

Western Australian Budget Submission

2024-25

March 2024

Introduction

National Seniors Australia welcomes the opportunity to make a submission to the Western Australian Government as part of the budget process for 2024-25. National Seniors Australia is the peak consumer body representing older Australians.

This submission contains recommendations on issues of concern for seniors. The recommendations were developed in consultation with National Seniors' Western Australian Policy Advisory Group, which 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 2023, the population aged 50+ was estimated to be 977,471, more than double that of 25 years ago, and the population aged 65 and over was 463,137, double what it was only 20 years ago.¹ Future 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.

This submission focusses on the key areas of housing, oral health, concessions, transport and security and presents practical recommendations to support older people's health and wellbeing in Western Australia.

¹ Australian Bureau of Statistics (ABS) 2023. *National, state and territory population, Jun 2023*.

<https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/jun-2023/3101055.xlsx>

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

Recommendations

Housing

1. Increase the supply of age-appropriate housing.
2. Introduce a stamp duty concession for eligible seniors comparable with existing schemes operating in other states and territories.

Oral Health

3. Provide additional funding for seniors' oral health programs to provide regular comprehensive services.

Concessions

4. Increase the local government rebate cap in line with the increased cost of local government and water supply charges.

Transport

5. Introduce free public transport for seniors.

Security

6. Provide a biennial \$400 Safety and Security Rebate for seniors installing security devices in their home.

Housing

1. Increase the supply of age-appropriate housing in Western Australia

The current housing crisis is dire with a lack of social and affordable housing impacting the wellbeing of older people.

National Seniors welcomed the state government's \$750m investment towards social housing, homelessness initiatives, workforce supply and land supply as part of the last budget.³ However, these strategies are not enough to fix the housing crisis facing older people unless more homes suitable for seniors are built.

Home ownership is still the most favorable tenure type among older people. Evidence shows home ownership confers positive impacts on the health and wellbeing of older people.⁴ However, there is a lack of suitable low-cost housing for older people to purchase either to downsize into or to escape the rental market.

An important role for state government is to ensure planning laws encourage the market to deliver new and innovative housing options suited to the needs and wants of older people beyond the retirement village model (see below).

Unfortunately, developers appear to be focused on high end or high-rise housing. This type of housing may not be suitable for older people, particularly those with limited wealth or income.

There is a need to build more medium density housing in areas where older people already live to provide feasible downsizing and rental options for older people.

A recent National Seniors submission to the ACT Government's Housing Choices Consultation acknowledged that suburban infill is necessary as a seniors' friendly alternative to high density development. However, this must be well designed to protect the character and liveability of existing neighbourhoods.⁵

Other states and territories, such as NSW, have introduced specific planning codes to fast track the approval of smaller scale infill developments which can offer a more attractive alternative to high rise living but with higher density than traditional detached housing.

³ <https://www.ourstatebudget.wa.gov.au/2023-24/housing.html>

⁴ Hosking, D., Minney, A. and McCallum J. The evolution of retirement income: A 2022 snapshot. Canberra: National Seniors Australia and Challenger, August 2022.

⁵ National Seniors Australia 2018. Submission to the ACT Housing Choices Consultation. March 2018.

The WA Government needs to work with local councils and communities to identify areas where appropriately scaled infill development could be built offering a mixture of owner occupier, rental and social housing suitable for older people.

Government should also consider adopting accessible housing design in new homes to ensure there is sufficient housing stock to accommodate ageing needs.

Essential to this is the incorporation of accessible housing design features into the National Construction Code.

Unfortunately, Western Australia has not yet committed to adopting the new minimum accessibility standards contained in the revised National Construction Code, but it should.

Government should also consider giving older renters (particularly women) the opportunity to co-invest in the construction of new housing using shared equity arrangements.

There is likely a significant number of people who cannot afford to buy a home, but they could contribute a portion of capital towards the construction of a dwelling if a scheme like this was developed.

