

Western Australian Budget Submission

2023-24

August 2022

Introduction

National Seniors Australia welcomes the opportunity to make a submission to the Western Australian Government as part of the budget process for 2023-24. National Seniors Australia is an independent consumer lobby group for older Australians.

This submission contains recommendations to the Western Australian Government on issues of concern for seniors. The recommendations were developed in consultation with 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. This has been evidenced in the Royal Commission Aged Care Quality and Safety final report.

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 ageing demographic profile. 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. This 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.

Aged Care

2. Mandate all existing aged care facilities to be retrofitted with fire sprinklers and smoke alarms by 2027. To facilitate these changes, government should provide access to a low interest loan scheme.

Housing

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

Concessions

4. Ensure equity of costs for non-reticulated gas users between those people living in rural areas and those in metropolitan areas.

Transport

5. Introduce free public transport for seniors.

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 and with-it prevention and early detection. Good oral health is critical to general health yet oral health deteriorates with age. 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. People with additional and / or specialised health care needs such as frail and older people are a greater risk of poor oral health.³ Unfortunately, financial barriers continue to adversely impact 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, such as root canals, 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. Statistics show, 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.⁴

Dental neglect can lead to emergency treatment of preventable dental conditions in hospitals. This places strain on emergency departments and the health budget. For example, in 2017-18 there were more than 9,600 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.⁵

National Seniors Australia acknowledges the Western Australian Government has in place water fluoridation 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 Oral Health and Dental Care in Australia, Australian Institute of Health and Welfare Web Report, Last Updated 23 March 2021. Accessed online 22 February 2022.

⁴ Australian Institute of Health and Welfare (AIHW) 2018a. [Australia's health 2018](#). Australia's health series no. 16. AUS 221. Canberra: AIHW

⁵ AIHW 2018b. [Oral health and dental care in Australia](#). Web report. Accessed online 22 February 2022

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 people in metropolitan areas. National Seniors Australia 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.⁶

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 renews our calls for additional funding for the seniors' oral health program and an extension of dental care services in regional areas.

⁶ National Advisory Council on Dental Health, 2012. *Report of the National Advisory Council on Dental Health*.

Aged Care

- 2. Mandate all existing aged care facilities be retrofitted with fire sprinklers and smoke alarms by 2027. To facilitate the changes, government should provide access to a low interest loan scheme.**

The average age of people moving into residential aged care is 84 years old. Over the next ten years, the number of residents is projected to reach more than 250,000 and the highest area of growth will be among residents aged 95 or older.⁷ Given that mobility decreases with age and residents are vulnerable, it is imperative to provide fire safety systems within aged care facilities that minimise the risk of harm and help ensure fire safety for all.

Automatic sprinkler systems are one of the most effective defenses against fire and an important part of Aged Care Fire Safety. The installation of properly operating automatic sprinkler systems and smoke alarms increases a person's chance of surviving a fire to more than 97 per cent. The installation of fire sprinklers also reduces average property loss by approximately 71 per cent.

In 2017, National Seniors Australia brought the issue of fire sprinklers in aged care homes to the attention of the previous Minister for Seniors. This matter was also raised at the Royal Commission into Aged Care Quality and Safety.

Between 2019 and 2020, more than 6,400 older Western Australians moved into permanent residential care.⁸ National Seniors Australia urges the Western Australian Government to follow the lead of Victoria, Queensland and New South Wales and make sprinkler systems a mandatory requirement in aged care facilities. This would allow people who are most vulnerable additional time to reach safety should a fire occur. It will also reduce the costs and physical impacts of any potential fires.

Housing

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

Research undertaken by National Seniors Australia has found that 36 per cent of people aged 50 and older live in homes that are unsuitable for their changing needs and only 38 per cent of older people have taken steps to prepare themselves for getting older.⁹

⁷ 2 Health Times 2015. 'The future of aged care nursing in Australia' at <https://healthtimes.com.au/hub/aged-care/2/news/nc1/the-future-of-aged-care-nursing-in-australia/495/>

⁸ Australian Institute of Health and Welfare [Admissions into aged care - AIHW Gen \(gen-agedcaredata.gov.au\)](https://www.aihw.gov.au/reports/aged-care/admissions-into-aged-care) Lasted updated 22 June 2021. Accessed 22 February 2022.

⁹ National Seniors 2012. *Where will I live as I age? Senior Australians' needs and concerns about future housing and living arrangements*. Brisbane: National Seniors.

More recent research by National Seniors Australia shows that a high proportion of people (42.1%) have no intention to move or downsize. 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.¹⁰

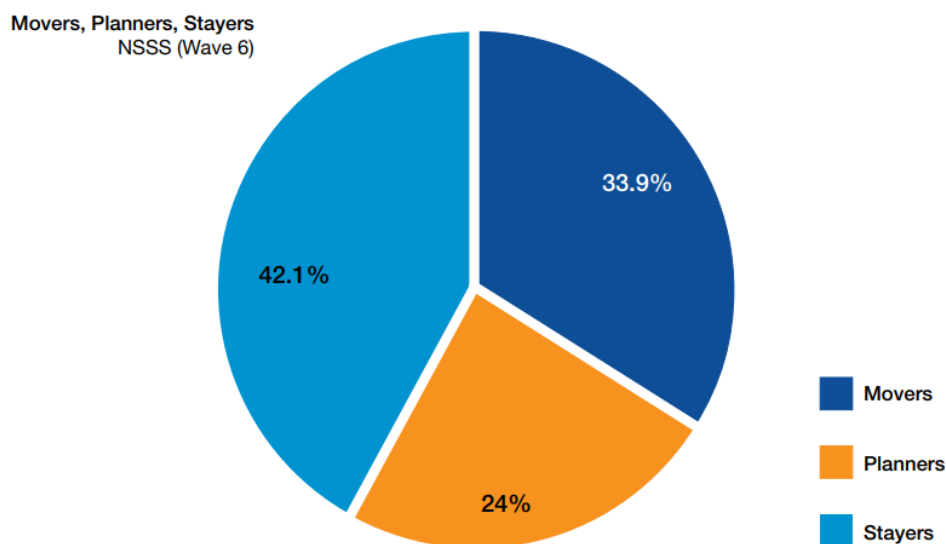


Figure 1: Proportion of older people who have downsized (movers), plan to downsize (planners) or have no plans to downsize (stayers)¹¹

