

National Seniors

Australia

**Submission to the 2013-2014
Western Australian State Budget**

February 2013

About National Seniors Australia (National Seniors)

With over 200 000 members Australia-wide (**including over 18 000 in Western Australia**), National Seniors is the consumer lobby for the over-50s. It is the fourth largest organisation of its type 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 support those in need – as a not-for-profit organisation, we raise funds and redirect monies received to older Australians who are most in need.

We help our members save – we offer member rewards with discounts from over 7000 businesses across Australia, we offer discount travel and tours designed for the over 50s, and we provide older Australians with affordable, quality insurance to suit their needs.

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Recommendations

Aged Care

1. Develop a long-term strategy to ensure aged care workers receive the training, support and opportunities they need to effectively deliver world class care to Western Australia's elderly and vulnerable people.
2. Increase the wages of aged care workers as an incentive to join and continue to work within the sector.
3. Introduce fire sprinklers as a mandatory requirement within aged care facilities.

Housing

4. Develop a plan and fund an increase in the supply of social housing by 2016 to meet demand and prevent people at risk from becoming homeless.
5. Permanently quarantine the clean energy subsidy when calculating any increase in State Housing rental for seniors. Public housing tenants should not be subject to rent increases arising as a result of one-off pension increases.

Stamp Duty

6. Introduce concessions on the housing stamp duty scheme to ensure a Western Australian scheme offers levels of support similar to those achieved in Victoria and New South Wales for those who hold a Pensioner Concession Card (PCC) or Commonwealth Seniors Health Card (CSHC) as a one off concession.

Mature Age Employment

7. 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:
 - a) Endorsing flexible work strategies to attract mature age workers to the workforce.
 - b) Continuing to implement Commonwealth employer incentives to employ mature age workers as outlined in the Federal government's Investing in *Experience — Skills Recognition and Training program*.
 - c) Providing mentoring and job sharing for mature age workers.

Energy (Gas) Rebate

8. Apply the Cost of Living Assistance payment to gas accounts of those Pensioner Concession Card (PCC) and Commonwealth Seniors Health Card (CSHC) holders.
9. To ensure equity for non reticulated gas uses and those living in rural areas.
10. National Seniors also urges the Western Australian government to extend the CoLA payment to residents living within multi-unit residential facilities (including caravan parks, residential parks, retirement and lifestyle villages).

Dental Health

11. 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 (both in residential facilities and in their own homes).
12. Increase educating and training in oral hygiene amongst aged care staff and community care workers.

Executive Summary

National Seniors' Western Australian Policy Advisory Group was established in 2006 and plays a key role in identifying emerging issues and trends 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.

Australia's ageing population - a result of increasing life expectancy and sustained low fertility following the post-war baby boom - is one of the most significant challenges facing the nation. We must make a conscious effort to plan and structure our cities to ensure liveability and non-discrimination. According to the 2011 Census, there were 3 million people aged 65 years and older resident within Australia. Over half of this population were aged 65-74 years. The post-war Baby Boomers are now beginning to enter the older age group (65 years and over) and will continue to increase its relative size.

Western Australia has one of the youngest populations of all states and territories with a median age of 36.2 years at June 2010, compared to 36.9 years nationally. However, the proportion of older residents in Western Australia is increasing faster than most other States and Territories, while the proportion of younger people is in decline. The percentage of Western Australia's total population aged 50 and older is projected to reach 34% by the year 2020, compared with 30% in June 2009.

Beyond 2020, population ageing will be even more pronounced with around 39% of the population being aged 50 and older by 2050. At this time, the number of Western Australians aged 75 and older will reach in excess of 12% of the population.

The government must also recognise that the over-50s are a diverse segment of the State's population. At one 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.

The cultural and linguistic diversity of the population aged 50 and older has the potential to impact on care needs and social engagement. Research suggests that older adults with English as a second language often revert to their first language as they get older and respond best to community-based care provided by people from the same cultural background.

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 key to enhancing the health, well-being

and inclusion of older Western Australians. The 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 these demographic changes. National Seniors believes making decisions now will greatly assist the State's readiness to cope with an ageing population into the future from productivity to participation, health and aged care.