Older renters with some savings but not enough to purchase a dwelling (e.g., <200k in superannuation) should be allowed to contribute a portion of the capital needed to construct new homes, helping to bridge the funding gap. By using a mixed rental/ownership tenure model, government could facilitate the construction of new homes using less capital.

This could support those with limited savings to purchase a home while stimulating age-friendly housing options – shifting older people out of the rental market into a more stable tenure option.

Government should also make retirement villages a more attractive option by ensuring simpler rules with adequate protections. The WA Government should work with other jurisdictions to develop strengthened and nationally consistent retirement village legislation.

Retirement villages should offer older people an age-friendly housing option. Despite its promise, there remains significant concerns about hidden fees and exit charges as well as the complex nature of village contracts.

Of most concern is that existing retirement village laws give consumers a false sense of protection, when they should take a buyer beware approach when considering a move to a village.

Retirement villages are very different from traditional freehold and strata housing, which can be confusing. A prospective resident ideally must obtain often costly legal and financial advice before signing a contract to ensure it is in their interests.

With state and territory governments' responsible for retirement village legislation, this has led to a patchwork of inconsistent rules and protections, adding costs to consumers, government and industry.

We are therefore calling for nationally consistent and strengthened retirement village legislation with the following key elements:

- An independent retirement village ombudsman to educate consumers, monitor the sector, and handle complaints.
- Fees and charges to be clearly and consistently outlined in plain English terms in all contracts.
- Maintenance and service fees should be reasonable and clearly outlined in plain English in the contract, with examples.
- Providers should not be allowed to charge deferred management fees. These should be illegal for any new retirement village contract.
- Where a resident vacates their premises, the operator must refund an entry fee within a maximum of six months (as is already the case in Tasmania). If the former resident moves into residential aged care, the sale period will be three months, and the operator should be required to meet the daily accommodation payment which is deducted from the exit entitlement (as is the case in Western Australia).
- Refurbishment fees should be applied only after a resident has resided in a property for more than 10 years and capped as a proportion of the entry fee.
- The value of any exit fee should be clearly stated up front in the contract as either a dollar value or as a proportion of the sale value.
- Advertising should spell out, in plain English, what is for sale. Are you buying property? Are you purchasing a right to reside? Are they entering a leasehold arrangement? It must be clear what the contract involves.
- It should be clear if a resident will not be eligible for the Home Equity Access Scheme as a village resident (unless the rules governing this scheme change).
- A retirement village should not be on-sold (to a new corporate entity, company or individual) without the village provider giving residents written notice of this intention.

These reforms should be introduced in Western Australia as soon as possible, to provide a template for negotiations to introduce nationally consistent laws.

2. 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 only 44 per cent of people aged 50 and older live in homes suitable for their changing needs. Of those with unsuitable homes, around 19 per cent said they couldn't modify their home or would move to live in a more suitable home.⁶

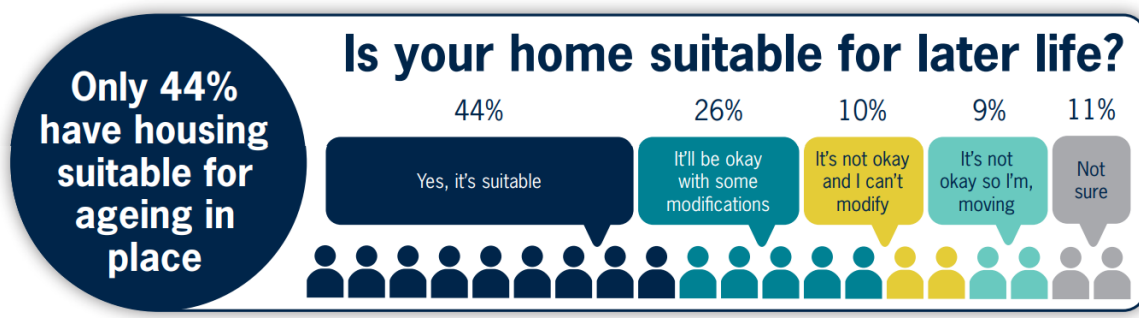


Figure 1: Proportion of housing suitable in later life for older people.⁷

This research also found a high proportion, around one-third of older people, had already moved in later life and another third are considering moving in later life (see Figure 2)

