



National Seniors
Association

2008-2009

**Budget Submission to the
South Australian
Government**

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Contents

1. Executive Summary	4
2. About Us	6
3. National Seniors Submission	7
3.1 Access to Oral Health Services	7
3.2 Commonwealth, State & Territory Relations.....	9
3.3 Mature Age Employment	10
3.3.1 Greater Information & Assistance	10
3.3.2 Removal of age barriers.....	11
3.4 Property Taxes	13
3.5 Stamp Duty.....	15
3.5.1 Downsizing.....	15
3.5.2 Insurance	16
3.6 Transport	17
4. References	19

1. Executive Summary

National Seniors welcomes this opportunity to highlight some of the pertinent issues identified by the South Australian State Policy Group (SA SPG) and the broader South Australian membership and we look forward to a favourable outcome for our members in the 2008/09 State Budget.

National Seniors policies and policy agenda are developed through a comprehensive grassroots process that enables members to contribute through local Branches, regional Zone Committees, State and Territory Policy Groups (SPGs), and a National Policy Group (NPG). The outcomes from this policy formulation process are incorporated into our National Policy Document.

National Seniors SA SPG was established in 2006 and plays a key role in facilitating the development and implementation of policies contained in National Seniors national and state/territory policy documents. The SA SPG also acts as a conduit between – National Seniors members in South Australia; relevant community organisations; and the NPG on policy issues of relevance to seniors.

By focusing on six (6) policy priority areas this submission makes the following recommendations to the South Australian Government:

Access to Oral Health Services

- ***Work collaboratively with the Federal Government to implement all the recommendations contained in the National Oral Health Plan (2004-2013).***
- ***Provide additional funding for the South Australian Dental Service in order to immediately address long waiting lists, limited services and cost pressures for age pensioners and low income self funded retirees using community and domiciliary dental programs.***
- ***Develop simple and practical oral health care planning principles as part of the overall nutritional care plan for every older person (in community or residential care settings) and provide additional funding for oral health training for carers operating under community aged care packages (CACPs) and home and community care packages (HACC).***
- ***Develop a program to educate dentists about the specific needs of older patients, in particular those entering residential aged care facilities.***

Commonwealth/State Relations

- ***Encourage the Council of Australian Governments (COAG) to immediately establish a National Council comprising Commonwealth, State and Territory Ministers responsible for Ageing, which would report directly to COAG and be responsible for developing strategic responses to the Intergenerational Report and other national ageing issues.***

Mature Age Employment

- ***In collaboration with community organisations and business fund additional programs that provide information and assistance to mature age job seekers in South Australia, and raise awareness amongst employers of the necessities and benefits of including mature age workers.***
- ***Fund additional training opportunities for mature age job seekers to develop new skills and strengthen existing skills.***
- ***Work with the Commonwealth, State and Territory Governments to improve and standardise workers compensation legislation to ensure that employers and mature-aged workers are not disadvantaged by explicit age-based restrictions.***
- ***Take leadership through the Council of Australian Governments (COAG) in calling for the Commonwealth Government to immediately remove explicit age based restrictions in current superannuation arrangements.***

Property Taxes

- ***Ensure an equitable application of land and property valuations in determining State government rates, taxes and levies, and ensure, through the Local Government Act that local governments abide by the same principles in determining rates, taxes and levies.***
- ***Provide funding for independent research into alternative methods of assessment for determining property taxes, rates and levies that will: provide greater equity; minimise cost pressures for low income households; and minimise negative impacts on overall revenue.***

Stamp Duty

- ***Provide seniors holding Pensioner Concession Cards, Commonwealth Seniors Health Cards or SA Seniors Cards with a concessional rate of stamp duty when downsizing their homes.***
- ***Eliminate stamp duty impost on home and contents insurance for seniors holding Pensioner Concession Cards, Commonwealth Seniors Health Cards or SA Seniors Cards.***

Transport

- ***Proactively engage with the Commonwealth, State and Territory Governments to implement a single interstate scheme for Seniors Card holders across Australia.***

We believe if these recommendations are adopted by the South Australian Government it will go a long way to meeting the current and future needs of seniors in the state.

2. About Us

National Seniors is the largest senior's organisation in Australia with over 250,000 individual members in 165 branches across the country. We are a not-for-profit community organisation with the following objectives:

- to provide economic and social benefits for people 50 years and over;
- to represent our members' views to Government at all levels; and
- to make donations and provide service and advice to charitable institutions assisting people 50 years and over.

