



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

ACN 102 164 385

WESTERN AUSTRALIAN DIVISON

P.O. BOX 37, BULLCREEDK WA 6149

2011/2012 PRE-BUDGET SUBMISSION

To the
GOVERNMENT OF WESTERN AUSTRALIA

ASSOCIATION OF INDEPENDENT RETIREES (A.I.R.) LIMITED
ACN 35 102 164 385
2011/2012 STATE PRE-BUDGET SUBMISSION
WESTERN AUSTRALIA

EXECUTIVE SUMMARY

The Association of Independent Retirees (A.I.R.) Limited is the peak body representing the views of fully 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. Conditional waiver of Stamp Duty on the purchase of a place of residence by a retiree.
2. Review of the criteria for the issue of a State Seniors Card to holders of Retirement Visa (sub class 410).

Contacts

Don Keene President, Western Australia Division
keene888@bigpond.net.au phone (08)9582 2891

David Phillips Secretary, Western Australia Division
dph87111@hotmail.com phone (08)9593 9852

INTRODUCTION

The Association of Independent Retirees, more widely known as A.I.R., is the peak body representing the views of fully and partly self-funded retirees.

First formed in 1990, A.I.R. is a non-party-political organisation, representing retired and partly retired people 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 Territory. 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.

AIR 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 only two 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 retirees resident within the State.

1. 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 limited to that applicable to First Home Owners Concession as amended from time to time.
- There is a once only entitlement to the waiver of Stamp Duty.

RATIONALE

- Beneficial to support agencies with increased numbers of older people residing in more contained residential groups/areas.
- Increases the number of larger homes on the market in suburbs with established infrastructure which, otherwise, would not be offered for sale.
- Addresses/improves the welfare, health, comfort and standard of living of retirees.
- Reduce requirements for land releases in new outer suburbs with associated costs.
- Potential to increase revenue to Government over time as more high value homes would be in the market attracting the payment of increased Stamp Duty.
- Liquidates a high priced asset, a substantial percentage of which may not be utilised in the purchase of the new Stamp Duty free residence, with the remaining funds further supporting the self-sufficiency of the retiree.
- Creates development/employment/retirement construction opportunities and impacts favorably upon associated entities/business and material suppliers etc.
- Is consistent with the policy precedent of abolishing Stamp Duty for the first home buyers.

REQUEST

A.I.R. requests that consideration be given to the conditional waiver of Stamp Duty on the purchase of a place of residence by a retiree who has reached pensionable age and is in possession of a Commonwealth Seniors Health Card or a Pension Concession Card.

2. REVIEW OF THE CRITERIA FOR THE ISSUE OF A STATE SENIORS CARD TO HOLDERS OF RETIREMENT VISA (SUB CLASS 410).

Within the membership of A.I.R. there are a number of people who have come to Australia, mainly for family reasons, on a Retirement Visa (sub class 410) under Migration Act 1958. They are reputable people who are self-funded, law abiding, (having received a police clearance from their home country), who intend to reside permanently in Australia. They present no burden on any Government funding.

Before arrival in Australia they were required to show proof of substantial invested wealth, hold comprehensive health insurance at all times and fulfill numerous conditions when buying or selling property in Australia.

Although classified as "temporary", the 410 Visa has been extended from 2 to 10 year period of validity. The Federal Minister has indicated to 410 Visa holders that there is no reason why they cannot remain in Australia for the rest of their lives. Their numbers can only decline as natural attrition of these mainly elderly people will increasingly take its toll. The 410 Visa has been discontinued but existing visa holders are granted extensions and many continue to Permanent Residence and Citizenship.

Retirement Visa holders contribute significantly to the State economy by:

- New overseas money each month through pensions and investments.
- Home ownership with all the associated costs.
- Vehicle purchase and operation.
- Friends and family visits to WA, thus encouraging tourism.
- Payment of taxes and charges, including Stamp Duty and GST.

A large proportion of Retirement Visa holders contribute to the economic and social well being of their children, and grandchildren, in ways that would not occur if they were not permanently resident in Australia. Many are also integrated into the fabric of the community by their participation in community affairs and as volunteers in a wide range of activities.

Given that the number of Retirement Visa holders in WA is estimated to be less than 1,000, and can only diminish, A.I.R. requests that consideration be given to reviewing the criteria currently applicable to the issue of a State Seniors Card. A condition could be dependent on their principal place of residence being Western Australia,

REQUEST

That the eligibility for the provision of a WA State Seniors Card be amended and extended to holders of a Retirement Visa (sub class 410), whose principal place of residence is within Western Australia.