

Submission to the 2014 - 2015 *Victorian Budget*

February 2014

National Seniors

Australia

About National Seniors Australia

With around 200,000 members Australia-wide National Seniors is the consumer lobby for the 50s and over. 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 50s and over.

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 help our members save – we offer member rewards with discounts from over 7,000 businesses across Australia, we offer discount travel and tours designed for the 50s and over, and we provide older Australians with affordable, quality insurance to suit their needs.

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Recommendations

National Seniors specific recommendations for the 2014-2015 Victorian Budget are as follows:

Health

Recommendation 1: Achieve the National Partnership Agreement targets for treating semi-urgent and non-urgent elective surgery patients.

Recommendation 2: Achieve the National Partnership Agreement targets for waiting times in hospital emergency departments.

Recommendation 3: Develop a specific health intervention program to reduce the growing rate of obesity in over 50's.

Housing

Recommendation 4: Extend the concessional rate of stamp duty (currently available to pensioners and health care card holders) to senior card holders if they downsize their home.

Recommendation 5: Index the concessional rate of stamp duty (currently available to pensioners and health care card holders) if they downsize their home.

Recommendation 6: Legislate for all new housing developments to include high density homes to assist both first time home buyers and seniors with limited assets and income.

Recommendation 7: Legislate for all new Retirement Village units to be built to 'universal design standards' and so save on future costs.

Mature Age Employment

Recommendation 8: Amend the Work Cover legislation to allow workers who are injured at or after the age of 65 to benefit from workers' compensation in exactly the same way as younger workers are able to.

Recommendation 9: Develop a program to increase the workforce participation of over-50s including providing training, support, career re-evaluation and redirection and reskilling.

Cost of Living

Recommendation 10: Maintain current winter and summer utility concessions.

Recommendation 11: Remove the specific \$283.90 cap on the Water and Sewerage concession.

Recommendation 12: Ensure that all Victorians have access to affordable gas supplies.

Transport

Recommendation 13: Increased capital expenditure on all public transport services.

Recommendation 14: Maintain the funding for the Protective Services Officers program.

Recommendation 15: Increase the number of Premium railway stations.

Introduction

National Seniors' Victorian Policy Advisory Group 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 Government.

National Seniors acknowledges the restrictive fiscal environment the Victorian Government is operating under and has limited its recommendations to predominantly those which will have a positive impact on workforce participation and economic productivity.

The Australian population is ageing, the proportion of the population aged 65 years or more is projected to increase from around one in seven Australians in 2012 to one in four Australians by 2060 and close to 1 in 3.5 at the turn of the next century.¹

Currently, over 46 per cent of Victorian voters are aged over 50². Within a few years the majority of voters will be aged 50 and over.

As highlighted within the *Victoria in Future 2012* official population and household projections³, Victoria's population is projected to continue to age. The median age of the population is expected to increase from 37 years in 2011 to 41.0 years in 2051. The proportion of the population aged 65 years and older is projected to increase from 13.9 percent to 22.1 percent by 2051. The number of Victorians aged 85 years and older is expected to almost quadruple to over 400,000 by 2051.

This ageing demographic presents a number of challenges and opportunities for the Victorian Government, economy and community.

National Seniors welcomes the appointment of the Victorian Commissioner for Senior Victorians and the creation of the Ministerial Advisory Committee for Senior Victorians. However there are still many opportunities for the Government to implement changes affecting cost of living, transport, health, mature age employment and housing. Changes would help promote an age-friendly society and allow the over-50s to contribute to the Victorian economy and tax base, for example by increasing mature age workforce participation.

¹ Productivity Commission (2013) *An Ageing Australia Preparing for the Future* Australian Government.

² The Australian Electoral Commission (2013) *Elector Count by Division, Age Group and Gender for all States and Territories* Australian Government.

³ The Victorian Government (2012) *Victoria in Future 2012 official population and household projections* Victorian Government.

Health

Recommendation 1: Achieve the National Partnership Agreement targets for treating semi-urgent and non-urgent elective surgery patients.

Recommendation 2: Achieve the National Partnership Agreement targets for waiting times in hospital emergency departments.

