



# PRE BUDGET SUBMISSION 2020/21

*COTA NSW is the peak body representing people over 50 in NSW. We're an independent, non-partisan, consumer-based non-government organisation. We work with government, policy makers, service and product providers as well as media representatives to make sure our constituents' views are heard and considered.*

The NSW Ageing Strategy 2016-2020 will be due for renewal next year. A review of the strategy will provide an opportunity to evaluate the outcomes that have been achieved and to examine areas where there is still room for improvement. COTA NSW as a leading voice of older people in NSW looks forward to contributing to this conversation, through its community engagement program, contribution to government policy and ongoing advocacy of the issues that are important to people aged 50+ in New South Wales.

#### **COTA NSW calls on the New South Wales government:**

- To invest in the development and support of diverse, low-cost programs that encourage older people to undertake regular exercise and address the financial barriers to exercise.
- Exclude employees over 50 from reportable Payroll Tax paid by employers.
- Reduce stamp duty for people 70+ purchasing owner occupier properties that have been built to Gold Livable Housing standard.
- To provide a 10% increase in funding of the 'Walking Communities Capital Program' for the sole use of new footpath infrastructure.
- Provide recurrent funding (3-5 year funding period) for community-based social support programs that target isolated and vulnerable older people experiencing loneliness.

# Health and wellbeing

**“Money is a barrier for some people. If you want to go to a gym or an indoor pool or get involved in something, it all costs and some things are quite expensive, as far as pensioners go.”**

## **COTA NSW calls on the New South Wales Government:**

- To invest in the development and support of diverse, low-cost programs that encourage older people to undertake regular exercise and address the financial barriers to exercise.

**Older people want to remain independent in their own homes and continue to engage with their communities. The best way to achieve this is to provide the support that enables older people to maintain and improve their physical and mental health as they age.**

Maintaining physical activity and a healthy diet are essential components of ageing well and remaining independent. Despite this, the rates of overweight and obese people aged 50 and over continues to increase. NSW Health estimates that 61.4% of people aged 55 and over are either overweight or obese.<sup>1</sup> Only 30% of older people undertake adequate exercise and 9/10 don't consume the recommended servings of vegetables.<sup>2</sup> Population based improvements in these health determinants would result in demonstrable reductions of lifestyle related preventable diseases such as type 2 diabetes and heart disease and associated health costs.

Prevention and early intervention measures can have a great impact on quality of life and life expectancy. In addition, these measures can decrease the burden on the health care system, increase social participation and maintain a healthier workforce that will boost economic performance and productivity. The OECD has calculated that 8.6% of health budget expenditure is linked to treatment of chronic diseases caused or exacerbated by Australia's obesity crisis.<sup>3</sup> Australian governments spend on average 1.4% of their health budgets on preventative measures. This is low by international standards and has decreased from 2.2% in 2008-09.<sup>4</sup> On average, for every 1 AUD invested in preventative measures, up to 6 AUD are returned in economic benefits.<sup>5</sup>

In the past year, COTA NSW undertook 10 focus groups across the state and spoke with 80 consumers to explore older people's attitudes to exercise as they age. The prohibitive cost of organised exercise was frequently identified as a barrier to ongoing participation. This included membership to gyms, outdoor fitness groups or community-based classes such as gentle stretch, yoga or pilates. The amount cited by participants as affordable varied between locations that may be classified as having a high socio-economic status, compared to areas in rural and regional NSW, or other parts of metropolitan Sydney. The average amount per class that was deemed affordable across all the focus groups was \$7.

1 NSW Health, 2018. *Overweight and obesity in adults*. Retrieved, 16/10/19.

[http://www.healthstats.nsw.gov.au/indicator/beh\\_bmi\\_age/beh\\_bmi\\_age\\_snap](http://www.healthstats.nsw.gov.au/indicator/beh_bmi_age/beh_bmi_age_snap)

2 NSW Population Health Survey (SAPHaRI). Centre for Epidemiology and Evidence, NSW Ministry of Health.

3 Organisation for Economic Co-operation and Development (OECD) (2019). The heavy burden of obesity: the economics of prevention. Retrieved, 16/10/19. <https://www.oecd.org/health/the-heavy-burden-of-obesity-67450d67-en.htm>

4 Australian Institute of Health and Welfare (AIHW). (2016) *Australia's Health*. Australia's health series no. 15. Cat. no. AUS 199. Canberra: AIHW.

# Working and retiring

***“I have been underemployed as I get older. I had a long and successful career in IT and have recently moved from Sydney to Newcastle but have struggled to find work. No one wants to hire me because I’m too old. I have had to start my own consultancy to earn an income.”***

## **COTA NSW calls on the New South Wales Government:**

- Exclude employees over 50 from reportable Payroll Tax paid by employers.

***Increasing numbers of older people are remaining in the work force and deferring ‘retirement’. However, some older people are facing discriminatory attitudes that inhibit their ability to find employment using their skills and experience. Others encounter resistance from employers when seeking job flexibility to enable transition to retirement or to fulfil family caring responsibilities.***

A succession of governments have identified the challenges faced by older workers and the importance to the economy and their continued workforce participation. However, little has been done of significance to alter the underemployment, unemployment and age discrimination for many older workers. The Golden Age Index 2018 (PWC) lists Australia as 17 out of 35 OECD countries for the economic prospects of older workers. It is estimated that an increase in employment for people aged 55 and over to New Zealand levels of workforce participation could deliver a 7.6% long-term rise in GDP.<sup>6</sup>

COTA NSW proposes the expansion of the Apprentices and Trainees Payroll Tax Rebate NSW to include payroll tax exemptions for the employment of older workers. This would incentivise medium to large employers to both hire and retain older employees. The current processes for claiming exemption of apprentices and trainees from payroll tax could be utilised to minimise administrative overhead for business and government.