National Seniors offers members a vast range of services and benefits and is an influential vehicle for contributing to policy debates affecting older Australians.

National Seniors' policies and policy agenda are developed through a comprehensive grassroots process that enables members to contribute through local branches, regional zone committees, State and Territory Policy Groups (SPGs), and a National Policy Group (NPG). The outcomes from this policy formulation process are incorporated into our *National Policy Document*¹.

The **National Policy Office (NPO)**, based in Canberra, facilitates the implementation of National Seniors' national policy agenda, and advocates on behalf of older Australians to government at all levels, and to business and the broader community. The NPO works closely with our National, State and Territory Policy Groups and our extensive network of State offices, branches and zone committees in determining issues of relevance to older Australians and identifying trends in ageing.

The work of the NPO is assisted by the Commonwealth Department of Health and Ageing, through the Community Sector Support Scheme (CSSS). The funding received under this scheme better positions National Seniors to:

- grow the operational capacity of the NPO;
- expand communications with the seniors' community;
- increase engagement opportunities for disadvantaged seniors; and
- act as a conduit for information flow between government and the community in order to draw together seniors' views on issues of relevance and provide a consultative mechanism for the government.

The NPO also plays a key role in informing the development of the research program for the National Seniors Productive Ageing Centre, which in turn, provides research input to the NPO. The **National Seniors Productive Ageing Centre (NSPAC)**, established in 2002, is co-funded by National Seniors in collaboration with the Department of Health and Ageing. NSPAC's role is to research issues that impact on the ability of seniors to contribute productively to the economy and society. The centre is consumer focused in both the development of its research agenda and conduct of research activities.

¹ National Seniors. 2006. *National Policy Document*. Available at: www.nationalseniors.com.au/Policies.

3. National Seniors Submission

3.1 Access to Oral Health Services

Evidence shows that Australia's adult oral health is the second worst of all OECD countries – it is estimated that more than 650,000 people are on public waiting lists.² Health authorities across the nation have also identified the link between poor oral health and other chronic diseases. As a result, preventative health care is increasingly being encouraged across all health areas.

National Seniors members are concerned with the difficulties older people face in accessing oral health care and with the style of provision. In particular: the high cost of oral health care services; long waiting lists; and scarcity of resources, including funding, oral health care practitioners and equipment needs to be addressed.

Older people living in residential aged care facilities also face difficulties in accessing oral health care services. Older people's oral health in many cases deteriorates when they enter residential care, with the management of oral health becoming increasingly difficult as people develop dementia and become more physically dependant on others.

Given the increase in the ageing population; the move of many older dentists to part-time work; and the lack of university training places for new dentists, it is estimated that by 2010 there will be a shortage of more that 1500 dentists across Australia.³

The *Commonwealth Dental Health Program* was introduced to reduce waiting times for public dental services by giving public patients subsidised access to private dentists. However, the Federal Government has since discontinued the annual funding for the program arguing that the responsibility lies with the states and territories.

While some states have increased funding for public dental programs in general these programs have been inadequate and have failed to fill the gap created by the cessation of the Commonwealth program. National Seniors recognises that there has been some investment by the South Australian Government in dental services, including \$12.9 million in the 2006-2007 State Budget to reduce waiting times.⁴

However, our members remain concerned that oral health funding in South Australia has failed to keep pace with demand and in some respects the provision of dental care has even gone backwards in recent years (see Figure 1 below).

² National Rural Health Alliance (NRHA) 2005. *Public Dental Services in Australia: Whose Responsibility?* Available at:

<http://nrha.ruralhealth.org.au/cms/uploads/publications/public%20dental%20services%20in%20australia.pdf>

³ Australian Council of Social Services (ACOSS). 2006. *Fair Dental Care for Low Income Earners – National Report on the State of Dental Care*. Available at:

http://www.acoss.org.au/upload/publications/papers/1562_Fair%20dental%20care_%20final.pdf.

⁴ South Australian Treasury. *2006-2007 Budget – Budget Overview*. Available at:

http://www.treasury.sa.gov.au/dtf/budget/publications_and_downloads/current_budget.jsp

Further, while the South Australian Government currently provides funding for dental programs that directly target age pensioners and aged care residents through the *Community Dental Service* and *Domiciliary Care Teams* this assistance is limited and clients are required to make a co-payment irrespective of their ability to pay.