Reducing the number of unhealthy or injured over-50s could have numerous positive impacts for the Victorian community and economy. It has been found that health improvements for 10 per cent of the unhealthiest older workers (those aged 49-60) could have significant positive effects on the economy.⁴

Increasing the stronger focus on preventative health can boost both individual wellbeing and national productivity. Annual productivity losses associated with absenteeism and presenteeism are estimated to be as much as \$25 billion.⁵

The Victorian Government did not reach its 2012 baselines or targets for treating semi-urgent patients within the clinically recommended time⁶. National Seniors acknowledges the Victorian Government's noteworthy achievement of treating urgent patients within the target however improvement of the treatment of the semi-urgent patients is required. In comparison National Seniors notes that the Northern Territory and Australian Capital Territory have achieved all their 2013 targets.

Improvements in the treatment time of patients of non-urgent elective surgery would improve the health outcomes of Victorian aged 50 and over and would also have a positive impact on the Victorian economy as more over-50s would be able to return to work sooner.

⁴ Dr George Verikios (2013) *Healthy older workers boost the economy* Monash University.

⁵ Australian National Preventive Health Agency (2013) *State Of Preventive Health Agency* Australian Government.

⁶ COAG Reform Council (2013) *National Partnership Agreement on improving public hospitals: Performance Report for 2012* COAG Reform Council.

Recommendation 3: Develop a specific health intervention program to reduce the growing rate of obesity in over 50's.

Australia has now become one of the world's fattest nations with significant costs for society and economy from entirely preventable diseases.⁷

Australians over 50 are about 6–7kg heavier on average than their counterparts were 20 years ago. Australians in their 50s and 60s are now also gaining weight as they gain years. The number of older Australians aged 55 years or older is increasing, as is their representation in the total population. The combined trend of population ageing and the obesity epidemic is likely to result in continuing increases in the number of older, obese Australians.⁸

Victoria has some of the highest rates of obesity in Australia. The Gippsland region is one of the most obese regions with 53 per cent of the population overweight or obese.⁹

There is a strong focus on prevention of obesity and re-education in children and adolescents. However, there are few specific programs targeting the over-50s. Obese older people are less likely to remain in the workforce and remain socially engaged.¹⁰ Obesity also reduces an individual's prospects of finding employment especially amongst female jobseekers.¹¹

A well-targeted program could prevent and reduce the rate of obesity in older Victorians, reducing health costs, absenteeism and allow them to remain socially and economically engaged.

Evidence suggests that the Victorians Governments' health intervention program should include tailored activity and nutrition counselling targeting over-50s at retirement, recognizing that retirement is a major

⁷ Australian National Preventive Health Agency (2013) *State Of Preventive Health Agency*. Australian Government.

⁸ National Preventative Health Taskforce by the Obesity Working Group Australia (2009): *the healthiest country by 2020. Technical Report No 1* Australian Government.

⁹ Department of Health (2013) *Gippsland Region* Victorian Government.

¹⁰ Australian Institute of Health and Welfare (2005) *Obesity and workplace absenteeism among older Australians*. Bulletin No. 31. AIHW Cat. No. AUS 67. Canberra: AIHW.

¹¹ Dr Kerry O'Brien (2012) *Obesity affects job prospects for women*. Monash University.

life transition touch point suitable for intervention.¹² The Victorian Government could be partly guided by the *Community Healthy Activities Model Program For Seniors* which are individually tailored to encourage lifestyle changes in over 50's.¹³

Housing

Recommendation 4: Extend the concessional rate of stamp duty (currently available to pensioners and health care card holders), to senior card holders if they downsize their home.

Recommendation 5: Index the concessional rate of stamp duty (currently available to pensioners and health care card holders) if they downsize their home.

High stamp duty costs are prohibiting over-50s from downsizing their homes and are limiting the available family housing stock. The expansion of the Urban Growth Boundaries has increased the number of over 50's that are now restricted from downsizing due to prohibitive stamp duty costs.

National Seniors believes that expanding access to the concessional rate of stamp duty will allow over-50s to downsize their homes, improving the quality of life of a large number of Victorians aged 50 and over, while also granting many younger Victorians access to suitable family homes which would otherwise not be available.