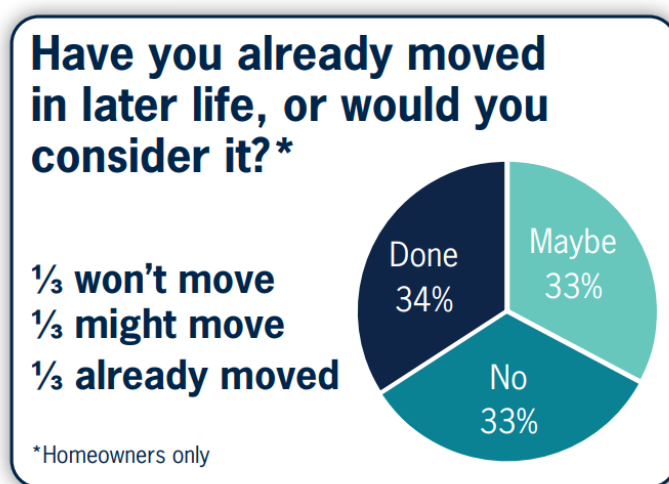


Figure 2: Proportion of older people who have moved or would consider moving in later life⁸

⁶ National Seniors Australia 2024. *Is housing suitable in later life?* (Infographic) <https://nationalseniors.com.au/uploads/1020235017PAR-InfoGrphc-HousingRpt-1800x3200.pdf>

⁷ National Seniors Australia 2024. *Is housing suitable in later life?* (Infographic) <https://nationalseniors.com.au/uploads/1020235017PAR-InfoGrphc-HousingRpt-1800x3200.pdf>

⁸ National Seniors Australia 2024. *Is housing suitable in later life?* (Infographic) <https://nationalseniors.com.au/uploads/1020235017PAR-InfoGrphc-HousingRpt-1800x3200.pdf>

As our research also shows (see Figure 3), older people mostly want to move to address ageing needs and to obtain smaller properties that make ageing easier.

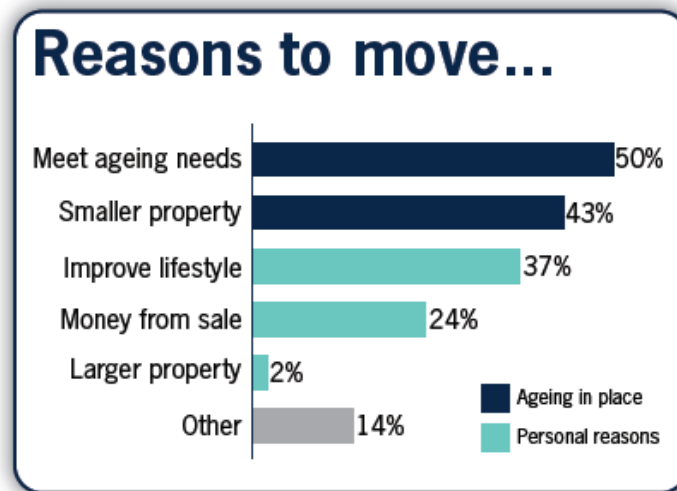


Figure 3: Reasons for moving among older people⁹

However, there are several barriers to moving in later life. One of the most important was the cost of stamp duty. Almost one-third (32%) of people cited the cost of stamp duty (second only to the hassle of buying and selling) as a barrier to moving in later life.¹⁰