According to the 2007-2008 South Australian State Budget the waiting times for restorative dental care are forecast to reduce from the current average of 26 months to 23 months.⁵ National Seniors considers this target, as well as targets for other treatments to be unacceptably high (see Figure 1 below).

Figure 1: Average actual, estimated and target monthly waiting times for various dental care treatments in South Australia

Type Of Care	Average Waiting Time (Months)		
	2007-2008 (Target)	2006-2007 (Estimated)	2005-2006 (Actual)
<i>Restorative</i>	18	23	26
<i>Denture</i>	39	41	38
<i>Specialist</i>	33	33	30

(Source: Compiled by National Seniors)⁶

National Seniors members have also expressed their concern about the average waiting period for denture care, which is currently 39 months.⁷ Also, with the exception of restorative care the waiting times for all the various dental care treatments are projected to increase on previous years outcomes (see Figure 1 above).

If current funding arrangements continue the various programs provided by the *South Australian Dental Service* are unlikely to adequately reduce the long waiting lists for dental care or to adequately relieve cost pressures.

While acknowledging that the Commonwealth, state and territory governments have prepared a *National Oral Health Plan (2004-2013)*, which contains a broad range of recommendations aimed at ameliorating the current crisis, the reality is that little has been done to implement the *Plan*.

The current situation is further compounded by the constant 'buck-passing' between the Commonwealth Government and the states and territories over responsibility for the gaps and nuances in service provision.

⁵ South Australian Treasury. *2007-2008 Budget – Portfolio Statements Book 2*. Available at: http://www.treasury.sa.gov.au/df/budget/publications_and_downloads/current_budget.jsp

⁶ Figures are based on the *2007-2008 SA State Budget – Portfolio Statements Book 2*.

⁷ Ibid.

It is recommended that the South Australian Government:

- ***Work collaboratively with the Federal Government to implement all the recommendations contained in the National Oral Health Plan (2004-2013).***
- ***Provide additional funding for the South Australian Dental Service in order to immediately address long waiting lists, limited services and cost pressures for age pensioners and low income self funded retirees using community and domiciliary dental programs.***
- ***Develop simple and practical oral health care planning principles as part of the overall nutritional care plan for every older person (in community or residential care settings), and provide additional funding for oral health training for carers operating under community aged care packages (CACPs) and home and community care packages (HACC).***
- ***Develop a program to educate dentists about the specific needs of older patients, in particular those entering residential aged care facilities.***

3.2 Commonwealth, State & Territory Relations

Given that the ageing portfolio straddles Commonwealth, State and local responsibilities it is crucial that the various levels of government work collaboratively if ageing initiatives are to be planned, developed and implemented in an effective manner.

Unfortunately, there is a current lack of cohesion across government, which is resulting in poor strategic direction, gaps in service delivery and poor information dissemination.

A National Ministerial Council that reports directly to the Council of Australian Governments (COAG) and has specific responsibility for the broad range of issues that affect older Australians (e.g. health and aged care, mature age employment, financial security, housing affordability and positive ageing) is required to overcome the current dysfunctional arrangements.

The complexities and overlaps inherent in aged care provision are one example of an area that would greatly benefit from a dedicated National Ministerial Council. This would also assist in stemming the increasingly apparent flow of cost shifting onto local government and non-profit community organisations.

While some aged care services are funded by the Commonwealth others are jointly funded by the Commonwealth and the States. There are some (17) seventeen different funding arrangements for community care services including: Home and Community care (HACC); Veterans Home Care; Community Aged Care Packages (CACPs); Carer Respite Services and many more – all with varying eligibility requirements.

The lack of cohesion and direction across government in respect to aged care has no doubt contributed to the current situation: a complex web of services and funding sources, that is increasingly difficult for individuals and their families to navigate.

It is recommended that the South Australian Government:

- **Encourage the Council of Australian Governments (COAG) to immediately establish a National Council comprising Commonwealth, State and Territory Ministers responsible for Ageing, which would report directly to COAG and be responsible for developing strategic responses to the Intergenerational Report and other national ageing issues.**

3.3 Mature Age Employment

3.3.1 Greater Information & Assistance

The Australian Government's *Second Intergenerational Report* (2007) suggests that a major way of increasing Australia's overall productivity is by lifting workforce participation rates.

The retention of mature age workers will significantly contribute to overall participation rates and will lessen the impact of the predicted skills shortages across many sectors of the economy. However, while the participation rate of older Australians is now at its highest level on record⁸ there remains an estimated 120,000 mature-age unemployed job seekers nationwide.⁹ This strongly indicates the need for further research and reform.