Recommendation 6: Legislate for all new housing developments to include high density homes to assist both first time home buyers and seniors with limited assets and income.

Recommendation 7: Legislate for all new retirement village units to be built to 'universal design standards' and so save on future costs.

¹² Hector D, King L, Hardy L, St George A, Hebden L, Espinel P, Rissel C. (2012) *Evidence update on obesity prevention; Across the life-course* Prepared for NSW Ministry of Health. Sydney; Physical Activity Nutrition Obesity Research Group.

¹³ University of California, San Francisco (2013) *Community Healthy Activities Model Program for Seniors*.

National Seniors believes that the Government should encourage the construction of age appropriate housing and retirement village accommodation to ensure that all new developments address the housing requirements of an ageing population.

The Productivity Commission supports mandating universal design standards to deliver accessible and adaptable private dwellings to improve independence and social inclusion for older Australians¹⁴ and there are also an increasing number of calls for more high density homes to be constructed to meet the needs of the aging population. Australia needs growth in more flexible housing for one or two people.¹⁵ However the private sector has been reluctant to implement age appropriate best practices due to increased costs in the short term.

National Seniors believes the Government should mandate the implementation of age appropriate construction best practices (including high density housing and universal design) which would meet the needs of the ageing population and ultimately reduce the costs for all stakeholders in the long term.

Mature Age Employment

Recommendation 8: Amend the Work Cover legislation to allow workers who are injured at or after the age of 65 to benefit from workers' compensation in exactly the same way as younger workers are able to.

Older workers are in a perilous position under current Victorian WorkCover legislation. Despite the encouragement by Governments for workers to stay at work past retirement age, Victorians are discouraged by workers compensation legislation that provides reduced or less comprehensive cover for workers injured at or after the age of 65.¹⁶

No workers compensation age threshold exists within the Western Australian and Queensland workers compensation schemes.

¹⁴ Productivity Commission (2011) *Caring for older Australians*. Australian Government.

¹⁵ Professor Graeme Hugo (2013) *The Changing demographics of Australia over the last 30 years*. University of Adelaide.

¹⁶ Safe Work Australia (2012) *The Comparison of Workers' Compensation Arrangements in Australia and New Zealand* Australia Government.

Recommendation 9: Develop a program to increase the workforce participation of over-50s including providing training, support, career re-evaluation and redirection and reskilling.

Once a job seeker turns 55 their time spent out of the workforce increases dramatically. Job seekers aged 55 and older are languishing in unemployment for an average 75 weeks compared to 31 weeks for job seekers aged 25-34.¹⁷

Over 50s want to work, they are underutilized, underemployed and are unfortunately becoming discouraged, with over 60 percent of discouraged workers aged 55 and older.¹⁸ There is an urgent need for the Government to assist Victorians aged 50 plus who are unemployed, under-employed or unwilling early retirees to find new employment.

The need to provide mature job seekers with additional assistance has been furthered exacerbated by the pending closure and ongoing decline of the vehicle manufacturing sector within Victoria.

Up to 1,300 direct jobs will be lost in Victoria as a result of the closure of Holden. It has been estimated that the automotive components manufacturing sector in Australia directly employs 29,000 people and indirectly contributes another 31,000 jobs, bringing the total number of jobs at risk to around 60,000 nationwide.¹⁹

The proportion of the manufacturing workforce aged 45 and over increased from 34.8 per cent to 40.9 per cent between 2002 and 2012, a larger increase than in the overall workforce, which increased from 34.0 per cent to 38.7 per cent in the same 10-year period.²⁰

It has been estimated that almost 50 per cent of workers in the manufacturing industry have language, literacy and numeracy skills below required functional level, which places the sector below the national average. Low language, literacy and numeracy (LLN) skills are associated with low workforce participation.²¹ Over-50s who are forced into taking redundancy packages, for example vehicle manufacturing workers are more likely to leave the workforce and move into self-funded early retirement or on to social security payments.

¹⁷ Australian Bureau of Statistics (2013) 6291.0.55.001 - *Labour Force, Australia*, Detailed - Electronic Delivery, Australian Government.

