Queensland Budget Submission 2023-24

March 2023

National Seniors
AUSTRALIA

Introduction

National Seniors Australia, the leading independent consumer group representing older Australians, welcomes the opportunity to put forward a submission to the Queensland Government to inform the 2023 budget process.

People aged 50 and over make up almost 50 per cent of the adult population in Queensland[1]. They make a significant contribution to the state's formal economy through paid employment, by investing their retirement savings, and as consumers of goods and services. Queensland seniors also play a critical role in the informal economy, undertaking caring and volunteer activities among many others.

Their concerns are unique and should be heard and embraced.

There is an urgent need to address rising cost of living pressures affecting older Australians.

The increasing cost of basic necessities including groceries, petrol, transport, utilities and housing is a key concern for many older Queenslanders on low and fixed incomes who are forced to spend a larger part of their limited incomes on these items.

Cost of living not only impacts the ability to afford day-to-day necessities, but it's also essential to maintaining a good standard of living and has impacts on mental and physical health and wellbeing.

It is against this backdrop the following key priorities and recommendations have been formulated by National Seniors Queensland Policy Advisory Group on behalf of its members across Queensland as options for consideration as part of the budget process in 2023-24.

[1] Australian Bureau of Statistics 2019. Australian Demographic Statistics, June 2021. Estimated Resident Population By Single Year Of Age, Queensland

Recommendations

Energy

1. **Provide annual indexation of the Electricity Rebate in line with changes in average retail prices.**
2. **Increase the Reticulated Natural Gas Rebate to $100, apply indexation and extend this rebate to bottled gas users.**
3. **Remove the cost of the Solar Bonus Scheme from network charges until the scheme expires in 2028.**

Rates and water

4. **Increase the South-East Queensland Pensioner Water Subsidy Scheme to $150 and extend eligibility for the scheme.**
5. **Increase the rates subsidy to a maximum of $300 per year and apply indexation in line with average rate increases.**

Housing

6. **Provide funding for research to enable older people to age-in-place and policies to facilitate this.**
7. **Introduce a one-off stamp duty concession to promote downsizing.**

Transport

8. **Introduce free public transport for seniors.**
9. **Increase vehicle registration concessions for concession card holders in Queensland.**
10. **Continue the Taxi Subsidy Scheme (TSS) beyond 31 October 2023 for seniors with disabilities or mobility impairments who are not NDIS participants.**

Substantive issues

Energy

1. Provide annual indexation of the Electricity Rebate in line with changes in average retail prices

For the past decade electricity consumers have endured substantial electricity price rises.

High prices continue to place tremendous strain on all household budgets and the current electricity rebate (even with the last increase) of $372 for Queensland Seniors Card and Queensland Pensioner Concession Card holders has not kept pace with the rising cost of electricity.

National Seniors recommends the electricity rebate be indexed annually against increases in the average retail price of electricity as determined by the Australian Energy Regulator (AER). This will provide relief for thousands of Queenslanders who struggle with rising electricity prices. It will also send a signal to government, acting as an incentive to restrict future price increases.

While National Seniors welcomed the Federal Government's Energy Price Relief Plan that included a $175 Cost of Living Rebate between September and November 2022 to address the impacts of price increases, we recommend current state subsidies are maintained and indexed until any improved replacement concessions / subsidies are implemented permanently.

2. Increase the Reticulated Natural Gas Rebate to $100, apply indexation and extend this rebate to bottled gas users

As with electricity, the cost of gas for heating, cooking and other essential activities has increased rapidly over the past decade as has the cost of supply. Gas wholesale prices have more than doubled in ten years[2] with significant demand and supply challenges.

The gas rebate available to Queensland Seniors Card and Queensland Pensioner Concession Card holders has not increased despite this. National Seniors recommends the rebate increase from $80.77/year to $100/year (GST inclusive) indexed annually in line with average wholesale cost of gas and extended to bottled gas users who are currently not eligible for the rebate.

This will ensure all gas users receive a fair concession. It will also encourage government to place downward pressure on gas prices to minimise future increases in the rebate.

