



**ASSOCIATION OF INDEPENDENT RETIREES
(A.I.R.) LIMITED**

ACN102 164 385

**.....working for Australians in
Retirement**

Western Australia Division

PO Box 37 BULL CREEK WA 6149

A.I.R. WESTERN AUSTRALIA DIVISION

2013 STATE PRE-ELECTION SUBMISSION

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ACN 35 102 164 385

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WESTERN AUSTRALIA

EXECUTIVE SUMMARY

The Association of Independent Retirees (A.I.R.) Limited, working for Australians in Retirement, is the peak body representing the views of wholly and partly self-funded retirees. The Association's policies endeavour to achieve justice, equality and freedom of choice for retirees, while recognising a diverse range of individual circumstances.

Self-funded retirees expect Government policies to be fair and non-discriminatory, to provide choice to meet individual circumstances and ensure financial security.

The following issues reflect these expectations while acknowledging the need to minimise the impact on Government revenue and expenditure as the number of retirees in the State increases.

SUMMARY OF REQUESTS

1. Establishment of an appropriate Photo Identity Card for Seniors (see p.4).
2. The Country Aged Pension Fuel Card to be made available to Seniors Card Holders over 65 and who are eligible for the Commonwealth Seniors Health Card (see p.6).
3. Conditional waiver of Stamp Duty on the purchase of a place of residence by a retiree (see p.7).
4. The provision of parking bays for Seniors and Volunteers at metropolitan railway stations (see p.9).

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INTRODUCTION

The Association of Independent Retirees, more widely known as A.I.R., first formed in 1990, is a National Body representing the views of wholly and partly self-funded retirees who are not in full time employment.

It is a not-for-profit volunteer organisation whose major purpose is to represent this rapidly growing section of the Australian population at all levels of Government and to be a source of information on matters pertaining to retirement for its members. Office bearers at all levels are volunteers.

A.I.R. has Branches located in every State and the Western Australia Division comprises twelve Branches, six of which are located in rural/regional areas.

A.I.R. policies endeavour to achieve dignity, independence and freedom of choice, recognising a diverse range of individual circumstances. They seek a fair and just economic, taxation and social environment that recognises and compensates for the special problems of fully and partly self-funded retirees.

It is submitted that it is incumbent on all Governments, given the now statutory requirements that all workers (and their employers) must contribute to provision for their retirement, to introduce policies which encourage and assist people to plan for self-sufficiency in retirement and remove the need for manipulation of finances in order to gain a level of part pension and so be eligible for the associated concessions. A strategic plan involving all levels of Government that provides the same benefits/concessions to self-funded retirees who are eligible for a Commonwealth Senior's Health Card as those enjoyed by Age Pensioners, would clearly be beneficial in this regard.

Economic changes, such as escalating costs, inflation and low interest rates, have impacted negatively on retirees endeavouring to remain self-supporting. Their ability to increase their incomes at a rate proportional with that of the wider community is limited. As self-funded retirees must possess revenue producing assets to generate their incomes, these assets can preclude them having an entitlement to an Age Pension, although their actual cash income may well be below that of many Aged Pensioners.

A.I.R. members recognise that just as the Global Economic Downturn has affected them it has also heavily impacted on State finances. They are aware that various remedial actions are being pursued at both State and Federal levels and accept that these will take time to mature and the

outcomes assessed before consideration of other issues specific to Self Funded Retirees can reasonably be requested.

Accordingly, this submission identifies four issues for which support is again sought from the Western Australia State Government towards a fair and equitable economic, taxation and social environment, on behalf of retiree's resident within the State.