Aged Care

Workforce

Recommendation 1: *Develop a long-term strategy to ensure aged care workers receive the training, support and opportunities they need to effectively deliver world class care to Western Australia's elderly and vulnerable people*

Recommendation 2: *Increase the wages of aged care workers as an incentive to join and continue to work within the sector.*

A skilled and well qualified workforce is not only imperative to the delivery of services within aged care facilities but also for the health and well-being of residents. The Productivity Commissions' Report *Caring for Older Australians* acknowledges this and further concludes that attracting and retaining aged care workers to the industry is challenging¹. Furthermore, despite several major Australian Government funding initiatives, staffing pressures in both residential and community settings remains an issue in all states and territories. According to the Department of Health and Ageing², "an adequately skilled and well-qualified workforce is needed to deliver quality aged care in both residential and community care" settings. This is a significant area of concern due to the rate of turnover within the aged care industry (25%) and the high costs of training new staff. The Department of Health and Ageing (DOHA)³ further states that:

To meet care needs effectively, the current workforce needs to grow from 304 000 in 2010 estimates to an estimated 827 100 by 2050. Having low paid/low skilled workers delivering care to people with complex and chronic conditions, severe dementia and behavioural disorders puts quality of care of vulnerable people at risk and pressure on doctors and hospitals.

As a result, staffing pressures are having a major impact on the quality of care provided to residents within aged care facilities.

¹ Productivity Commission (PC). 2011. *Caring for Older Australians*. Commonwealth of Australia: Canberra.

² Department Of Health and Ageing (DOHA). 2012. *Discussion Paper: Development of the Aged Care Workforce Compact*. Australian Government: Canberra.

³ Department of Health and Ageing. 2012. *Strategic Workforce Advisory Group Discussion Paper: Development of the Workforce Compact*. Commonwealth of Australia: Canberra.

The attrition of qualified workers to other industries in pursuit of higher remuneration and better working conditions is central to this issue. The trend towards an ageing labour force being particularly pronounced in the community services sector is an additional contributing factor.

Workforce pressures are already impacting negatively on the level of care provided to care recipients and if left unaddressed could put at risk the long term sustainability of the industry. The ageing of Australia's population presents a further challenge as it places more demand on services. Due to this, the number of qualified staff will need to increase significantly beyond current levels.

Moreover, a 2010 report by National Seniors⁴ found that the number of staff within Residential Aged Care is projected to increase by around 14.1% by 2020 in contrast to a 56.8% increase in demand. As a result, projected ratio of residents to nurses will increase by the year 2020.

The State Government has a role to play in ensuring an equitable and sustainable funding model to address the issues of low wages, training and education of aged care workers and is an area where the Western Australian State Government could show greater initiative.

Safety

Recommendation 3: Introduce fire sprinklers as a mandatory requirement within aged care facilities.

Within many Australian States and Territories it is not currently mandatory to have fire sprinklers installed within aged care facilities. As a result, National Seniors is concerned about the welfare and safety of vulnerable Western Australians who reside within aged care facilities in the event of a fire. These concerns centre on the restricted mobility of residents who require assistance to move around and to carry out daily tasks and who would experience difficulties when trying to evacuate a building during an emergency.

Automatic sprinkler systems are widely recognised as one of the most effective defences against the threat of a fire and can be the difference between a minor and major fire event. 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%⁵. Having fire sprinklers installed also reduces average property loss by approximately 71%⁵.

⁴ National Seniors Australia. 2010. *The Future of Aged Care Australia*. Access Economics: Canberra.

⁵ NFPA. 2013. Sprinkler Facts. Accessed 10 January 2013, Available at <http://www.nfpa.org>

Furthermore, projections released by the Australian Bureau of Statistics (ABS) indicate that by 2031, 21% of Australia's population will be aged over 65⁶. ABS data also indicates that people aged over 85 account for the majority of people who reside within aged care facilities. It is estimated that by the year 2031, around 28% 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.

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.

Housing

Affordable housing

Recommendation 4: *Develop a plan and fund an increase in the supply of social housing by 2016 to meet demand and prevent people at risk from becoming homeless.*

Recommendation 5: *Permanently quarantine the clean energy subsidy when calculating any increase in State Housing rental for seniors. Public housing tenants should not be subject to rent increases arising as a result of one-off pension increases.*

The risk of living in poverty and experiencing social exclusion later in life increases if a person does not own his or her home. National Seniors believes that it is essential that people have access to affordable housing, whereby housing costs are relative to household income. The costs of private rentals and the long waiting periods for social housing adversely affect older people on low and/or fixed incomes.

Housing affordability depends upon availability, accessibility and supply. Thus "lower-income, older renters, particularly private renters, continue to be a relatively disadvantaged group in terms of housing affordability, security and quality"⁷. This issue is further exacerbated by the ageing population on low

⁶ Australian Bureau of Statistics (ABS). 2012. Australian Demographic Statistics: June 2012. Australian Government: Canberra.

⁷ AHURI. 2007. *Rental housing provision for lower-income older Australians*. Australian Housing and Urban Research Institute: Queensland Research Centre.

incomes who require rental properties to cater to a diverse range of housing needs.

Therefore, the affordability of non-owner-occupied housing, the availability of social housing and the adequacy or suitability of housing to meet a person's needs are of major concern to National Seniors. In particular the first two factors contribute to an increased risk of homelessness among older Western Australians.