[2] Australian Energy Regulator 2019. 'STTM - Quarterly Prices' Accessed online 21 November 2019 https://www.aer.gov.au/wholesale-markets/wholesale-statistics/sttm-quarterly-prices

3. Remove the cost of the Solar Bonus Scheme from network charges until the scheme expires in 2028

In June 2016, the Queensland Productivity Commission (QPC) handed down a report into Solar Feed-In pricing in Queensland[3]. A key determination was that:

> *A price for solar exports will be fair when solar PV owners are receiving an efficient price for the energy they generate — and remaining electricity consumers are not paying more (or less) than they should for solar PV generated energy.*

The QPC report also noted that:

> *Solar export pricing arrangements that are paid for (either directly or indirectly) by electricity consumers can have adverse impacts, particularly on the least-well off consumers in Queensland.*

This led the Queensland Government to remove the costs of the Solar Bonus Scheme from network charges until at least 2020. National Seniors recommends this practice continue for forthcoming and ongoing budgets until the 44c/kwh feed-in tariff expires on 1 July 2028.

Rates and water

4. Increase the South-East Queensland Pensioner Water Subsidy Scheme to $150 and extend eligibility for the scheme

Queensland Pensioner Concession Card holders who own properties connected to the SEQ Water Grid currently receive a water subsidy of up to $120 each year. The last time the water subsidy was increased was in 2011-12 when the subsidy was increased from $100 to $120. While the subsidy has not increased in ten years, the cost of water has increased and will continue to increase under bulk water pricing options recommended by the Queensland Competition Authority[4].

Compared to other states and territories, the water subsidy in Queensland is low. Victoria offers a water concession for households connected to mains water of 50% up to a maximum $177.05[5].

South Australia subsidises water to a total of 30% of a water bill up to a maximum of $331.10/year[6].

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[3] Queensland Productivity Commission (QPC) 2016. *Solar Feed In Pricing in Queensland: Final report.* Brisbane: QPC https://cabinet.qld.gov.au/documents/2016/Dec/SolRo/Attachments/Report.pdf

[4] Queensland Competition Authority 2018. *Seqwater Bulk Water Price Review 2018–21: Final Report.* March 2018. https://www.qca.org.au/wp-content/uploads/2019/05/33446_Final-report-1.pdf

[5] Victorian Department of Health and Human Services 2019. 'Non-mains water concession' Accessed online 21 November 2019 https://services.dhhs.vic.gov.au/water-and-sewerage-concession

[6] ConcessionsSA 2019. 'Water and sewerage rate concession' Accessed online 21 November 2019 https://www.sa.gov.au/topics/care-and-support/financial-support/concessions/water-and-sewerage-rate-concession

In Western Australia there is a rebate of 50% on water service charges to a cap of $600/year for Pensioner Concession Card and Commonwealth Seniors Health Card holders and 25% up to a cap of $100 for senior's card holders[7]. Pensioner Concession Card holders can also receive a 50% concession on the first 350 Kilolitres of water per year. Those in the north country receive a 50% concession on 600kL per year and those in south country on 400kL[8].

National Seniors recommends the water subsidy be increased to $150/year for Pensioner Concession Card holders and the subsidy be offered at 50% of this for Commonwealth Seniors Health Card holders throughout Queensland. Even at $150/year the concession would be lower than most states. The water subsidy should also be indexed annually against increases in the price of water and the cost of supply.

5. Increase the rates subsidy to a maximum of $300 per year and apply indexation in line with average rate increases

Over recent years there has been inexorable growth in council rates across Queensland, with limited improvement in the capacity of pensioners to meet these increased costs.

An audit of the recurrent expenditure of local councils, conducted by the Queensland Audit Office in 2017-18, found that Queensland councils have significantly more autonomy than councils in other states; that they generally need to provide clearer rates strategies to their communities; and that "the rate increase decisions we audited were generally made behind closed doors with limited community input"[9]. In our view this lack of transparency leads to a lack of trust in local government with regards to the setting of rates and other practices.

National Seniors Australia recommends the Queensland Government rates subsidy be increased at a minimum of 50% to $300 each year and be offered at 50% of this for Queensland Seniors Card holders and Commonwealth Seniors Health Card holders.

