



Association of Independent Retirees (A.I.R.) Ltd.

ACN: 102 164 385

VICTORIAN STATE DIVISION

STATE PRE-BUDGET SUBMISSION

To the Treasurer: Government of Victoria

2022

BACKGROUND

THE ASSOCIATION OF INDEPENDENT RETIREES (A.I.R.) Ltd.

- AIR is a national, not-for-profit, non-party political organisation formed in 1990.
- Members are Australian residents who are fully or partly self-funded in retirement, or intend to be in this position.

Members of AIR have a wide range of views. However, they all expect Government policies affecting their retirement incomes and quality of life to be fair and non-discriminatory.

It is in the interests of both Federal and State Governments to adopt policies which provide incentives for all retirees to maintain a reasonable level of retirement income, to retain their independence, to contribute to the economic development of the nation and to avoid becoming a drain on the public purse.

Escalating costs, tightening fiscal markets, low interest rates and the COVID-19 pandemic have impacted negatively on retirees, who often have limited opportunities to increase their income. Despite these factors, retirees continue to make a significant contribution to the nation as taxpayers, family supporters, volunteers for not-for-profit organisations and interstate tourists.

AIR believes that it is essential for Governments to develop timely policies to cope with the economic impact of the demographic changes occurring in Australia. Statistics show that the percentage of older people in the total population is gradually increasing.

The Victorian State Division operates as the coordinating body for all Victorian Branches.

There are six (6) Branches in Victoria

Goulburn Valley; Melbourne Eastern; Melbourne Southern; Swan Hill; Warrnambool;
Wimmera.

INDEX OF RECOMMENDATIONS 2022

1.	That holders of the Commonwealth Seniors Health Card (only) in Victoria receive the same, or similar, concessions as those holding this Card in other States such as New South Wales or South Australia.
2.	That there should be free travel for all Seniors on trains, tram and buses permanently.

INFORMATION SUPPORTING RECOMMENDATIONS

1. That holders of the Commonwealth Seniors Health Card (only) in Victoria receive the same, or similar, concessions as those holding this Card in other States such as New South Wales or South Australia.

Rationale:

- I. There is an injustice occurring in the concessions given to holders of Commonwealth Seniors Health Card in Victoria compared to other States.
- II. This injustice relates to inequality and should be quickly and properly investigated by Government to ascertain its full extent.
- III. Remedial action should then be taken to correct this injustice within a 12 month time table. If this is not feasible, we request a time line in which some definitive improvement to concessions will be made.

Discussion:

- (i) There is a clear inequality in concessions given to Commonwealth Seniors Health Card holders in Victoria when compared to other States. In Victoria's case, there is a "yawning gap" between say Western Australia or Queensland. A reasonable comparison could be drawn between Victoria and New South Wales – this comparison shows Victorian card holders concessions fall well below New South Wales holders. There does not appear to be compensating concessions given to Victorian card holders to balance this gap.
- (ii) Research readily demonstrates our contention. (Attachment 1) is a table we have prepared with data drawn from various websites and other sources showing concessions given by various States to holders of Commonwealth Seniors Health Card holders (only).
- (iii) As another source, refer to the National Seniors website nationalseniors.com.au/concessions-calculator which clearly demonstrates the differences between States in concessions given to Commonwealth Seniors Health Card holders. Victoria does not compare favourably. There was also an article published in "The Senior" magazine dated 2nd October 2021 about this matter. (Attachment 3) It comments that "a senior Victorian holding only a Commonwealth Seniors Health Card can receive a maximum of

zero, compared to \$450 in New South Wales or \$1,660 in Western Australia". A further source is the Victorian Government (Health & Human Services) website page "Concessions at a glance" [Concessions eligibility calculator - DFFH Services](#). Again this highlights how poorly Victorians fare compared to their counterparts on other States. (Attachment 2).

- (iv) A majority of persons holding a Commonwealth Seniors Health Card will be self-funded retirees, (i.e. those who are not eligible for a Pensioner Concession Card). Many of these people could not be classified as wealthy, as the assessed maximum income limits to receive a Commonwealth Seniors Health Card is \$57,761 for a single person and \$92,416 for a couple. By today's standards that is not excessive, and in fact is only marginally above the actuarial calculations of the minimum income level to sustain a reasonable lifestyle.
- (v) We are unable to find on Government websites the number of persons holding a Commonwealth Seniors Health Card in Victoria, who would be eligible for the concessions requested (and not currently receiving them by some means). It is probably a relatively small number, and thus any additional cost to Victorian Government would be relatively small.

2. That there should be free travel for all seniors on trains, trams and buses. At the moment, free travel occurs only at weekends when using a myki. As an alternative for country travellers, a Regional Transport Card could be issued, similar to that issued in New South Wales to holders of a Commonwealth Seniors Health Card.