As the State with the second highest proportion of mature age persons (45-64) South Australia will be at the forefront of the mature age employment debate. The number of traditional working age persons in South Australia is also projected to significantly decline within the next decade and as a result mature age workers will make up an increasing proportion of the total workforce.¹⁰

According to the 2006 Report *South Australia's Mature Age Population* nearly one third (31.9 per cent) of mature age people are currently not participating in the State workforce.¹¹ This is despite a number of seniors expressing their preference to work. The *Report* shows that 14 per cent of mature age workers currently working part time preferred to work more hours, and 8.8 per cent were looking for full-time work.¹²

Research shows that organisations rarely implement programs specifically aimed at addressing the needs of mature-age workers, such as access to training. Individual concerns such as lack of confidence and unfamiliarity with contemporary technology or practices also inhibit individuals from actively seeking work for fear of outright rejection.

⁸ Commonwealth Department of Treasury. 2006. *Older men bounce back: the re-emergence of older male workers*. Available at: www.treasury.gov.au/documents/1190/HTML/docshell.asp?URL=04_men.asp

⁹ National Seniors. *Commonwealth Budget Submission 2007-08*. Available at: <http://www.nationalseniors.com.au/>

¹⁰ SA Department of Further Education, Employment, Science and Technology. 2006. *South Australia's Mature Age Population*. Available at:

http://www.workforceinfoservice.sa.gov.au/_data/assets/pdf_file/0013/5611/Mature_Age_Population_Profile.pdf

¹¹ Ibid.

¹² Ibid.

Mature age employees have accumulated significant talents, skills and experience. It is therefore important that South Australian employers recognise and retain this valuable resource and provide opportunities for mature age workers to continue to work, or to return to the workforce.

While recognising recent initiatives in South Australia such as the *Mature Age Employment and Workforce Strategy* and the *Employment 40 Plus* program, greater commitment is clearly needed if the State is to maximize the economic benefits of further increasing participation rates amongst its older citizens.

In particular, our members have expressed the need for greater assistance and information for mature age job seekers and greater awareness by prospective employers of the advantages of including mature age employees.

Such responses are necessary to limit the potential for long term disadvantage whilst simultaneously increasing available labour.¹³

It is recommended that the South Australian Government:

- ***In collaboration with community organisations and business fund additional programs that provide information and assistance to mature age job seekers in South Australia, and raise awareness amongst employers of the necessities and benefits of including mature age workers.***
- ***Fund additional training opportunities for mature age job seekers to develop new skills and strengthen existing skills.***

3.3.2 Removal of age barriers

While recognising the significant developments in recent years in areas such as compulsory retirement and age discrimination, certain age limitations remain in place that undermine the ability for some older Australians to undertake full or part-time work in order to supplement their retirement savings.

Compared with other states and territories South Australia has one of the most limited workers compensation schemes for persons over 65 years of age. Workers compensation in South Australia ceases when a worker turns 65 (when the claimant is 63 or younger) or alternatively lasts for only 6 months (when the claimant is 64 or over) (see Figure 2 below).

In particular, these age restrictions represent a considerable disincentive for mature age workers and jobseekers to work past pensionable age, particularly for those in high risk industries. In 2003 over 40 per cent of workers in the agriculture, forestry and fishing industries were mature-age (45-64), which is consistent with the trend for fewer young people to enter these industries and with farmers often working beyond the age of 65 years.¹⁴

¹³ Ibid.

¹⁴ Australian Bureau of Statistics. 2004. *Labour force characteristics of mature age people*. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/94713ad445ff1425ca25682000192af2/31876e7ef527256eca256f1f007b8cde!OpenDocument>

Figure 2 – A comparison of mandatory workers compensation cover across the Commonwealth, States & Territories

Jurisdiction	Mandatory period of payment (where claimant is 65 or over)	Age at which workers compensation ceases (where claimant is 63 or younger)
<i>Commonwealth*</i>	2 years	65
<i>Victoria</i>	2 ½ years	65
<i>New South Wales</i>	1 year	65
<i>South Australia</i>	6 months	65
<i>Western Australia</i>	1 year	65
<i>Queensland</i>	(Standard) 5 year period applies	5 years after initial incapacity claim
<i>Tasmania</i>	1 year	65
<i>ACT</i>	2 years	65
<i>Northern Territory</i>	6 months	65

* The Commonwealth (SRC Act) also applies to some private business (Source: Compiled by National Seniors)¹⁵

Explicit age barriers in current superannuation arrangements also act as a significant disincentive for older South Australians to remain in employment or to return to the workforce. For instance, while employers can still make contributions on behalf of employees until the age of 75, contributions are not mandatory for employees aged 70 years or older. While recognising that superannuation is a Commonwealth responsibility, National Seniors believes there is an opportunity through COAG (Council of Australian Governments) for state and territory governments to also raise awareness around these disincentives.