It is estimated that revenue from Payroll tax for 2019/20 will equate to \$9,796 million. The NSW Government currently spends \$100m on tax rebates for apprentices and trainee’s exemption from payroll tax. Given the annual increase in payroll tax revenue there is scope for an expansion of current rebates that reward employers who employ older workers.

The proposed introduction of payroll tax exemptions for employment of older workers and the subsequent reduction in tax revenue would be offset by the increase in workforce participation and GDP for the state.

<sup>6</sup> NSW Government, 2019. 2019-20 Budget Paper No. 1 – Budget Statement – Chapter 4 – Revenue.

# Housing choices

**“There is a lack of two bedroom and one bedroom units at ground level or ramped units other than retirement villages.”**

## COTA NSW calls on the New South Wales Government:

- Reduce stamp duty for people 70+ purchasing owner occupier properties that have been built to Gold Livable Housing standard.

*COTA NSW supports the right of all older people to have access to housing that is affordable, accessible, and adaptable that will enable people to remain independent in their own homes and communities. ‘Ageing in place’ allows older people to remain socially connected, access existing social networks and utilise familiar services.*

However, the desire to ‘age in place’ is often hindered by the inappropriateness of a person’s house as they age, including ongoing maintenance and adaptability of the design. In 2014, COTA NSW conducted an extensive survey that explored older people’s needs and wants in relation to housing. Respondents were asked to rate features for a future house purchase. The largest requirement was for a single storey house (62%), with an easy access bathroom and shower rated the 3rd most important feature (60%). An easy access kitchen and minimal steps into the home were the 5th and 6th most important features.<sup>7</sup>

For others, there is a desire to ‘downsize’ into smaller or low maintenance housing in their communities. Through our ongoing consultative processes, one of the barriers often cited in deciding to downsize is the imposition of substantial stamp duty costs. Notwithstanding possible future changes to the national building standards, COTA NSW asserts the need to create a market mechanism that will encourage developers and builders to construct housing to Gold Livable Housing standard. COTA NSW proposes the introduction of a reduction in stamp duty for people aged 70 and over, on the proviso that they purchase an owner-occupier property that has been constructed to Gold Livable Housing standard.

This initiative would create a new market of downsizers seeking properties with this certification, thereby increasing demand and incentivising builders to include these standards in new housing designs. These housing standards would extend the time that older people could remain in their homes, whilst increasing the stock of housing that is adaptable to broader community needs.

<sup>7</sup> COTA NSW (2014). 50+ Report – *With a focus on how and where older people are living.*  
<https://www.cotansw.com.au/MediaPDFs/2014-50-Plus-Report.pdf>

# Getting around

***“I know I’d go out more if we had better footpaths in our area.”***

## **COTA NSW calls on the New South Wales Government:**

- To modify the guidelines of the ‘Walking and Cycling Program’ to allow eligibility for footpath infrastructure under ‘Walking Communities’ funding stream.
- To provide a 10% increase in funding of the ‘Walking Communities’ Capital Program’ for the sole use of new footpath infrastructure.
- That a state-wide database of the NSW walking and cycling network is established. This will enable state-wide assessment of current walkability, facilitate future network planning, DDA compliance reporting and maintenance prioritisation.

***The ability of older people to remain engaged and participate in the social and cultural life of the community is greatly enhanced by access to extensive and well maintained pedestrian infrastructure. It is a key enabler for older people to maintain their independence, stay physically active and socially engaged.***

The lack of footpaths and/or poor footpath maintenance is consistently articulated as older people’s greatest impediment to getting around in their communities. The importance of walkable neighbourhoods is gaining increased recognition by government, industry and community.

The Premier’s Priorities includes the aim of ‘Greener public spaces’ with a goal of a 10% increase in the proportion of homes within a 10 minute walk of quality green, open and public space by 2023.

The walkability of greater Sydney and the regions are key tenants of the Greater Sydney Commission performance measurements of the Greater Sydney Regional Plans and the NSW Government Architect’s Draft Urban Design for Regional NSW. Both planning documents espouse the importance of creating physical environments that enhance and support the ability of people of all ages and abilities to access their communities by walking.

To achieve these outcomes – significant investment is required in our footpath network. Local Government cannot achieve this without financial support from the NSW State Government.

# Inclusive communities

***“I retired to this area with my partner, now that he is gone - I feel very lonely.”***

***An inclusive community is one in which all older people have the opportunity to participate socially, economically and culturally in community life. Inclusivity becomes more difficult to achieve when communities and individuals experience social isolation. Disadvantage, geographic isolation, transport barriers, limited access to health and other services and poor community cohesion create the conditions of social isolation. If not addressed, this can contribute to poor physical and mental health outcomes such as cognitive decline or loneliness.***

## **COTA NSW calls on the New South Wales Government:**

- Provide recurrent funding (3-5 year funding period) for community-based social support programs that target isolated and vulnerable older people experiencing loneliness.

The issue of loneliness and its negative impacts on a person's health and wellbeing continues to be of concern. The subjective nature of loneliness and disparate reasons for its occurrence requires a multifaceted and individualised approach. For many people experiencing loneliness, introduction to a social group or volunteering opportunity is beneficial, for others additional supports are required such as access to psychological or counselling services.

New recurrent funding (3-5 year period) is required to resource a suite of community-based approaches to tackle this emerging health issue. Organisations or community groups would be required to partner with other services or local government, demonstrate that projects or programs are evidence based and conduct thorough evaluation. It is proposed that there would be a biennial grant process and a budget over the forward estimates of \$1.5 million.