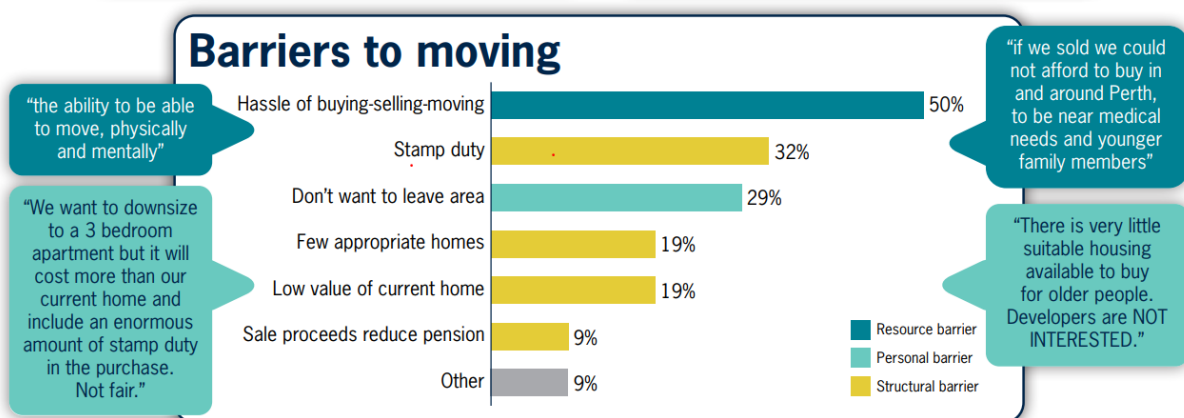


Figure 4: Proportion of older people who have moved, might move or have no plans to move in later life¹¹

⁹ National Seniors Australia 2024. *Is housing suitable in later life?* (Infographic) <https://nationalseniors.com.au/uploads/1020235017PAR-InfoGrphc-HousingRpt-1800x3200.pdf>

¹⁰ National Seniors Australia 2024. *Is housing suitable in later life?* (Infographic) <https://nationalseniors.com.au/uploads/1020235017PAR-InfoGrphc-HousingRpt-1800x3200.pdf>

¹¹ National Seniors Australia 2024. *Is housing suitable in later life?* (Infographic) <https://nationalseniors.com.au/uploads/1020235017PAR-InfoGrphc-HousingRpt-1800x3200.pdf>

Seniors in Victoria, Northern Territory (NT) and Tasmania are eligible for stamp duty concessions to assist with downsizing (see Addendum for details). Western Australian seniors should have access to a similar concession.

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

The concession could apply to new dwellings to boost supply and operate on a sliding scale, as is done in the ACT and Victoria, to ensure the policy is targeted. As with other WA concessions, the concession rate could be modified for different concession card types to further ensure it is adequately targeted.

This will assist those who are reluctant to downsize (due to associated costs) and provide an opportunity to relocate to more suitable accommodation if needed. The flow on effect would allow a more efficient use of housing stock and make more larger houses available for younger families in Western Australia.

While National Seniors Australia acknowledges the WA Government already offers a 75% rebate on transfer duty for multi-tiered apartment purchased off-the-plan, not all seniors would be interested in this type of housing as it may not be suitable to their needs or lifestyle.

The cost to government from offering a seniors stamp duty concession is relatively small as can be gauged by examining the operation of schemes in other jurisdictions.

In Tasmania the revenue forgone estimate for 2023-24 from the pensioner duty concession was only \$2.1m.¹² In Victoria, where the exemption is more generous, the revenue forgone estimate for transfer duty concessions for pensioners and concession card holders in 2023-24 was \$65m (compared to \$595m for first home buyers concession on stamp duty).¹³

¹² <https://www.treasury.tas.gov.au/BudgetPapersHTML/Budget2023/BP1/2023-24-BP1-5-General-Government-Revenue.htm>

¹³ <https://s3.ap-southeast-2.amazonaws.com/budgetfiles202324.budget.vic.gov.au/2023-24+State+Budget+-+Statement+of+Finances.pdf>

Oral Health

3. Provide additional funding for seniors' oral health programs to provide regular comprehensive services.

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.¹⁴

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.¹⁵

Unfortunately, financial barriers continue to adversely impact dental visits for older people in Western Australia. High costs create treatment barriers for many people. For example, National Seniors own surveys show 24 per cent of older people were prohibited from receiving dental treatment due to cost.¹⁶

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

¹⁴ 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.