This is still at the lower end of the rates rebates available to pension concession card holders in other state and territories. For example, in the ACT and WA pensioners receive a rate rebate of 50% capped at $750, in Tasmania pensioners receive a 30% reduction on local government charges capped at $345, in Victoria pension concession card holders are eligible for a 50% reduction on council rates capped at $253.20 and in NSW the rebate is $250 on council rates. It should also be indexed annually against the average percentage increase in general rate rises levied by councils across Queensland.

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[7] ConcessionsWA 2019. 'Water Corporation Service Charges – rebate or deferment' Accessed online 21 November 2019 https://concessions.communities.wa.gov.au/concessions/Pages/Water-Corporation-Service-Charges-%E2%80%93-rebate-or-deferment.aspx

[8] ConcessionsWA 2019. 'Water consumption rebate - Water Corporation' Accessed online 21 November 2019 https://concessions.communities.wa.gov.au/concessions/Pages/Water-consumption-rebate-Water-Corporation.aspx

[9] Queensland Audit Office 2018. *Managing local government rates and charges.* Report 17: 2017-18 https://www.qao.qld.gov.au/reports-resources/managing-local-government-rates-charges

Housing

The housing crisis across Australia, including Queensland, is dire with lack of social and affordable housing impacting the wellbeing of an ever-increasing number of older Australians who rely on rental properties for accommodation. Many have been forced to move into unsuitable or undesirable accommodation, such as residential aged care homes due to financial challenges in the rental market.

A recent report by Anglicare Australia, *The Ageing in Place Report*, revealed 72 per cent of respondents said cost was the biggest barrier to finding or keeping accommodation. Limited rental options have forced some older renters to move unnecessarily into residential aged care. The report found nearly half of older renters live in poverty. The typical homeowner aged over 65 spends only five per cent of their income on housing, compared to nearly 30 per cent for renters. [10]

Anglicare's *2022: Rental Affordability Snapshot* found less than one per cent of the available homes in the private rental market are affordable for people on the Age Pension. The report found a person on the Age Pension can afford only 0.3 percent of rentals, many of these are in share houses that may not actually be suitable for an older person. It is unacceptable that a growing number of older Australians are forced to live in unaffordable or insecure housing. See figure 1[11]

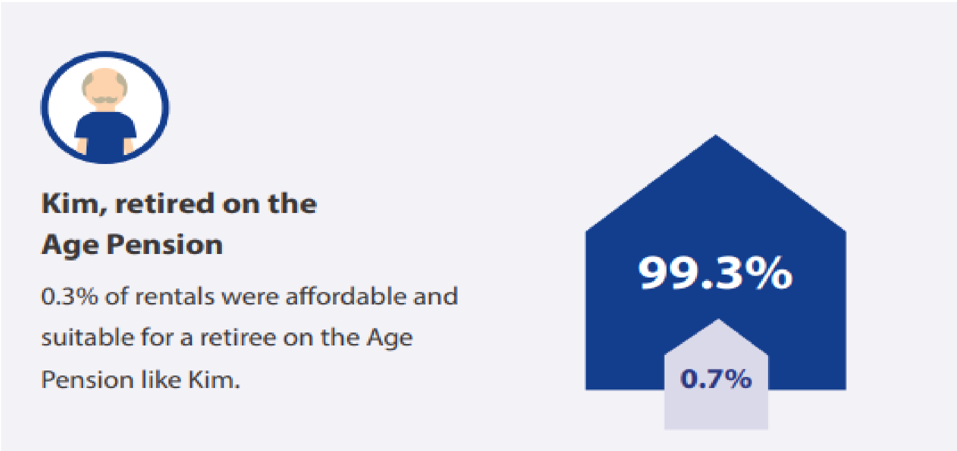

Figure 1: Affordable rental listings 2002 verse 2021 comparison

Additionally, dwellings under the National Rental Affordability Scheme (NRAS) continue to decline. In 2018, 61 NRAS properties were identified in Southern Queensland. By 2021 this had fallen to just 16. Under the NRAS, federal, state and territory governments provide incentives to rent properties to eligible low- and moderate-income households for at least 20 percent less than market rent. The last of these incentives will expire in 2026. Many existing NRAS tenants will be forced to search for affordable alternatives in the private rental market. [12]