1. ESTABLISHMENT OF A PHOTO IDENTITY CARD FOR SENIORS

In Australia, the drivers licence is the accepted 'identity card' for banks, post offices and all other institutions who require ID verification. It therefore follows that a person who relinquishes that licence, due to infirmity or illness, loses access to the established ID document. In Western Australia the alternative document offered is the 'Proof of Age Card'. This is available on request after a licence is relinquished at the cost of \$25.00. This cost also applies to Seniors who are eligible for a free Driver's Licence. This card is basically an ID card for young people to prove that they are old enough to buy alcohol and get access to licensed premises. When asked for comments, the standard replies from most Seniors are "Why do we have to pay for a card that replaces a free Driver's Licence?" and "Why do we have to prove our age after having held a licence for many years"? A.I.R.'s independent checks found that this card is not fully accepted by all institutions and certainly not as part of the mandatory 100 point ID requirement for bank purposes. The Drivers Licence counts as 70 points. Similar checks found that none of the banks would accept a Driver's Licence on its own. Some post offices accepted it but that seemed to depend on the person serving at the time. TELCOS who sell SIM cards for mobile phones will accept it only if another card such as the Medicare card is provided since a number has to be recorded. Samples of the current Western Australia Driver's Licence and Proof of Age Card are shown below:

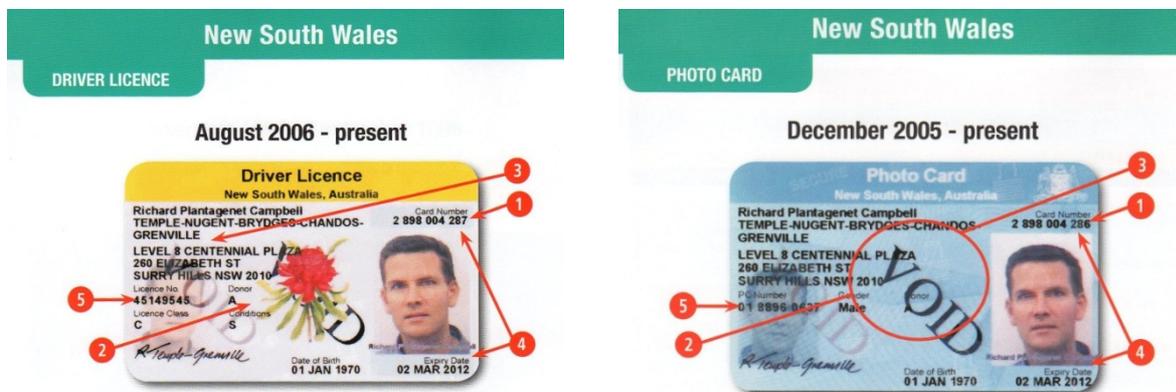


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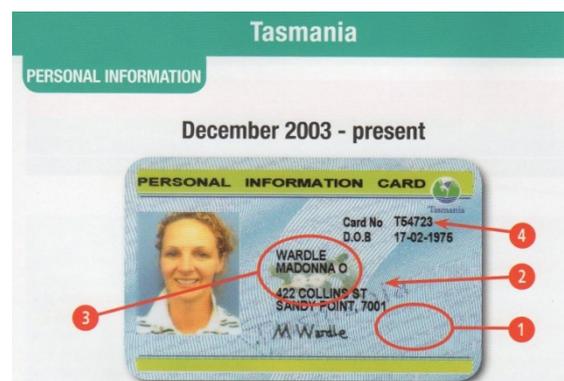
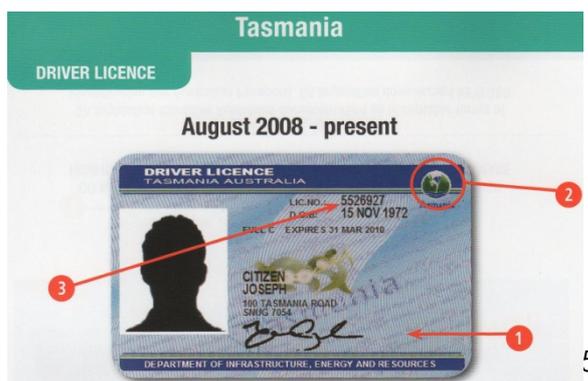
5 is a Security number

Several other States of Australia have either replaced or updated their Proof of Age cards with more detailed ID cards. The current document in New South Wales is called a 'Photo Card' and A.I.R. members in Sydney have advised that this is generally accepted as evidence of ID to all institutions in that State. This card replaced the New South Wales Proof of Age Card in 2005 when there was seen to be a need for an ID card for persons over the age of 25. When this card was shown to banks and post offices in Western Australia, all officers agreed that it was totally acceptable. This card costs \$45.00 but Seniors who are eligible for a free NSW drivers licence are not charged. Copies of the New South Wales Driver's Licence and Photo Card are shown



below where the similarity in detail is clearly visible:

Tasmania has developed the 'Personal Information Card' (PIC) and although issue and expiry dates do not appear on the sample, they are shown on the reverse of the card. A.I.R. members in Tasmania have advised that this is generally accepted as evidence of ID at all institutions over there. This card costs \$20.00 and is valid for 5 years. A Tasmania Drivers Licence is free to Seniors over 65 years of age, however it appears that this concession does not apply to the "PIC". Samples of the Tasmania Driver's Licence and Personal Information card are shown below:



Victoria has a 'Proof of Age Card' with a security number and date of issue, but no expiry date. This costs \$10.00 and is mainly used for a young person's eligibility to buy alcohol.

Queensland has a 'Proof of Age Card' with a security number but no expiry date. This costs \$42.80 and is mainly used for a young person's eligibility to buy alcohol.

The Australian Capital Territory has a 'Proof of Age Card' with a security number and date of issue but no expiry date, and costs \$5.00.

South Australia has a 'Proof of Age Card' with a security number but no expiry date. The fee is \$10.00.

The Northern Territory has an 'Evidence of Age Card' with a security number and an expiry date. This card is issued free of charge to Seniors.

Information in this submission has been obtained from "The Australian ID Checking Guide 5th ed., A.I.R. contacts in New South Wales and Tasmania, and various State Government Websites.

It should be noted that this Photo Identity Card would be issued on a voluntary basis.

Recommendation: A.I.R. requests the establishment of an appropriate Photo Identity Card for Seniors.

2. THE COUNTRY AGED PENSION FUEL CARD

The Fuel Card was implemented by the National Party from the Royalties for Regions scheme. Presently the scheme is available to Aged Pension Card holders and other Pensioner groups. A.I.R. believes that the scheme should be extended to residents in country and rural areas who are Senior Card holders over 65 years of age and also eligible for the Commonwealth Seniors Health Card. The number of such people eligible for the Commonwealth Seniors Health Card is only approximately 6300 as the Global Financial Crisis forced them on to an Aged Pension and they are already covered.

Given that the original concept of this scheme was to compensate older people living outside the Perth metropolitan area for the fact that they do not benefit from the transport concessions given to Perth people, our members would like to see the Fuel Card also made available to all those Seniors residing in country localities in the State who are not within the current geographical boundaries of the scheme. The extension of the scheme to

these rural and country residents would not be a great financial impost on the Western Australia State Government expenditure.

People residing in the Perth Metropolitan area have extensive Public Transport available to them through bus, train and ferry services. Country residents have substantially less access to Public Transport and rely heavily on the use of their motor vehicle. A.I.R. considers the current policy to discriminate against those Seniors who are rural and country residents who have largely provided for their own retirement, and who do not receive the same transport concessions as available to Perth residents in a similar situation.

Recommendation: A.I.R. requests that the Country Aged Pension Fuel Card be made available to Seniors Card Holders over 65 years of age and who are eligible for the Commonwealth Seniors Health Card and live in the regional zones currently defined by the Government.

3. CONDITIONAL WAIVER OF STAMP DUTY ON THE PURCHASE OF A PLACE OF RESIDENCE BY A RETIREE

Following retirement, and the consequent significant change of lifestyle, many retirees find it desirable, or necessary, as for example the ageing process/reduced capacities, inappropriate plan of former home, difficult terrain, transport deficiencies or the need for better access to medical and hospital services to depart from their place of residence and obtain alternative accommodation. To assist this process, A.I.R. proposes an entitlement to waiver of Stamp Duty following the sale of a place of residence and purchase of alternative accommodation by a retiree that resolves the problem/s associated with the original premises provided:

- The retiree is of, or above pensionable age.
- The retiree is in possession of a Commonwealth Seniors Health Card or a Pensioner Concession Card.
- That Stamp Duty waiver is indexed to the First Home Buyers Scheme.
- There is a once only entitlement to the waiver of Stamp Duty.