These age barriers appear to have no justification and contrast sharply with the increasing participation rates and life expectancies of older Australians.

It is recommended that the South Australian Government:

- ***Work with the Commonwealth, State and Territory Governments to improve and standardise Workers Compensation legislation to ensure that employers and mature-aged workers are not disadvantaged by explicit age-based restrictions.***
- ***Take leadership through the Council of Australian Governments (COAG) in calling for the Commonwealth Government to immediately remove explicit age based restrictions in current superannuation arrangements.***

¹⁵ Information was sourced from the following: NSW Workers Compensation Act (1987), Victorian Accident Compensation Act (1985), Queensland Workers Compensation and Rehabilitation Act (2003), South Australian Workers Rehabilitation and Compensation Act (1986), WA Workers Compensation and Injury Management Act (1981), Tasmanian Workers Rehabilitation and Compensation Act (1988), ACT Workers Compensation Act (1951), and NT Work Health Act (2007).

3.4 Property Taxes

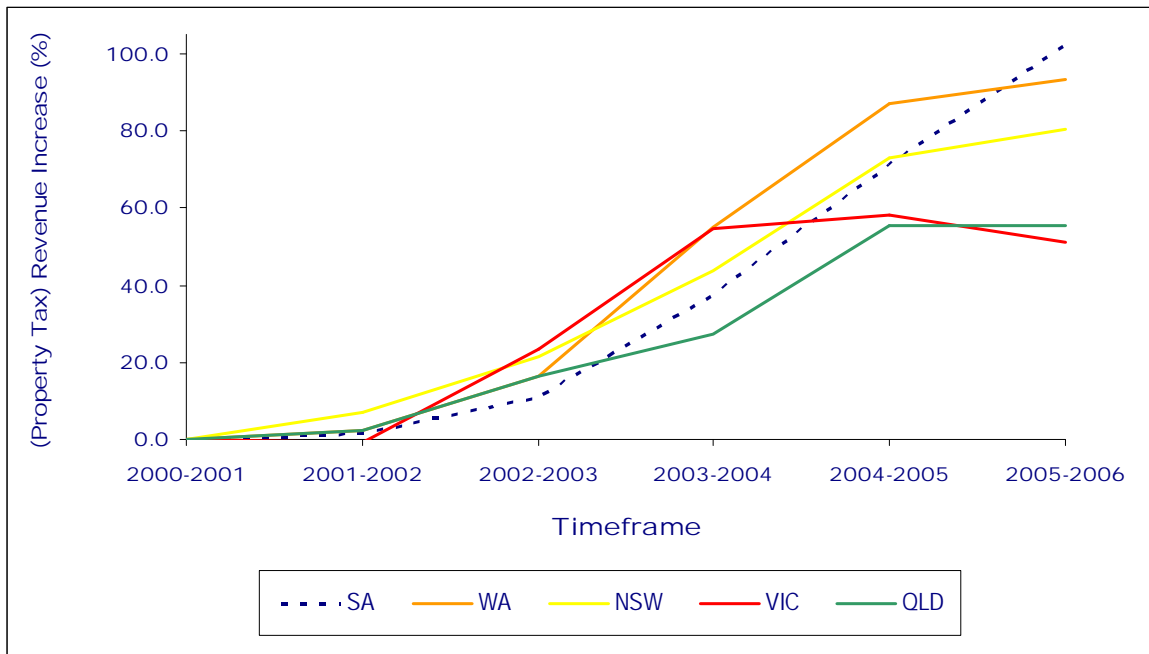
With Australia currently enjoying a period of unprecedented economic growth it is of great concern that a large proportion of our older citizens are facing considerable cost of living pressures. Older Australians make significant contributions to the nation’s well-being during their lives through both paid work and volunteering.

It is therefore incumbent on us as a society to respect and support them as they age.

