



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

**2010 -2011  
Pre-Budget Submission to Qld. Government**

**28<sup>th</sup> October 2010**

***Our Mission***

***To secure recognition and equity for Australian residents who by their diligence and careful management, fully or in part self fund their own future.***



**Association of Independent Retirees (AIR) Ltd.**  
ACN 102 164 385  
Queensland Division

**Division President : Max Barton 07 3203 0246**  
**Division Secretary : John Wenban 07 4128 0761**

25<sup>th</sup> October 2010

Hon Andrew Fraser MP  
Treasurer  
Treasury Department  
Queensland Government  
GPO Box 611  
BRISBANE Q 4001

**Association of Independent Retirees (A.I.R.) 2010-2011 Pre Budget Submission**

Dear Treasurer,

Please find attached Pre-Budget Recommendations outlining several issues affecting all self funded retirees (SFRs) and their on going economic and social contribution to the State. With changing economic conditions and amended government policy many SFRs on fixed incomes are now experiencing difficult times.

The Recommendations contained in this Submission have been developed in consultation with A.I.R. members across the 15 A.I.R. branches established across Queensland. The approach taken by A.I.R. on issues affecting its members is to work with the respective government or agency rather than take a public confrontational stance. This has provided a mutually beneficial outcome to the resolution of issues.

A.I.R. is also well placed to inform and educate retirees about Government policies affecting their financial security. From this point of view A.I.R. would welcome the opportunity to participate in appropriate Government Consultative/Advisory Committees.

Should you require any further details in relation to the Recommendations contained herein or other matters please do not hesitate to contact me at any time.

Yours truly,

Max R. Barton  
President  
Queensland Division  
Association of Independent Retirees Ltd.

*Please address all correspondence in respect to this matter to:*

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## **Summary of Recommendations**

The recommendations of the Association of Independent Retirees (A.I.R.) Queensland Division contained in this submission are summarised hereunder.

### **Recommendation 1**

The Queensland State Government Patient Travel Subsidy Scheme (PTSS) be amended to :

- Increase the subsidies payable under the scheme to reflect increased costs and travel distances patients now face under the governments policy of centralisation of specialist health care services particularly in regional Queensland.
- Include the eligibility of holders of CSHC (Group C retirees).

### **Recommendation 2**

The Queensland Government introduce an exemption from stamp duty for people over 65 who are downsizing accommodation for health, financial hardship or other reasons similar to the scheme operated by the NSW State Government.

### **Recommendation 3**

The State Government Pensioner Rate Subsidy Scheme be expanded to include holders of CSHC.

## Introduction

The Association of Independent Retirees (A.I.R.) was formed in 1990 as a not-for-profit, non-party political, volunteer organisation and has become the peak body representing the interests of retirees who are wholly or partly self funded in retirement. There are 71 A.I.R. branches across Australia. The Queensland Division of A.I.R. represents the 15 branches established across regional Queensland. A.I.R.'s members include full self-funded retirees, part pensioners, and superannuants.

The primary objectives of the association are :

- To maintain and improve the standard of living, health and welfare of retired and partly retired people.
- To research and gather information that assists members to maximise their life opportunities
- To educate and inform the wider community (including political parties at all levels of Government) regarding the views and concerns of self-funded retirees.

For the purposes of discussion of the recommendations contained herein the groups into which retirees fall can generally be described as follows:

**TABLE 1 – Retiree Groups**

<b>GROUP</b>	<b>DESCRIPTION</b>
A	Holders of : <ul style="list-style-type: none"> <li>➤ Blue Centrelink Pension Card</li> <li>➤ Gold Veteran Affairs Card; or</li> <li>➤ Blue Veteran Affairs Card</li> </ul> and in receipt of the maximum rate of concession
B	Holders of : <ul style="list-style-type: none"> <li>➤ Blue Centrelink Pension Card</li> <li>➤ Gold Veteran Affairs Card; or</li> <li>➤ Blue Veteran Affairs Card</li> </ul> And in receipt of a partial rate of pension.
C	Self Funded Retirees who hold a Commonwealth Seniors Health Card (CSHC) and are totally self funded on a limited income.
D	Self Funded Retirees who <u>do not</u> hold a CSHC and are totally self funded generally on higher incomes.

The Commonwealth Government introduced the CSHC to relieve the health cost burden on retirees who are not concession card holders. To qualify for a CSHC retirees are subject to a means test.