[10] Anglicare Australia, Australia-Fair-Ageing-in-Place.pdf (anglicare.asn.au)
[11] Anglicare Australia, Rental-Affordability-Snapshot-National-report.pdf (anglicare.asn.au)
[12] Anglicare Australia, Rental-Affordability-Snapshot-National-report.pdf (anglicare.asn.au)

While National Seniors welcomes the state government's additional $1 billion investment towards the building of 5,000 new social and affordable homes by 2027, and the pilot of 52 prefabricated builds to be delivered across the state this year, these two strategies alone are not enough to fix the dire needs of the housing crisis and the added complexities that come with suitable accommodation for seniors.

6. Provide funding for research which enables older people to age-in-place and policies that facilitate ageing-in-place

Older Australians want to stay in their homes rather than be pushed into age care facilities. Aside from the benefits to older Australians, ageing at home brings substantial economic and social benefits to the community.

Research by the Australian Housing and Urban research Institute (AHURI) confirmed that 80% of older Australians want to live in their own home, no matter the type, size or location because of the security this offers in later life. The research also found that older Australians most commonly want to live in the middle to outer suburbs of a city or in smaller regional towns.

The research promoted the idea of a housing service to guide older Australians through their changing housing needs and plan for their housing in later life[13]. It suggests several solutions, including low-cost, low-deposit ownership products, through shared ownership or land rent type schemes. These solutions would require legislative changes to facilitate, support and protect those participating in them. The research also argues for long leases and other arrangements to increase security in the private rental market for those unable to secure home ownership.

An important role for government is the ensuring that planning laws enable the market to deliver new and innovative housing options suited to the needs and wants of older people. National Seniors recommends that funding for research be provided to support ageing-in-place and policies to support ageing-in-place.

7. Introduce a one-off stamp duty concession to promote downsizing

Older Queenslanders who wish to downsize to a more suitable and age-friendly dwelling are reluctant to do so because of high costs and government charges. National Seniors research has revealed that the impact on the Age Pension of cost of stamp duty and surplus funds from the sale are key financial disincentives to downsizing.[14]

The Australian Capital Territory (ACT), Northern Territory, Victoria and Tasmania offer seniors a stamp duty concession to encourage downsizing, but Queensland does not.

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[13] James, A., Rowley, S., Stone, W., Parkinson, S. Spinney, A. and Reynolds, M. 2019. *Older Australians and the housing aspirations gap*. AHURI Final Report No. 317, Australian Housing and Urban Research Institute Limited, Melbourne, https://www.ahuri.edu.au/research/final-reports/317

[14] Rees, K. & McCallum, J. (2017). *Downsizing: Movers, planners, stayers*. Brisbane: National Seniors.

National Seniors calls on the Queensland Government to join other progressive states and territories in implementing a stamp duty concession scheme for seniors. We recommend the government adopt a similar scheme to the one offered in the ACT and Victoria where the value of the concession declines on a sliding scale relative to the value of the new home.[15]

Transport

8. Introduce free public transport for seniors

Mobility is a key concern of older Queenslanders, especially those who no longer hold a driver's license.

Good public transport systems allow older people to remain healthy and active as they age and access services and programs. The accessibility and affordability of public transport is essential to reducing social isolation and maintaining health and wellbeing[16].

Queensland seniors should be provided with public transport concessions commensurate with other jurisdictions. All states and territories provide public transport concessions to seniors; however, some jurisdictions have moved to offer free travel.

- The South Australian Government began offering free public transport for all seniors from 1 July 2022.
- The ACT Government is trialling free public transport for people aged 70 and over during off-peak times.
- Tasmania implemented a period of free bus travel for all commuters between 28 March and 31 April to alleviate the cost of high fuel prices.

While there is no publicly available evidence of the impact of the ACT policy, it has been reported there has been a 40 percent increase in public transport patronage among seniors in South Australia since the policy has been implemented.[17] Importantly, the cost of implementing the policy in South Australia was budgeted at only $1.26m per year.