Our South Australian members have expressed their concern at the current method of assessment of certain property taxes, and the effects of these taxes on the senior citizens of this State. In particular, seniors are concerned about the ‘improved capital value’ method of assessment for residential and other properties which is currently used in the determination of sewerage rates, the emergency service levy, and by most local councils.¹⁶

According to the Australian Bureau of Statistics *Taxation Revenue Report 2005-2006* state property tax revenue in South Australia increased by over 102 per cent from 2000 to 2006. A state and territory comparison also shows that South Australia had the largest (percentage) increase in revenue from property taxes over this period compared with all other states (see Figure 3 below).¹⁷

Figure 3 – A comparison of revenue growth from state property taxes across the five most populous states (2000 to 2006)



(Source: Compiled by National Seniors)¹⁸

¹⁶ SA Office for Revenue. Available at: <http://www.revenuesa.sa.gov.au/>

¹⁷ Australian Bureau of Statistics. 2007. *Taxation Revenue Australia 2005-2006*. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5506.02005-06?OpenDocument>

¹⁸ Ibid.

While acknowledging the provision of a concession or rebate in the case of age pensioners the 'improved capital value' method of assessment largely fails to consider household income and is therefore grossly inequitable.

While seniors are much more likely to own their home outright they are also more likely to rely on a fixed below-average income such as a Government support payment or allowance.¹⁹ This subsequent lack of discretionary spending has meant that seniors are also less able to withstand increasing household operation and maintenance costs, such as rising local rates and property taxes.

As outlined in our recent submission to the Australian Senate Community Affairs Committee's *Inquiry into cost of living pressures for older Australians* the undue financial stress currently being caused by state and local property taxes has been further compounded in recent years due to rapid increases in property prices.

In March 2007 the median house price in South Australia was over \$300,000 compared with just \$140,000 in March 2001,²⁰ representing an actual increase of 114 per cent in only six years. It should be noted that over the same time period the (basic rate) aged pension has increased by only 30 per cent.²¹

Research strongly suggests that under the improved capital value method if value rises rapidly in a retirement community where most of the property owners are on fixed or limited incomes this will lead to increased living pressures and may 'force' people to sell their homes.²²

While there are an increasing range of products which allow property owners to liquidise unrealised capital gains, the reality is that some older home-owners are for whatever reason unable to take advantage of these products or are unable to downsize. Reasons include a need to be close to essential services, the stress caused by moving, and a lack of appropriate accommodation to move into.

Accordingly, if current housing market trends continue those unable to downsize or to liquidise assets will be unable to afford to live in their own homes as a result of rising property based taxes.

Despite record revenue increases and the provision of close to \$2 billion in business tax relief over the last four Budgets²³ the South Australian Government has provided very little tax relief to assist seniors with increasing cost pressures associated with state and local government taxes.

¹⁹ Australian Bureau of Statistics. 2005. *Social Trends Report – Housing Arrangements: Housing for Older Australians*. Available at: <http://www.abs.gov.au/ausstats/ABS@.nsf/7d12b0f6763c78caca257061001cc588/72b476dd4e468fdcca2570f300176b23!OpenDocument>

²⁰ Real Estate Institute of South Australia. Available at: <http://wic003lc.server-web.com/~admin417/index.php?page=statistics-2>

²¹ Department of Families, Community Services and Indigenous Affairs (FACSIA) – *Guide to Social Security Law*. Available at: http://www.facsia.gov.au/guides_acts/ssg/ssguide-5/ssguide-5.2/ssguide-5.2.2/ssguide-5.2.2.10.html

²² A.Hassan. 2003. Pacific Rim Real Estate Society Ninth Annual Conference – *Vertical Inequity in the Unimproved Capital Value System*. Available at: <http://www.usp.ac.fj/fileadmin/files/faculties/islands/landmgmt/publications/haprrres.pdf>

²³ The Australian. 2007. *Prudent Management Helps Provide for the Future*.

While also acknowledging the establishment of a *Select Committee on the Collection of Property Taxes by State and Local Government*, our members continue to feel that seniors have not shared in the State's improved economic position in recent years.

It is recommended that the South Australian Government:

- ***Ensure an equitable application of land and property valuations in determining State government rates, taxes and levies, and ensure, through the Local Government Act that local governments abide by the same principles in determining rates, taxes and levies.***
- ***Provide funding for independent research into alternative methods of assessment for determining property taxes, rates and levies that will: provide greater equity; minimise cost pressures for low income households; and minimise negative impacts on overall revenue.***

3.5 Stamp Duty

3.5.1 Downsizing

It is a fact of life that, eventually, many older Australians will move out of their family home in order to live in a smaller unit. The reasons are many and varied, including:

- a reduced income and increased living pressures (rates, home maintenance);
- the need for proximity to medical services, family or friends; and
- to access the benefits of retirement village living.