¹⁸ Australian Bureau of Statistics *Persons Not in the Labour Force*, Australia, September 2012

¹⁹ Productivity Commission (2013) *Australia's Automotive Manufacturing Industry Public hearings*

²⁰ Australian Workforce Productivity Agency (2013) *Manufacturing Workforce Issues Paper* Australian Government

²¹ Productivity Commission (2010) *Staff Working Paper Links Between Literacy and Numeracy Skills and Labour Market Outcomes*.

The Victorian Government mature age employment program could be guided by the Over 45 Entrepreneur Small Business Mentoring Up Program previously utilised by the New South Wales Government²² and the Western Australian Profit from Experience program. Such programs focus on enhancing the skills of mature workers and emphasising the value of mature workers and their contribution to productivity.²³

Cost of Living

Recommendation 10: Maintain current winter and summer utility concessions.

National Seniors research has revealed that over the five years to March 2013, non-discretionary (essential) items, such as water, gas, insurance, medical services, and rates, all rose by more than double the inflation rate.

Older Victorians report that they 'go without basics' such as food, medicines and heating or cooling to make ends meet. In 2011, nationally 750,000 of 50 plus households were spending half of their disposable income (average \$14,000) on groceries, electricity, gas, and healthcare and almost a quarter of a million (245,000) senior households said they had been unable to pay their utility (electricity, gas or telephone) bills on time.²⁴

Recommendation 11: Remove the specific \$283.90 cap on the Water and Sewerage concession.

The current water and sewerage concession has not retained its value against the rapidly increasing water and sewerage costs. To compensate for this inequity National Senior suggests that the specific \$283.90 cap on the Water and Sewerage concession be removed.

Recommendation 12: Ensure that all Victorians have access to affordable gas supplies.

With the development of the gas export market domestic gas prices are expected to rise. The biggest residential users of gas are Victorians, yet

²²NSW Government Industry & Investment (2010) *Over 45's Entrepreneurs Small Business Mentoring Program*.

²³The Department of Training and Workforce (2013) *Profit from Experience program* Western Australian Government.

²⁴National Seniors Australia (2013) *A squeeze on spending? An update on household living costs for senior Australians* Productive Ageing Centre.

the majority of Victorian gas consumers are unaware of and unprepared for this impending price increase.²⁵

The Government must ensure that the level of gas concessions available keeps pace with the increased gas price and that domestic consumers, especially older consumers (who have limited capability to reduce their gas consumption) are more engaged with the gas market to ensure they are prepared for any price increases or supply constraints.

Transport

Recommendation 13: Increase capital expenditure on all public transport services.

In the metropolitan area, holders of a Seniors Card enjoy a standard concessional fare on all public transport services with free travel on weekends. This is not the case for V line passengers who have variable concession fares for peak and off-peak periods during the week and higher fares apply on Saturdays and Sundays. The current arrangements discriminate against older people in rural and regional areas of Victoria.

Beyond the equality benefits, the recommended change would bring improvements in social inclusion and workforce participation.

Recommendation 14: Maintain the funding for the Protective Services Officers program.

Many seniors are afraid to use public transport outside of busy periods, especially in the evenings. They feel unsafe due to anti-social behaviour, poor access and lighting between transport hubs and parking areas and the lack of available assistance in the event of an incident occurring. These perceptions of personal risk can result in social isolation, reduce their productive contributions to the community and increase their health problems.

National Seniors members have indicated that since the introduction of the Protective Service Officers program they feel safer when using public transport.

²⁵ Consumer Utilities Advocacy Centre (2013) *Making the Gas Connection An Introduction to the gas sector for consumer organisations*.

The benefits of the Protective Service Officers program far outweigh the costs and that the level of funding should be continued to allow Protective Service Officers to patrol every metropolitan station.

Recommendation 15: Increase the number of Premium railway stations.

Many National Seniors Victorian members have raised their experiences of being unable to access customer assistance, toilets, indoor waiting areas and other facilities at Victorian public transport stations.

Expectations are that all metropolitan stations are adequately staffed, to allow older Victorians to seek assistance if required and access appropriate facilities.

National Seniors believes that the services and facilities provided at Premium Stations²⁶ should become the norm for all stations within metropolitan Melbourne.

²⁶ Public Transport Victoria (2013) *Premium Stations* State Government Victoria.