



Association of Independent Retirees (A.I.R.) Limited
ACN 102 164 385

QUEENSLAND DIVISION

SUBMISSION

TO

QUEENSLAND GOVERNMENT TREASURER

**PRE-BUDGET SUBMISSION
2021**

March 2021

The Association of Independent Retirees (AIR) is a national not for profit, non-political organisation that works to advance and protect the interests and independent lifestyle of Australians in or approaching retirement.

Queensland Division represents 6 branches of AIR from Brisbane to Cairns.

INTRODUCTION

The Association of Independent Retirees (A.I.R.) Limited was formed in Queensland in 1990. AIR is now a National, not-for-profit, non-party political organisation. Members are Australian residents who intend to be or are fully or partly self-funded in retirement. AIR is the peak body representing the interests of retirees who have planned for a sustainable retirement, not wholly reliant on the Government.

Members of AIR have a wide range of views, however, they all expect Government policies to be fair and non-discriminatory. Escalating costs, tightening fiscal markets, low interest rates and the COVID-19 pandemic have impacted negatively on retirees. In preparing this Submission, the Government's difficult fiscal circumstances have been recognised.

The Association of Independent Retirees (AIR) Limited welcomes the opportunity to provide the following Pre-Budget Submission containing recommendations across areas of key concern to current and future fully and partly self-funded retirees.

The principal matters are:

- (i) Cost of domestic electricity;
- (ii) Maintain Concession funding for Seniors; and
- (iii) Provide a reduction in stamp duty or concessions when Seniors downsize from their principal residence.

Other matters that should also be considered include:

- (iv) Ensure that the word AUSTRALIA features on all Birth, Death and Marriage certificates issued in Queensland.
- (v) Increase the Patient Travel Subsidy;
- (vi) Provide Seniors with the same Queensland Rail Travel Entitlements as Queensland Pensioners;
- (vii) Lift the base value of commercial properties for Land Tax in line with inflation

The Australian Bureau of Statistics indicate that persons over 65 represent about 20% of the population eligible to vote in Queensland. The majority of these would be retirees. In addition, there is another 15% in the 55 to 65 cohort that are either retired or considering retirement.

Should you require any further details in relation to this Submission or other matters, please do not hesitate to contact Bernard Treston (☎ 0424615083, E✉ bernardtreston@gmail.com) President, Queensland Division, Association of Independent Retirees (AIR) Ltd.

DISCUSSION OF ISSUES

ISSUES OF HIGH IMPORTANCE

ISSUE 1 — Cost of domestic electricity

Electricity costs need to be brought under control and reduced to manageable levels for home owners. Big increases in the cost of domestic electricity over recent years have been identified as a significant concern to retirees — particularly those on limited income from investments.

Rationale - It is important that the Qld Government takes a forceful stand not to be burdened with any flow on effects from policies of the other States which have produced unreliable supplies of power. The recommendations from the National Electricity Inquiry into power supplies across Australia need to be implemented.

Queenslanders now pay some of the highest electricity charges in the world. The supply of electricity was originally a service to the community but is now a money-making enterprise. The QCA wrongly uses as consultants ACIL Allen who are also used by AER to review the default market offer on tariffs. The spot price is now around \$40 per meg W hour and ACILs report is using a figure of \$81 which gives a distorted price hitting the consumers.

The rapid improvement (and affordability) in solar battery storage technology over the next few years will see more and more households that have solar panels drop off the network due to the ever-increasing cost of grid electricity supply.

In view of the severe impact of the increases in domestic tariff and supply costs, the entire generation, distribution and supply system is overdue for a major restructuring that should be focused on lowering consumer costs and removing inefficiencies, “gold plating” and “price gouging” that has reportedly been occurring. **But, regional Queensland consumers have not seen any relief.**

ISSUE 2 — Maintain Concession Funding for Seniors

Continue the existing level and eligibility for Concessions currently available to Seniors Card holders and Pensioners.

Rationale - AIR Queensland Division is appreciative that the Queensland Government is committed to the maintaining of Seniors’ Concessions. It is important that those Concessions are also agreed for the 2021-2022 fiscal year.

Cost of living increases have been so high in recent times that retirees on limited incomes are in no position to absorb increases and still maintain a reasonable lifestyle. Without the Concessions, many more will struggle to pay utility bills such as rates, water and electricity on time. The fallout is that the State Government should step in with some form of assistance. But more needs to be done, particularly providing bigger concessions on public transport for Senior Card holders.

ISSUE 3 — Provide a reduction in stamp duty when Seniors downsize their principal residence

Allow a reduction in the rate of transfer duty for retirees over 65 who are downsizing accommodation for health, financial hardship or other reasons.