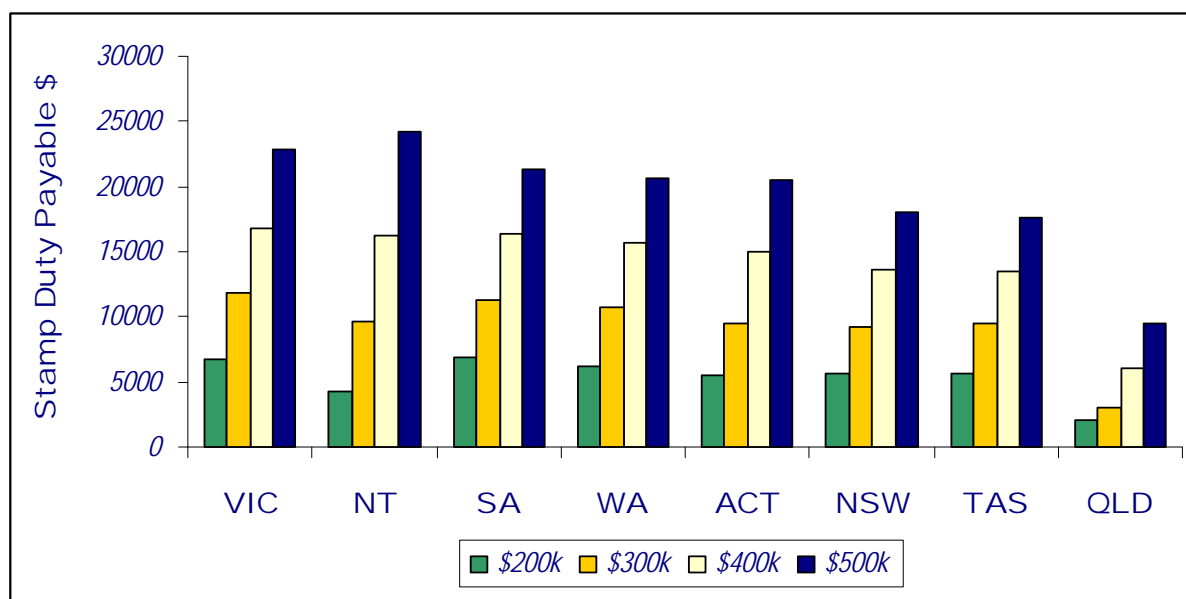
National Seniors members have expressed their concern that in South Australia the current rate of stamp duty and in particular the concessions available to seniors not only fail to recognise the benefits of downsizing but act as a considerable disincentive.

For example, currently a senior who is downsizing from a family home valued at \$750,000 to a unit valued at \$500,000 would be required to pay over \$20,000 in stamp duty alone. This represents 8 per cent of the intended savings and around 15 per cent of the savings when estate agent fees are included.

The high rate of stamp duty has been further compounded by the rapid increases in property prices in recent years. The increased likelihood of those downsizing looking to be in close proximity to essential services also typically increases property values and further reduces intended savings.

A state and territory comparison also reveals that South Australia currently has the highest stamp duty for a property purchased at \$200,000 by a non-first home buyer (see Figure 4 below).

Figure 4 – Comparison of stamp duty (non-first home buyers) across states and territories for property purchases valued at between \$200k - \$500k



*Information in this table is current as at 19.11.07
(Source: Compiled by National Seniors)

In providing seniors with a concessional rate of stamp duty the financial well-being of South Australia's seniors' community could be vastly improved.

In realising some of the wealth tied up in property, many retirees are able to top-up their typically low, fixed incomes and provide themselves with the financial security to meet any unexpected one-off costs. It is therefore incumbent on government and business to ensure that a favourable environment exists in which the benefits of downsizing can be fully utilised.

It is recommended that the South Australian Government:

- ***Provide seniors holding Pensioner Concession Cards, Commonwealth Seniors Health Cards or SA Seniors Cards with a concessional rate of stamp duty when downsizing their homes.***

3.5.2 Insurance

The current high rate of stamp duty on insurance premiums is undoubtedly contributing to the rapid increase in the cost of home and contents and motor vehicle insurance which is now beyond the reach of an increasing number of seniors.