In Tasmania, it has been reported that the five-week trial of free bus travel between 28 March to 31 April 2022 was hugely popular and successful in increasing patronage. This initiative eased cost-of-living pressures and bus patronage increased by 15% (in urban services alone), helping to reduce

[15] ACT Government 2019. 'Pensioner duty concession scheme. Accessed online 25 January 2019 https://www.revenue.act.gov.au/home-buyer-assistance/pensioner-duty-concession?result_1060955_result_page=1

[16] Currie, G., Stanley, J. and Stanley, J. 2007. *No Way To Go: Transport and Social Disadvantage in Australian Communities.* Melbourne: Monash University.

[17] Australian Bus and Coach 2022. "South Australian Seniors Enjoy Free Bus Transport" 1 Sept 2022 https://www.busnews.com.au/industry-news/2209/south-australian-seniors-enjoy-free-bus-transport

congestion and emissions.[18] Internationally there is evidence that free public transport results in increased patronage on public transport services (see Figure 2).

In calling for free public transport fares for seniors, it is important to note the primary goals of the policy are to reduce cost of living pressures and improve the mobility of older people. This is especially important for people with mobility impairments, who might otherwise find it difficult to access essential services. Encouraging more seniors to use public transport is good policy on these grounds because it will be easier for older people to get where they need to go. If the policy helps to ease congestion and reduce transport emissions at the same time, then this will be an added benefit of the scheme.

National Seniors calls on the Queensland Government to follow the example of ACT and South Australia and extend free public transport to seniors in Queensland in the next budget. This could be either during off-peak times as is the case in the ACT or at all times, as is the case in South Australia. Please see Figure 2.

Place implementing full free public transport	Impacts	Source
Tallinn, Estonia	Public transport use increased by 14% one year after fare change. There was a 5 percentage point decrease in car use. Average distance travelled by cars increased.	Cats et al (2017, p. 1101) and Grzelec and Jagiello (2020, pp. 5–6)
Hasselt, Belgium	Public transport use increased 10-fold (from a very low base). Most new users had previously travelled by foot or bike or public transport. 16% of new users were from car users (which was probably affected by complementary improvements in services). Free fares were removed in 2013 due to budget pressures. Car ownership was unaffected.	Cats et al (2017, p. 1089); (van Goeverden et al. 2006, pp. 10–11);Grzelec and Jagiello (2020, p. 6); and Fearnley (2013, p. 80)
Dunkirk, France	Bus trips increased by 85% in 2 years (65% during the week and 120% on weekends). Half of new users had moved from cars to bus, and the modal shift from car to bus was 24% (a large effect), but no data on peak hour congestion effects. Impacts were probably increased due to complementary improvements in services.	Figg (2021)
Taichung, Taiwan	The comprehensive shift to free fares from July 2011 led to a about a 20-fold increase in ridership on the 8 km free bus, but service provision was also enhanced so the effects will be conflated. The modal share of cars for transport fell by 0.6 percentage points — though the causal link was not established.	Yeh and Lee (2019, pp. 10, 12)
Templin, Germany	Public transport use increased by more than 10-fold in 3 years. 80% to 90% of new use was from non-car use, mainly walking/cycling. Of the induced demand, 10-20% was from car users. (This is not a 10-20% reduction in total car use.). Templin is also a small town of 14 000 at the time of the scheme's inception — so the results may not generalise well	Cats et al (2017, p. 1090); Storchmann (2003)
Stavanger, Norway	Large increase in public transport use, but substitution was mainly from foot/bike not from cars. 11% took buses only for fun. There was no evidence of reduced car usage (and therefore congestion reductions).	Cats et al. (2017, p. 1087); Fearnley (2013)
Leiden, Netherlands	Bus use on the free routes increased threefold. Of additional users, 45% were from car users. No measurable impact on congestion.	(van Goeverden et al. 2006, pp. 8–9)
Frýdek-Místek (Czechia)	Public transport increased by 81% from 2010 to 2017, but some of this growth would have occurred anyway. 8% of car drivers (in a survey) said they shifted to at least partly to public transport use. But the study found no decrease in traffic flows or congestion. Only some residents were eligible for the free transport passes	Straub (2020, pp. 7–8)

Figure 2: Impacts of Free Fares on Public Transport and Car Use (Source: Productivity Commission) [19]

[18] Tasmanian Transport Free public bus travel has ended – Transport Services
[19] Productivity Commission 2021. Public Transport Pricing: Research Paper https://www.pc.gov.au/research/completed/public-transport/public-transport.pd[19]

9. Increase vehicle registration concessions for concession card holders in Queensland

Current registration concession is 50% off the registration fee with no concession for Traffic Improvement and CTP fees.