Rationale - Stamp duty is paid when a property is purchased. The Queensland Government does offer some concessions when the residence being transferred is the principal residence. Even more generous concessions are offered to first home buyers.

State stamp duty was to be progressively removed following implementation of the Goods and Services Tax (GST). This has generally not occurred. In Tasmania a discount is applied for seniors downsizing their principal place of residence.

The Federal Coalition Government has taken the initiative by addressing downsizing with its implementation of a means of placing some of the proceeds into a superannuation fund.

With increases in local government rates, utility services and other costs of living, many retirees on limited incomes cannot continue to afford the cost of living in the family home. They have little choice but to downsize from the traditional family home and move to smaller domiciles often in the form of town houses, home units or retirement villages.

A major detractor to making the decision to downsize is the amount of stamp duty that people are obliged to pay to secure an alternate property, potentially reducing the financial benefits of moving.

Stamp duty can amount to a considerable sum when a retiree is buying into a retirement village or a smaller residence. If stamp duty was reduced (or preferably eliminated completely) for retirees downsizing, it would make the financial considerations of relocating somewhat easier. It would likely stimulate the building of more retirement villages and similar group title properties that are suitable for retirees

STAMP DUTY was increased on Insurance contracts.

This move by the Government needs to be reversed as it has had a detrimental effect on industry and has placed an unfair burden on all involved. Insurance is an important issue with retirees.

OTHER ISSUES

ISSUE 4 –Providing the word “Australia” on Birth, Death and Marriage Certificates.

Rationale - It is surprising that these Certificates have not changed over the years. They are required for various purposes. Not only are they needed in Australia, but from time to time for proof overseas. It is difficult enough proving the information on these documents without having to prove that they are actually Australian records.

ISSUE 5— Increase the Patient Travel Subsidy for accommodation

The “commercial accommodation” component of the Patient Travel Subsidy Scheme remains at \$60 / person / night and is a definite assistance to patients but requires reviewing in line with current accommodation costs. No change is being advocated to the “private accommodation” subsidy.

Rationale - Country patients do not have the same access to medical services as those living in major cities. Accordingly, the Patient Travel Subsidy is intended to address the problem of country people having to travel large distances for medical specialist appointments and services.

As a direct result of being old, retirees generally require more specialist medical treatment. An increase in the commercial accommodation subsidiary would greatly assist in overcoming some of the huge cost imposed on country-based retirees having to seek medical assistance in major towns.

ISSUE 6 — Provide Seniors with the same Queensland Travel Entitlements as Queensland Pensioners

Extend the concession entitlements Queensland Rail (QR) provides to Queensland Pensioners to Queensland Seniors Card holders. Also introduce off peak substantial discounts better than the existing ones.

Rationale - QR provides a range of concession entitlements to Queensland Pensioners. Under the same scheme, Seniors Card holders receive a 50% reduction off the full adult rail fare only.

We request that Queensland Senior Card holders be allowed the same rail travel concessions as pensioners. In doing this, it would greatly encourage more non-pensioner retirees to utilize QR trains for travel and especially holiday purposes. Greater use of buses and fewer cars on the road could be achieved with special fares for Retirees and seniors-- as in Sydney.

The State Government may consider subsidizing local Councils to implement such a scheme.

As most retirees tend to holiday in non-school holiday periods, any such incentive to holiday in Queensland regional areas serviced by QR would be a definite assistance to the tourism industry at times when bookings are low.

ISSUE 7—Lifting the base rate for computation of Land Tax

Rationale - There has been a base rate set by Governments over the years. BUT while property prices have increased markedly over the years in Qld—and Australia the Government has failed to revise the base rate, and this has an impact particularly on retirees with investment properties.

CONCLUSION

The Queensland Division of the Association of Independent Retirees acknowledges that the issues raised may have some minor fiscal impact on the Queensland Government Budget.

However, there are also counter impacts that lead to Government savings in the longer term.

In the case of a stamp duty reduction, it would seem at first glance as a loss of revenue. However, the bigger picture is a stimulation of the building industry to provide the necessary accommodation as well as savings in new infrastructure costs as younger families move into inner suburban areas that are well serviced with transport and other amenities.

Excessive charges for electricity hit everyone, and also put pressure on irrigators who provide valuable food supplies for consumers and export.

Full and part self-funded retirees need assistance given the current low interest environment and the increasingly uncertain world political situation.

Accordingly, the Association of Independent Retirees requests that these issues are given favourable consideration when Government prepares to introduce the 2021-2022 State Budget.

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