An adequate supply of social and community housing can assist in meeting the housing needs of those people who are unable to afford suitable accommodation at market value. National Seniors understands that while subsidising social housing may appear to only benefit social housing tenants, an adequate supply in this sector can relieve overall housing supply shortages, helping to restrain market rents.

Therefore, National Seniors believes that it is imperative that the Western Australian Government argue the case for adequately funded social and community housing programs with the Federal Government during Council of Australian Governments' discussions. National Seniors also believes that there is a requirement to accommodate tenants in housing that is both affordable and suitable to their needs. Government priorities must focus on providing access to housing for those older Western Australians who do not have secure tenure later in life, especially for those heading into retirement.

Furthermore, following the one-off, real increase in the age pension in 2009, the Federal Government called upon the States and Territories to permanently quarantine this increase when calculating public housing rents, preventing a rise in rental prices. The Western Australian Government responded by quarantining rent increases up until March 2011. This quarantine no longer applies.

National Seniors believes the quarantine should be permanent and that public housing tenants should not be subject to rent increases arising as a result of one-off pension increases.

Similarly, the Western Australian State Government should recognise that the implementation of the clean energy subsidy was intended as compensation for the flow-on costs of the carbon tax. Therefore this subsidy should also be exempt when calculating any increase in state housing rental for seniors.

Stamp Duty

Recommendation 6: *Introduce concessions on the housing stamp duty scheme to ensure a Western Australian scheme offers levels of support similar to those achieved in Victoria and Northern Territory for those who hold a Pensioner Concession Card (PCC) or Commonwealth Seniors Health Card (CSHC) as a one off concession.*

A National Seniors report found that two in three Australians relocate between the ages of 55 and 75 and that in many cases older adults are compelled to make decisions to either reside within their current home or to move due to various factors⁸. In particular, many Australians choose to move later in life due to the home maintenance responsibilities. The report also found that many individuals who choose to remain indicated that they are influenced by financial concerns.

In Victoria and the Northern Territory, older Australians who receive the Age Pension or Commonwealth Seniors Health Card (CSHC) are provided with stamp duty relief to assist in relocating to accommodation that is more suited to their needs (e.g. from a house to a townhouse). **Older Western Australians feel they have not shared in stamp duty relief in recent years, which has primarily targeted businesses and first home buyers.**

National Seniors believes that a one off concession on stamp duty targeted at older Australians who are reluctant to downsize due to the costs associated with relocating, provides an opportunity to assist them in moving into more suitable accommodation and also increases the availability of housing.

Mature Age Employment

Recommendation 7: *Develop and implement a whole-of-government approach to mature age employment, with the aim of removing barriers and improving employment opportunities for mature age workers and jobseekers by:*

- a) Endorsing flexible work strategies to attract mature age workers to the workforce.*
- b) Continuing to implement Commonwealth employer incentives to employ mature age workers as outlined in the Federal government's Investing in Experience – Skills Recognition and Training program.*
- c) Providing mentoring and job sharing for mature age workers.*

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

⁸ National Seniors Australia. 2009. *Moving or Staying Put: Deciding Where to Live in Later Life*. Productive Ageing Centre: Canberra.

total State workforce, compared to only 20% of the total workforce 10 years ago⁹. National Seniors acknowledges this growth which is partly attributable to the baby boomers moving into the more mature age bracket while recognising that there are still a range of barriers preventing older workers from entering or re-entering the workforce.

National Seniors research indicates that mature age workers remain significantly less likely to re-enter the workforce compared with younger age groups¹⁰. In 2009, the average period of unemployment for those aged 55 and older in Western Australia was 41 weeks, compared with 18 weeks for those aged 15-54 years¹¹. During the same time frame the proportion of unemployed persons aged 55 and older who experienced long-term unemployment was 33%, compared to only 6% of all unemployed persons aged between 15 and 54 years. Furthermore, National Seniors research shows a person in their 50s who becomes unemployed will remain unemployed three times longer than someone of a younger age¹³.

Workplace discrimination is not only limited to mature age people looking to re-enter the labour force; it is also experienced by employed older Australians who have intentions to remain within the workforce until retirement. National Seniors research shows that 13% of older workers who participated within paid employment during the last 5 years (2008-2012), experienced workplace exclusion specifically attributable to age¹². These experiences of discrimination are a significant factor in decisions to leave the workforce. This will have a significant impact over time on the Australian economy, resulting in a loss of approximately 450 000 potential employees by 2031 which translates to around 12.5 million work hours forgone.

Our research further highlights:

- Not utilising the skills and experiences of older workers costs the Australian economy \$10.8 billion dollars.
- There are almost 2 million older Australians who are willing to work, could be encouraged to work or are unemployed and looking for work.
- There are significant barriers to older people re-joining the workforce including private recruitment firm practices, age discrimination, care giving responsibilities and inflexible work arrangements.