Queensland Government CTP Claims data for the period 1 July 2018 to 30 June 2021 shows the number of CTP claims for people aged over 55 are substantially less than the average number. On this basis, not only should the registration fee concession be increased to drive down cost of living pressures but the Traffic Improvement and CTP fees should also be reduced. Please see Figure 3.

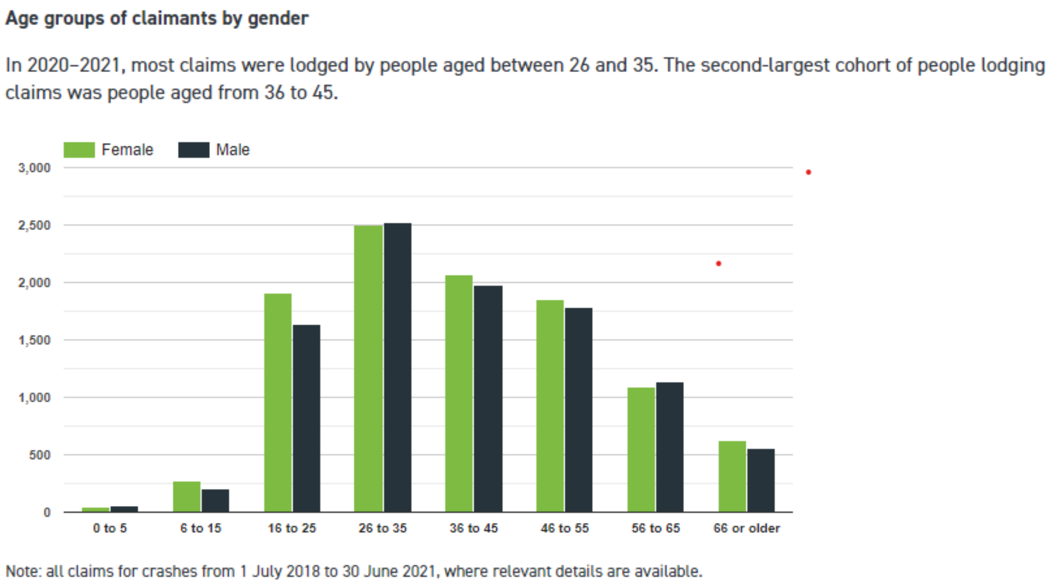

Figure 3: Claims lodged by age between 1 July 2018 and 30 June 2021

Additionally, in the ACT and NSW, pensioner concession card holders receive a 100% discount on vehicle registration, in South Australia pensioners receive a 50% discount on registration fees as well as an exemption from the payment of stamp duty on compulsory third party insurance.

10. Continue the Taxi Subsidy Scheme (TSS) beyond 31 October 2023 for seniors with disabilities or mobility impairments who are not National Disability Insurance Scheme (NDIS) participants

The Queensland government has confirmed eligible NDIS participants can continue to access the TSS (half of the total fare, up to a maximum of $30 per trip for people with severe disabilities) until appropriate transport arrangements are in place, up to 31 October 2023.

There are many older people with disabilities who are not eligible for the NDIS. Individuals who are disabled after the age of 65, for example, are not eligible for NDIS services. Continuation of the TSS beyond 31 October 2023 for older people without NDIS support in line with people on NDIS support will ensure these people’s needs are not neglected. The subsidy should also be indexed annually in line with increases in taxi fares.

National Seniors Australia
ABN 89 050 523 003

Level 18, 215 Adelaide Street
Brisbane QLD 4000

GPO Box 1450
Brisbane QLD 4001

policy@nationalseniors.com.au

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1300 76 50 50

nationalseniors.com.au