Home and contents and motor vehicle insurance have been identified by National Seniors' members as significant cost of living pressures with effects most pronounced, but by no means limited to those who rely on a government age pension as their principal source of income.

For the increasing number who can no longer afford insurance, the effects of unexpected one-off costs such as maintenance and repairs can be financially devastating and can impact on a person's mental health.

It should be noted that the ITSA's 2006-2007 *Annual Report* shows older age groups make up a much higher proportion of bankruptcies than they did 10 years ago. The *Annual Report* also illustrates that while older Australians typically have fewer outstanding debts referred for collection, when collection did occur it was usually for much larger amounts compared with younger age groups.²⁴

While National Seniors recognises the concessions currently offered to seniors in respect to local rates, and water and sewerage levies, it strongly encourages the South Australian Government to recognise the dangers of the increasing number of seniors forsaking insurance due to its cost.

It is recommended that the South Australian Government:

- ***Eliminate stamp duty impost on home and contents insurance for seniors holding Pensioner Concession Cards, Commonwealth Seniors Health Cards or SA Seniors Cards.***

3.6 Transport

Whilst most seniors can obtain business and travel concessions from the various State and Territory Seniors Card programs, anomalies and inequities are created by the current lack of a national transport reciprocity scheme.

By way of an example, the cost currently to a South Australian Seniors Card holder of a return trip from Sydney (central) to visit the Jenolan Caves (Blue Mountains) is \$23.20. This contrasts sharply with the \$2.50 fare for travel companions with a NSW Seniors Card (see Figure 4 below).²⁵

In all states other than the Northern Territory and Tasmania 'out of state' Seniors Card holders cannot access public transport discounts extended to 'home state' Seniors Card holders. The anomalies and inequities created by this lack of transport concession reciprocity also vary from State to State (see Figure 5 below).

Figure 5 – A State & Territory comparison of the cost of a daily (metro) travel ticket for SA Seniors Card holders and home-state Seniors Card holders

	Price (\$)			
	WA	NSW	VIC	QLD
SA Seniors Card holder	8.10	15.40	9.90	8.20
Home state Seniors Card holder	2.40	2.50	3.00	4.10
Price Difference	5.70	12.90	3.90	4.10

**Information in this table is current as at 10.07.07
(Source: Compiled by National Seniors)²⁶*

²⁴ Insolvency and Trustee Service Australia. 2007. *Annual Report*. Available at:

<http://www.itsa.gov.au/dir228/itsaweb.nsf/docindex/about+us->publications->annual+reports?opendocument>

²⁵ City Rail NSW. Available at: <http://www.cityrail.nsw.gov.au/>

²⁶ Information for this table was sourced from publicly available online travel information.

By discouraging seniors travelling interstate current transport arrangements also act as a significant barrier to interstate tourism. *Bureau of Tourism Research* shows that in 2002 seniors spent \$8.5 billion on overnight domestic travel, representing 21 per cent of total overnight domestic travel expenditure in Australia. As a result of Australia's ageing population, these amounts are expected to notably increase.²⁷

Research also reveals that seniors are more likely than any other age group to travel interstate in order to visit friends or relatives. It is therefore inequitable that seniors should face cost barriers in this respect.

While noting that previous attempts by the Commonwealth Government to introduce a national reciprocal transport scheme have been unsuccessful, the current period of economic prosperity, growth in interstate travel and increased travel costs for seniors have ensured the issue remains pressing for older Australians.

National Seniors is also aware that the recently elected Commonwealth Government has committed to invest \$50 million to establish a national reciprocal public transport entitlement that will ensure State Government Senior's Card holders can travel at concessional rates anywhere in Australia.

Introducing a national transport concession scheme would go a long way to eliminating the anomalies and inequities created by the current situation, and would benefit all 270,000 Seniors Card holders in South Australia.²⁸

It is recommended that the South Australia Government:

- ***Proactively engage with the Commonwealth, State and Northern Territory Governments to implement a single interstate scheme for Seniors Card holders across Australia.***

²⁷ A.Hossain, G.Bailey and M.Lubulwa (2002), *Characteristics and Travel Patterns of Older Australians: Impact of Population Ageing on Tourism*, Bureau of Tourism Research, Canberra

²⁸ Provided by the SA Government – *Office for Ageing* on 30 October 2007

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