Seniors in Victoria, the Northern Territory, the Australian Capital Territory (ACT) and Tasmania are eligible for stamp duty concessions to assist with downsizing their homes (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. The flow on effect would

¹⁰ Rees, K. & McCallum, J. 2017. *Downsizing: Movers, planners, stayers*. Brisbane: National Seniors.

¹¹ Rees & McCallum 2017. *Ibid.*

allow a more efficient use of housing stock, making more larger houses available for young growing families in Western Australia.

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

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

Concessions

4. Ensure equity of costs for non-reticulated gas users between those people living in rural areas and those in metropolitan areas

Rising energy costs have a significant adverse impact for Western Australian households on low fixed incomes. Concessions for gas are important for those on low fixed incomes who might otherwise struggle to meet their energy costs. Energy costs will increase further over the coming years. Ensuring the Energy Rebate is equitable for low-income households is one way the Western Australian Government can ensure disadvantaged residents are adequately supported.

The current Energy Assistance Payment (EAP) provides \$310.60 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.

Currently, the EAP provides a subsidy for electricity but not for gas.

Many people who live in retirement villages rely on gas heating. They pay a supply charge for the full twelve months when they probably only use the heating for two months of the year. Users of non-reticulated gas face extra costs because they rely on bottled gas, which typically requires a rental payment for gas cylinders.

States, such as NSW, offer a rebate for concession card holders who use bottled LPG. Extending the rebate to bottled LPG consumers in Western Australia would improve fairness.

Along with solar energy, gas heating is regarded as a 'greener' alternative and is more environmentally friendly than using electricity powered by coal. Treating it equally by including it within the EAP payment would also likely have positive environmental impacts.

Transport

5. Introduce free public transport for seniors

A lack of accessible transport exacerbates social isolation and restricts access to health and social activities essential for quality of life. Transport concessions and subsidies ensure those with limited means have mobility and the ability to connect with family and friends, especially important as Western Australians emerge from two years of COVID imposed restrictions.

Improvements to the following concessions and subsidies should be considered for the upcoming budget. Ideally, a full review of the benefits and costs of transport concessions should be undertaken.

All states and territories provide public transport concessions to seniors in recognition of the positive impact it has. While most offer a concession rate for seniors or specific concession card holders, the ACT Government is trialling free public transport for people aged 70 and over and the South Australian Government has offered free public transport for seniors from 1 July 2022. The cost of implementing the policy in South Australia was only \$1.26m per year.

National Seniors Australia calls on the Western Australian Government to follow the example of South Australia and extend free public transport to seniors in Western Australia in the next budget.

Appendix 1: State and territory stamp duty concessions

Victoria

Pensioner duty exemption or concession¹²:

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 and a concession is available for homes valued from \$330,001 to \$750,000.

Eligibility

- Pensioner Concession Card
- Health Care Card
- Commonwealth Seniors Health Card
- GOLD DVA Health Care Card
- DVA Commonwealth Seniors Health Care 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 \$490,000 and land under \$360,00. The value of the concession declines on a sliding scale up to \$642,000 for a house and \$432,000 for land. Beyond this there is no concession available. ACT is transitioning to land tax and therefore the value of the concession has declined.

Eligibility

- Pensioner Concession Card;
- Disability Support Pension recipient, 50 years of age or more and holding a Pensioner Concession Card; or

¹² State Revenue Office Victoria. Pensioner duty exemption or concession. [Pensioner duty exemption or concession | State Revenue Office \(sro.vic.gov.au\)](https://sro.vic.gov.au)

- 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 concession was introduced for a limited time, which provides a 50 per cent discount on transfer duties for a newly purchased property valued at \$600,000 or less for homes purchased from 1 January 2022. This concession is available where the transfer associated with the sale of the former home completes between 10 February 2018 and 30 June 2023 (inclusive) and the transfer associated with the purchase of the new home completes within six months (either before or after) the transfer (selling date) of the former home.¹³

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.

¹³ Tasmanian Government State Revenue Office of Tasmania. Pensioner downsizing to a new home duty concession. Published December 2021. Accessed March 2022.

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.¹⁴

		Vic.	ACT [#]	Tas.
Home	Lower threshold (full concession)	\$330,000	\$490,000	n/a
	Upper threshold (no concession)	\$750,000	\$642,000	\$600,001
	Value of full concession (at lower threshold)	\$12,870	\$8,680	\$6,998.75
	Stamp duty payable at full concession rate	\$0	\$0	\$6,998.75
Land	Lower threshold (full concession)	n/a	\$360,000	n/a
	Upper threshold (no concession)	n/a	\$432,000	n/a
	Value of full concession (at lower threshold)	n/a	\$4,660.40	n/a
	Stamp duty payable at full concession rate	n/a	\$0	n/a

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

¹⁴

Figures are based on current rules as of 30 June 2020 and subject to change.

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