Within Western Australia, 36% of job seekers state that their main reason for giving up looking for work is that they are considered to be 'too old' by employers, 56% of these job seekers are aged 55 and older¹².

⁹ Australian Bureau of Statistics (ABS). 2012. *Australian Demographic Statistics: June 2012*. Australian Government: Canberra.

¹⁰ AMWU. 2012. *No need to Look Over-Seas for Labour- There's Plenty available at Home*. Unions WA: Western Australia

¹¹ National Seniors Australia. *Experience Works. The mature age employment challenge*. Canberra. 2009.

¹² AMWU. 2012. *No need to Look Over-Seas for Labour- There's Plenty available at Home*. Unions WA: Western Australia

With regard to programs to facilitate mature age employment, National Seniors supports the continued availability of a program similar to the Commonwealth's *Investing in Experience – Skills Recognition and Training program* which reimburses older Australians for further training and skilling undertaken to gain employment and also provided employers with financial incentives to employ them. National Seniors advocates that the Western Australian Government continues to fulfil the requirements of this program outlined within the 2012-2013 Federal Budget.

Aside from assisting with the economic recovery in the aftermath of the global financial crisis, increasing mature age participation rates will lead to greater self-sufficiency in retirement and reduced spending on social security and healthcare by government. Retention of mature age workers is also a cost effective strategy for business and the implications of not retaining mature age workers includes a loss of experience, knowledge, productivity and diversity within the workplace.

The aforementioned factors are not the only benefits of employing and retaining mature age workers and research shows that older workers provide exceptional mentoring, support and supervision to younger workers. Job sharing is also another way in which to utilise mature age workers skills and allows older workers to supplement their income and make an easier transition into retirement. Job sharing also enables mature-aged workers to balance work, family and lifestyle commitments, such as elder care and caring for grandchildren.

Energy (Gas) Rebate

Recommendation 8: *Apply the Cost of Living Assistance to gas accounts of those Pensioner Concession Card (PCC) and Commonwealth Seniors Health Card (CSHC) holders.*

Recommendation 9: *To ensure equity for non reticulated gas users and those living in rural area.*

Recommendation 10: *National Seniors also urges the Western Australian government to extend the CoLA payment to residents living within multi-unit residential facilities (including caravan parks, residential parks, retirement and lifestyle villages).*

The stated objective of Western Australia's Government's 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 Cost of Living Assistance (CoLA) scheme provides \$200 per annum to subsidise electricity usage. However, it does not offer any assistance to offset the supply

charge for gas and does not extend to those households who do not have access to individual meters including retirement and lifestyle villages.

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 the 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 electricity, therefore it should be treated equally within the distribution of the CoLA payment provided by the Western Australian Government.

National Seniors also urges the Western Australian government to extend the CoLA payment to residents living within multi-unit residential facilities (including caravan parks, residential parks, retirement and lifestyle villages). Currently older Western Australians who do not receive an individual electricity bill from a provider are excluded from the CoLA payment.

Dental Health

Recommendation 11: 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 (both in residential facilities and in their own homes).

Recommendation 12: Increase educating and training in oral hygiene amongst aged care staff and community care workers.

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 Australian community¹³. The report also shows that one in three adults (34%) reported avoiding or delaying dental treatment because of cost¹³. 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, mental and physical illnesses.

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

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 governments¹⁴.

People aged 65 and older experience higher rates of oral health issues than younger groups, with around 20% reporting each of missing teeth, avoidance of certain foods and concerns regarding their appearance.¹⁵

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% more likely to have experienced toothache in the last year; and 76% more likely to have avoided certain foods because of problems with their teeth¹⁵. 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 care¹⁵.

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 \$1,000. 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 at most are a minimal screenings.

The new Commonwealth and State funded public adult dental health program to commence 1 July 2014 will struggle to address the current waiting lists for concession card holders. The program fails to address the needs of older people, especially those in residential aged care facilities and people with chronic disease who frequently have complex health and specialist dental care requirements.

Older Australians, in particular those in residential care facilities, face further difficulties in accessing oral health care services as dentists and aged care staff may not be trained in the specific needs of older patients. Better oral health education for individuals, medical practitioners, aged care staff and carers is needed for an increase in overall general health. Furthermore, many older

¹⁴ National Advisory Council on Dental Health, 2012. Report of the National Advisory Council on Dental Health.

¹⁵ Australian Institute of Health and Welfare, 2012. Australia's Health. Commonwealth

people are unable to access dental care services due to a lack of access to transportation and limited mobility. Fully equipped dental vans such as those used in schools would greatly assist by bringing services closer to where people live.

The preventative health benefits of treating the dental health of older Western Australians will minimise future health costs of the Western Australian State Government.