¹⁵ AIHW 2018b. *Oral health and dental care in Australia*. Web report. Accessed online 22 February 2022

¹⁶ <https://nationalseniors.com.au/uploads/0820234798PAR-PARInfoGrphc-HealthCareCost-A4210x297.pdf>

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 available only 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.¹⁷

The State Oral Health Plan 2016-2020 recognises frail older people as a priority group. It also acknowledges 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 dental interventions.

We recommend the establishment of a mobile service in regional areas (similar to the Breast Screen WA mobile unit) to provide access to dental services.

This would help to support people living in aged care in regional areas as well as regional communities with limited access to private dental services. The scheme could be operated from the dental school providing dental students with training and experience in regional areas.

¹⁷ National Advisory Council on Dental Health, 2012. [Report of the National Advisory Council on Dental Health](#).

Concessions

4. Increase the local government rebate cap in line with the increased cost of local government and water supply charges.

Rising living costs are having a significant impact on household budgets, especially older people with low fixed incomes.

Concessions are one of the main ways that government can directly address living costs, but only if these concessions are adequate. As the cost of goods and services rise, one would expect the rebates and concessions offered for these items keep pace with these changes.

Unfortunately, like many jurisdictions, the Western Australian Government does not regularly index all its rebates and concessions. While the Seniors Cost-of-living Rebate is indexed and set to increase over the next few years, this rebate is currently worth only \$104 for singles and \$156 for couples.

Other rebates, such as the local government rebate, have not changed despite record inflation. Since 2016, this rebate has been held at a maximum of \$750 per household (or \$600 for water) for Pensioner Concession Card holders and at a much lower maximum amount for Commonwealth Seniors Health Card holders and Seniors Card holders.

National Seniors is calling on the WA Government to increase the maximum local government rebate amount to a level that is commensurate with rising local government charges.

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 older 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.

Security

6. Provide a biennial \$400 Safety and Security Rebate for seniors installing security devices in their home.

Everyone deserves to feel safe in their own home. Older people in Western Australia, as elsewhere, are concerned for their safety as the threat of violent crime creates worry and uncertainty.

While there are many things the government can do to address this issue, one practical step is to support older people to feel safe in their home by helping with the cost to install security devices and systems.

Western Australia already provides a one-off \$400 rebate to seniors card holders via the Safety and Security Rebate, however there is more that could be done.

In Queensland, there is a scheme to provide people aged 60 and older with up to \$10,000 for the installation of security measures in specific local government areas where crime rates are unacceptably high.

With living costs rising, it can be difficult for some people to justify the cost of installing even basic security devices in their homes. Many are struggling with the cost of everyday basics, such as groceries, fuel and energy.

That is why it is important that government helps address security concerns with further support.

National Seniors is calling on the WA Government to improve the current Safety and Security Rebate by making this a biennial rebate worth \$400 every two years.

The rebate should be offered every two years to help older people ensure their security systems are adequate and up-to-date.

Appendix 1: State and territory stamp duty concessions

Victoria

Pensioner duty exemption or concession¹⁸:

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 \$550,000 and land under \$423,00. The value of the concession declines on a sliding scale up to \$765,000 for a house and \$500,000 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

¹⁸ 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.¹⁹

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.

¹⁹ Tasmanian Government State Revenue Office of Tasmania. Pensioner downsizing to a new home duty concession. Published December 2021. Accessed March 2022.

		Vic.	ACT#	Tas.
Home	Lower threshold (full concession)	\$330,000	\$550,000	n/a
	Upper threshold (no concession)	\$750,000	\$765,000	\$600,000
Land	Lower threshold (full concession)	n/a	\$423,000	n/a
	Upper threshold (no concession)	n/a	\$500,000	n/a

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.^{20#}

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

²⁰ Figures are based on current rules as of 30 Feb 2024 and subject to change.

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