Rationale:

- (i) There needs to be greater utilisation of public transport services. They are readily available, but currently under-utilised for various reasons particularly during weekends and public holidays
- (ii) Greater utilisation of public transport would assist in the required reduction of carbon pollution.
- (iii) There is a need to encourage people in Melbourne to visit the C.B.D. and spend money on activities whilst there, thereby creating economic activity and employment opportunities in the hospitality, entertainment industries and in retail.
- (iv) Free travel would compensate to some extent all seniors who have lost income due to reductions in dividend payments, interest rates for deposits, or rent from property due to COVID-19 Government directives.
- (v) At the moment there is some free travel at weekends and during Seniors Week for seniors. There would not be any additional cost to Government of extending free travel to seniors at all times. Service timetables are fixed and therefore only existing services would be utilised. Any loss of revenue would be minimal.
- (vi) The same logic would apply to country travel, where V/Line services run to fixed timetables and on most (if not all) services (train & bus) there would be adequate seating for all.

Discussion:

- (i) Free travel would encourage more seniors to use public transport again. Many are still feeling uncomfortable using public transport for fear of COVID-19. Using their cars as an alternative is causing unnecessary congestion on the roads. Also, many cannot afford the exorbitant parking fees in the city and suburbs, so they choose to remain at home. Not good for their mental health.
- (ii) Free travel would encourage seniors to visit the city again and in turn boost city businesses, cafes, theatres, etc.
- (iii) Free travel would assist most seniors requiring transport to medical appointments, which are generally on week days and often in the C.B.D.
- (iv) Victoria has generally, a good network of public transport, and it should be better utilised. In the main, costs to run these services are fixed, so greater use of them is not adding costs.
- (v) The Regional Transport Card issued to N.S.W. country residents is currently set at \$250 p.a. This would seem a reasonable level for a similar card in Victoria.

Attachments

1. Concessions available by State for Holders of a Commonwealth Seniors Health Card
2. "Concessions at a glance" (Health & Human Services Website – Victoria Government)
3. "The Senior" magazine October 2nd 2021

ATTACHMENT 1**CONCESSIONS AVAILABLE BY STATE FOR HOLDERS OF CSHC**

Prepared 09/12/21

CRITERIA

SELF OR PARTLY SELF FUNDED: HOLDING C'WEALTH SENIORS HEALTH CARD ONLY

ITEM/CONCESSION**UNIVERSAL****NSW****QLD****S.A.****W.A.****TAS****VIC****A.C.T.****N.T.****1. Commonwealth benefits**

Australia Post: Mail Redirection

Yes

Cheaper Postage Stamps

Yes

Pharmaceutical prescriptions: discounted level-(currently \$6.60)

Yes

: Free once Safety Net Limit reached

Yes

Medical : Bulk Billing (at discretion of GP)

Varies-
Note (e)

Medicare Rebate: higher level once Safety Net Limit reached

Yes

Centrelink - Energy Supplement (paid qtrly-currently \$70)

Yes

Essential Medical Equipment Rebate (Energy costs) -
\$164p.a.heating/Cooling; \$164p.a. for each piece of Essential Medical
Equipment

Yes

2. State Government Benefits

Public Dental Services

Yes- subject
to priorityYes-
subject to
priorityYes- subject
to priorityYes -
subject
to
priorityYes -
subject
to
priorityEssential Medical Equipment Rebate (Energy costs) See above in
Universal

Medical Cooling Cost Concession (Energy)

\$234 p.a.

Cost of Living Concession

\$109 p.a.

Seniors Energy Rebate / Energy Bill Concessions

\$200p.a.

up to \$234p.a.
Means Tested

\$311 p.a.

\$200
p.a.

\$200 p.a.

Council Rates (Owner/Occupier)

50% rebate
up to max
of \$750 p.a.
(Note 1)

Water Rates & Usage				50% rebate for Service. 50% rebate on usage. (See Notes 4 & 1)	
Emergency Services Levy			Up to \$46 p.a.	50% rebate (Note 1)	
Public Metro. Transport		50% off			
Regional Transport Card	up to \$250 p.a.				Free weekends 1x free trip /year
Stamp Duty on Home purchase (once only)			Yes (Note 3)		Yes (Note 2)
Residential Park Resident Concessions (Services costs) : Own Dwelling			up to \$554 p.a.		
: Tenant			up to \$364 p.a.		
CSHC + Seniors Card (with certain criteria including age & hours working)		Yes (Note 5)			
Ambulance Service	Free				Free
Connection Underground Electricity connection				50% of cost	
Drivers Licence Fee				50% rebate. (Note 1)	
Vehicle Licence Fee				50% rebate. (Note 1)	

Notes

(A) General

- (a) The above Concessions gleaned from various State websites, etc which mention that holders of CSHCards are eligible to claim. This enables a direct comparison between States of concessions.
- (b) There are a multitude of concessions/benefits which holders of other Concession Cards receive. I have not attempted to list them.
- (c) The DVA CSHC card attracts additional concessions to the above. I have not listed these.
- (d) Verification of concessions given by other States (other than Vic.) will be required.
- (e) G.P.'s are not obligated to Bulk Bill - but usually do when requested

(B) State Specific

1. W.A. - Must also meet criteria to hold W.A. Seniors Card

2. Vic. - Exempt up to \$330k purchase price; concessional rate 330-750k purchase price. Once only rebate.
3. S.A. - 50% on Downsizing up to max purchase price \$500k; Tas. - 50% on downsizing up to \$400k max. purchase price
4. W.A. - 50% rebate for Service Charge(capped \$600); 50% rebate on usage (variable & capped) (Note 1)
5. Qld - Holding a CSHC gives eligibility for a Seniors Card that brings additional benefits in Transport, etc

Sources: Websites -State Gov't Concessions websites; C'wealth DVA Concessions; National Seniors; C'wealth CSHC Concessions
E.& O.E.