Along with other retirees the CSHC holders (Group C) have suffered a similar diminished capacity to meet health, land rates and utility services due to the GFC and disproportionate increases arising from privatisation and amalgamation issues.

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## Explanation

### Recommendation 1

The Queensland State Government Patient Travel Subsidy Scheme (PTSS) be amended to :

- Increase the subsidies payable under the scheme to reflect increased costs and travel distances patients now face under the government's policy of centralisation of specialist health care services particularly in regional Queensland.
- Include the eligibility of holders of CSHC (Group C retirees).

### Rationale

Under the current Patient Travel Subsidy Scheme (PTSS) travel and accommodation subsidies are paid to patients forced to seek specialist medical services that are not available within 50 kilometres of their nearest public hospital. When a patient requires physical support to obtain treatment, a subsidy may also be payable to an escort.

Travel costs are provided to a patient and escort for the actual cost of the least expensive form of public transport, or alternatively travel by private motor vehicle subsidised @ 15 cents per kilometre.

Where treatment continues over more than one day a subsidy is available for accommodation costs for a patient and escort of up to \$30 per person per night for commercial accommodation.

To be eligible for the subsidies patients must be a holder of a Qld. Pensioner Concession Card issued by Centrelink on behalf of the Dept. of Family & Community Services or Dept. of Veteran Affairs.

The subsidies are only available to holders of CSHC (Group C retirees) in exceptional circumstances.

The accommodation subsidy payable under the PTSS has not increased for 22 years.

With the withdrawal and centralisation of specialist medical services retiree patients residing in rural and regional Queensland now face additional travel and accommodation costs to obtain treatment. The subsidy payable for travel and accommodation should be increased and the PTSS expanded to include holders of the CSHC (Group C retirees).

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## Explanation

### Recommendation 2

The Queensland Government introduce an exemption from stamp duty for people over 65 who are downsizing accommodation for health, financial hardship or other reasons similar to the scheme operated by the NSW State Government.

### Rationale

State stamp duty was to be progressively removed following implementation of the GST. With increases in land rates and utility services retirees on fixed incomes are forced to downsize from the traditional family home and move to smaller domiciles usually in the form of home units or retirement villages. Health considerations and physical capacity are also factors that influence retirees to downsize.

The NSW government recently introduced stamp duty concessions for new homes along the following lines.

*“Transfer duty concessions will be provided for the construction of new homes sold ‘off the plan’ between 1 July 2010 and 30 June 2012. Buyers of new dwellings costing up to \$600,000 will receive a 25 per cent cut in normal duties, worth up to \$5,623, if building has already started. Alternatively, buyers purchasing ‘off-the-plan’ – before construction is underway – will pay zero stamp duty.*

*This concession is worth up to \$22,490. The greater concession for purchasing ‘off-the-plan’ will assist the financing of new developments and help new home buyers.*

*People aged over 65 selling an existing property and buying a newly constructed home costing up to \$600,000 will pay zero transfer duty. This measure will contribute both to the goal of helping older home owners seeking to ‘downsize’ their home, and the goal of encouraging new home construction. The exemption will apply to sales between 1 July 2010 and 30 June 2012.”*

Source : Extract from NSW Budget 2010-11 – NSW Home Builder’s Bonus

A similar scheme would benefit retirees forced to downsize as well as stimulating the state housing construction industry.

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## Explanation

### **Recommendation 3**

The State Government Pensioner Rate Subsidy Scheme be expanded to include holders of CSHC.

### **Rationale**

For retirees on a fixed income the payment of land rates, health costs and utility service charges are the major cost items in a retiree's annual budget. With local government amalgamations, increased land values and changes to the method of land valuation assessment, local government land rates have escalated above the CPI over recent years. In many cases this has forced retirees to dispose of the traditional family home and move to smaller domiciles.

Retirees within groups A & B are entitled to assistance from the State Government Pensioner Rate Subsidy Scheme. The SFRs within Group C & D are excluded. It is ironic that the Federal government has recognised the need for health care assistance to retirees within Group C by issuing the Commonwealth Seniors Health Card (CSHC) to SFRs and yet the State government ignores the plight of SFRs ( Group C) by limiting the State Government Pensioner Rate Subsidy Scheme to Group A & B retirees. The State government should redress this inadequacy by moving to extend the eligibility of the State Government Pensioner Rate Subsidy Scheme to holders of the CSHC.

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