Gold Card for one year prior to the transaction.

Tasmania

Duty concession for pensioners downsizing to a new home

The concession provides a 50 per cent discount on property transfer duty for eligible pensioners who sell their former home in Tasmania and downsize by buying another home in Tasmania.

In Tasmania, a new concession was introduced for a limited time, which provides a 50 per cent discount on transfer duties for a newly purchased property valued at less than \$400,000 provided it is of lesser value than the home being sold until 30 June 2019. This concession was extended to 30 June 2020.

Eligibility

Must be aged 60 years or over and:

- hold a Pensioner Concession Card; or
- receive a DVA special rate pension; or
- hold a Commonwealth Seniors Health Card.

Table 1: Overview of lower and upper property value thresholds, value of concession at a lower property threshold and stamp duty payable at full concession rate.¹³

		Vic.	NT	ACT [#]	Tas.
Home	Lower threshold (full concession)	\$330,000	\$292,300	\$420,000	n/a
	Upper threshold (no concession)	\$750,000	\$750,000	\$530,000	\$400,001
	Value of full concession (at lower threshold)	\$12,870	\$10,000	\$8,680	\$6,998.75
	Stamp duty payable at full concession rate	\$0	\$0	\$0	\$6,998.75
Land	Lower threshold (full concession)	n/a	\$292,300	\$277,200	n/a
	Upper threshold (no concession)	n/a	\$385,000	\$385,000	n/a
	Value of full concession (at lower threshold)	n/a	\$10,000	\$4,660.40	n/a
	Stamp duty payable at full concession rate	n/a	\$0	\$0	n/a

[#] ACT are transitioning to land tax and have reduced the stamp duty concession in accordance with this ongoing change.

¹³ Figures are based on current rules as at 30 Nov 2019 and subject to change.

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