Attachment 2 07/12/21

Concessions at a glance

The Victorian Government provides concessions to make essential services more affordable for low-income households in Victoria. The concessions apply to water, gas, electricity and municipal rates. Eligible concession cards for each concession are highlighted on the chart. Other criteria may apply. Eligible card holders should contact their service provider to determine if they meet all the criteria for each concession.

	Centrelink Pensioner Concession Card	Veterans' Affairs Pensioner Concession Card	Centrelink Health Care Card*	Veterans' Affairs Gold Card For All	Veterans' Affairs Gold Card War Widow	Veterans' Affairs Gold Card TPI	Veterans' Affairs Gold Card POW & EDA	Veterans' Affairs White Card For Specific	Commonwealth Seniors Health Card	Victorian Seniors Card	Veterans' Affairs Gold Card Dependant
Concessions available											
 Annual Electricity	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Controlled Load Electricity	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Electricity Transfer Fee Waiver	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Excess Electricity/Gas	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Life Support	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Medical Cooling	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Non-Mains Energy	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Service to Property Charge	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Winter Gas	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
 Non-Mains Water	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Water and Sewerage	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Life Support	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
 Fire Services Property Levy	✓	✓	✗	✗	✓	✓	✓	✗	✗	✗	✗
 Municipal Rates	✓	✓	✗	✗	✓	✓	✓	✗	✗	✗	✗
 Non-Mains Utility Relief Grant Scheme	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Utility Relief Grant Scheme	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗
Water and Sewerage Connection Scheme	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗

*Holders of a Centrelink Health Care Card issued in the name of a child are not eligible.

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For help in your language call the Concessions Information Line on 1800 658 521 (toll free) and ask to speak to an interpreter.



More information is available from the Concession Information Line on 1800 658 521 (toll free) or online at www.services.dhhs.vic.gov.au/concessions-and-benefits



Health and Human Services

Not all are treated equally

CONCESSIONS
BY EILEEN WOOD

CONFUSED at what concessions you are entitled to as a senior in your state or territory?

Don't be! National Seniors Australia has launched a free, simple-to-use online concessions calculator which takes the angst out of discovering exactly what you can apply for, and hopefully puts money in your pocket.

The calculator also shows all is not equal when it comes to concessions with the inconsistencies running into thousands of dollars.

For example, a senior in NSW with a Pensioner Concession Card can receive a total of \$960 in concessions. If they live in Western Australia it is \$1714.94 and if they are a resident of the Northern Territory they can get \$3105.10.

Victoria is the most concession miserly state for Pensioner Concession Card holders at a mere \$642.50, followed by Queensland \$732.04 and South Australia \$817. The ACT and Tasmania are more generous at \$1748



CALCULATE THIS: Hop online to see what concessions are available to you. **Photo: Dollar Photo Club**

ria, although you are entitled to an exemption or part exemption on stamp duty when buying a property.

National Seniors says concessions are one of the most talked about topics among older Australians - understandable with the ever-increasing cost of living and pension poverty.

"While there is nothing inherently wrong with jurisdictions offering different concessions, states like Western Australia might be in a good financial position to offer concessions to low-income self-funded retirees simply because they have a lower proportion of older citizens and a booming mining sector," it says.

"However, it is important that seniors are not unfairly disadvantaged because of regional inconsistencies.

"Whether you are a pensioner or a self-funded retiree, we all continue to pay bills as we get older. Older Australians often need a bit help with doctor's fees, medicines, private health insurance, aged care, transport, housing, energy costs and other essentials."

Unfortunately, the advocacy organisation says, not all older people are treated equally.

"Some concessions are set too low and many aren't indexed annually to meet changes in living costs. What older people want are concessions that are fair and reasonable, and which recognise the hard work and contribution older people have made and the struggles they face."

National Seniors Australia chief advocate Ian Henschke said the calculator was a tool in the organisation's campaign to make concessions fairer across jurisdictions. "Given the fact inflation is running at 3.5 per cent, you really do need to find out what concessions are available to you," he said.

The inequality across jurisdictions can also be seen in the electricity concessions for Pensioner Concession Card holders - from \$1067, or 60 per cent of the average bill, in the Northern Territory to just \$146, or 15 per cent of the average bill, in Victoria. ■ nationalseniors.com.au/concessions-calculator