Stamp Duty on property transactions is an important part of State revenues. A.I.R. recognises and acknowledges this. However many elderly Western Australian home owners feel the need to sell the family home and purchase a home more suited to their requirements in old age. This is colloquially referred to as 'downsizing'. They have reached an age when the difficulties and expenses of maintaining and servicing the family home are beyond them. Two in three Australians move home between the ages of 55 and 75, many due to difficulties in maintaining the house or garden. The idea of a smaller more convenient residence is appealing. But often the financial barrier can be quite daunting and they hesitate. Further, rapidly increasing property values often bring about much higher Council rates, and seeking to "downsize" is sometimes one way of reducing this cost burden.

The Western Australian members of our Association have urged the State Government on previous occasions to give some relief to Senior Western Australians when they decide to sell the family home and buy a smaller home more suitable to their requirements in old age. First home buyers receive financial help from both the State and Federal governments. The State Government has been generous in this regard. Furthermore first home buyers are eligible for the First Home Buyers grant or the concessional Stamp Duty. Elderly Western Australian home buyers ('last home buyers') do not receive any form of assistance. Western Australia lags behind many other States and Territories in providing Stamp Duty relief to Seniors.

Many retirees face considerable expense when they need to relocate or downsize to more appropriate housing. The financial costs can be onerous, compounding a situation which may be distressing for a range of other reasons. Apart from Stamp Duty, capital is further reduced by the need to pay GST on legal fees and commissions to estate agents. Relief from Stamp Duty could encourage retirees to re-locate at the optimum time rather than defer the move to a later time when circumstances may be even more challenging.

We believe there could be economic side benefits for the community flowing from downsizing. If elderly residents feel it necessary to stay longer in their larger family home, the alternative cost to the State Government in being called upon to provide community care packages could very well be higher than the Stamp Duty revenue foregone. Furthermore the release of larger homes back into the housing market could help to ease the existing shortage

of family-type housing available to buyers and the State would benefit from the Stamp Duty payable on these released homes. Currently this Stamp Duty discourages many Seniors from making the lifestyle transitions they need and want.

Recommendation: A.I.R. requests that retirees who have reached pensionable age and are holders of a Pension Concession Card or a Commonwealth Seniors Health Card be exempt from Stamp Duty on property transfer when downsizing their homes with the exemption threshold indexed to the First Home Buyers Scheme.

4. PARKING BAYS FOR SENIORS AND VOLUNTEERS AT METROPOLITAN RAILWAY STATIONS

Successive State Governments have provided residents of Western Australia with a public transport system of which we can all be proud and one that is the envy of many other States. A.I.R. is very appreciative of the free public transport fares for holders of Seniors Cards between 9.00 am and 3.30 pm on week days and on weekends and public holidays.

Figures show that the popularity of the extended train system has meant that demand has outstripped supply, particularly when it comes to the provision of parking bays at train stations. A.I.R. is pleased to see that this problem is being addressed to some extent on the Mandurah line where extra parking bays are being installed at three stations.

The use of feeder buses to bring passengers to train stations does help. A.I.R. realizes that this service cannot be expected to completely mesh in with train timetables at all times. However, it may be possible to give this matter greater consideration and prominence as patronage warrants it, as at present there are problems in some areas.

The major problem is that demand for parking at train stations continues to outstrip supply at peak periods in the morning. People going to work rapidly fill the park and ride bays as well as many park and display areas. Most train stations have a small number of free bays for people wishing to use trains between 9.00 am and 3.30 pm, but these are rarely available after 9.15 am. It is also often very difficult to find a park and display bay after 10.30 am.

The authorities need to urgently address the problem outlined above for Seniors, Volunteers and commuters generally. It also needs to further encourage people to utilise the trains outside the morning peak traffic.

We suggest that a reasonable number of all day \$2 park and display areas are converted to a 4 hour limit for a fee of \$1. This would enable Seniors to travel to the city and return in a reasonable time frame. It would also cause a minimum amount of dislocation for working commuters who may have to walk slightly further from their car to the train. We estimate that a relatively small amount of parking revenue would be lost. Such a system would be easy to implement quite quickly and cheaply. It would also be easier to control than some form of car sticker identification.

Recommendation: A.I.R. requests that a percentage of limited time parking bays catering for Seniors and Volunteers are made available at train stations based on individual existing parking configurations and at an equitable cost.

