

Hon Sue Ellery; Hon Helen Morton; Hon Amber-Jade Sanderson; Hon Adele Farina; Hon Alanna Clohesy; Hon Dr Sally Talbot; Hon Samantha Rowe; Hon Robyn McSweeney

SENIORS' COST OF LIVING

Motion

HON SUE ELLERY (South Metropolitan — Leader of the Opposition) [10.18 am] — without notice: I move —

That this house condemns the Liberal–National government for its attack on seniors' cost of living by —

- (a) imposing severe rises in fees and charges; and
- (b) failing to stand up to the federal government's funding cuts to seniors.

The reason we have moved this motion today is that holders of WA Seniors Cards—it may well extend to other people who get concessions from the state government—stand to lose up to \$1 500 a year as a result of federal budget cuts and the state Liberal–National government's failure to stand up for WA against those cuts. We find ourselves in this position because the federal Liberal government did two things in its most recent budget. First, it cut \$107 million over four years—that is some \$25.4 million in 2014–15—in payments to Western Australia and, indeed, to the other states for concessions to seniors. The second thing that it did, which may well end up having a much wider impact, was to announce changes to certain eligibility criteria for its Health Care Card and other similar cards. Of the \$380 million that WA was going to pay out in concessions in 2014–15, the federal contribution was \$25.4 million, and that is the bit that has been cut out. That leaves the WA government with \$355 million in the pool that it had put aside for concessions to the value of \$380 million. That is a significant gap that needs to be addressed.

There are two elements to the motion. The first one I want to talk about is the rises in fees and charges that have occurred over the time of this government, the impact that that is having and the widening gap between the rich and the poor in Western Australia. We cannot afford to take \$25 million out of \$380 million in 2014–15 because there are increasing gaps between the rich and the poor in Western Australia and the number of people relying on concessions is growing.

Since the Barnett government was elected in 2008, we have seen a \$741 increase in electricity a year, which constitutes a 76.96 per cent—let us call it 77 per cent—increase in electricity prices. The percentage by which the cost of water has increased is staggering; it has increased \$328 since 2007–08, a 90 per cent increase. The other element of the water bill that we get—the sewerage and drainage component—has increased \$576 over that period, a 62 per cent increase. The cost of public transport has increased \$393, a 29.7 per cent increase. When we add up all the cost-of-living components, which includes electricity, water, sewerage and drainage, public transport, motor vehicle charges, the emergency services levy, stamp duty and residential gas, since this government was elected, they have increased by \$2 479, which is a 48.6 per cent increase.

In the Liberal–National government budget there was a rent increase for public housing tenants of some \$624 a year. This year's increase in the state government's budget for the average household was some \$324 a year. They are not insubstantial amounts of money, which is why the concessions that our government has in place are really important. The Western Australian Council of Social Service and other community service organisations in Western Australia have made the point that low and fixed-income households do not have an additional \$324 a year to spare. The cost of living assistance payment, which the state government introduced to assist people on low and fixed-incomes, has increased by 4.5 per cent in this budget. In reality that translates to an increase of \$9 in the payment when we have increased the actual fees and charges by substantially more than \$9. The poorest households in WA are being left behind. Research recently conducted by Curtin University, which is not dissimilar from other research done on how the effects of the boom are being shared, show that the effects have been shared very unequally. Low-income households are falling behind in Western Australia faster than anywhere else in Australia. Some people are doing very well out of the boom, but those who are not doing well are doing very, very badly; worse than anywhere else in Australia.

In recent years this Western Australian government has tightened restrictions around some of the concessions available to seniors when they use their Seniors Card—for example, with the safety and security rebate. Fees and charges have increased substantially, but our concessions have not kept up with that. Now, on top of that, the Liberal–National government in Canberra has decided to make it harder for Western Australia to deliver on those concessions by ripping some \$25 million out this year, and \$107 million over four years. That leaves us with \$355 million this year when the Western Australian government had budgeted to spend \$380 million on its concessions. The change to the payment to the states to assist with concessions starts from 1 July. In two weeks that figure will drop out of the state budget. The point I made in my opening comment is that the eligibility changes to the commonwealth's Health Care Card and other concessions that the federal government manages could have a much bigger impact than just the loss of that \$25 million. This point was noted by the Premier in

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his public comments just the other day. The eligibility changes will flow into WA's eligibility criteria when we adopt the same criteria; therefore, when we say that to be eligible for a concession a person must have a federal government Health Care Card, if their eligibility for that health card changes, it will affect their eligibility for concessions in Western Australia. The Premier was quite right when he told the other place this week that it will get worse for people who rely on those concessions in WA because the changes made at a federal level to the eligibility criteria will potentially have a much broader impact than just that \$25 million the federal government took out of the budget. Since that federal budget decision, Queensland, New South Wales and South Australia have taken steps to ameliorate the impact on their seniors and others affected by those changes. It is really disappointing to see that WA has not taken steps to do the same; the Premier said that we will not make up the gap. It is disappointing that that has not happened in Western Australia. Here senior groups have been asked to identify what they think should happen to existing concessions to make up the money that WA is missing out on now as a result of the federal government's decision.

The other interesting thing is that the government spin doctors have suddenly turned the review of concessions that was announced in last year's budget into a mechanism designed to fix the problem created by the federal budget just three weeks ago. Members would be aware that Treasury appeared before the Standing Committee on Estimates and Financial Operations in this place just last week. I asked Treasury some questions about its review into the concessions because it appeared in the budget for the second time; it first appeared in the budget in August last year. I asked whether that review was about the substantive concessions or about something else. The Under Treasurer told this place just a week ago that a review group of directors general had been established to look at not the substance of the concessions, but the administration of the concessions, which is on the public record of this place as recorded by Hansard. It was then quite surprising to me to see the review into concessions described in the media this week as a landmark review into ways of addressing the issues created by the federal government's budget, when, just a matter of days before, the Under Treasurer had said that review into concessions was about low-hanging fruit—that was the expression he used—and making sure that the concessions were administered in an efficient way. It was nothing to do with looking at the actual substance, or the amounts or the merit of particular concessions. It was extraordinary to see it described as some kind of landmark review and the government's response to what the federal government had done. If it was a state government's response to what the federal government had done, then it obviously has a crystal ball because it predicted it in August last year when it put that review in the budget. How it has been turned into a mechanism that the government has created to fix the problem created by Tony Abbott is completely beyond me.

The third and astonishing thing that happened was that Premier Barnett, the guy who wants to be known as standing up for WA, quite literally shrugged his shoulders—I watched when he gave his answer in question time in the other place the other day—threw up his hands and said there was nothing else that he could do, that the federal government has made its decision and that was it. He also told the other place that there would be more cuts and that the situation is likely to get worse. It is extraordinary that that response came from the Premier who would have us believe that he stands up to the federal government and that he is all that is standing between Australia and the marauding hordes in Canberra attacking everything that we hold to be dear and true. Even more astonishing is that I picked just three examples, including one that has been recently canvassed in this place about a bill that we are currently debating. This government would have us believe that it stands up to and argues against the federal government about the goods and services tax, education and the Gonski money, and the National Disability Insurance Scheme. But when the commonwealth announces cuts to concessions, which are due to have an impact in a matter of days, the Premier's response is that there is nothing he can do about it because it is the federal government's decision. What has changed since the Premier took on the marauding hordes of Canberra to defend Western Australians? What is the difference from when he took them on about the GST, about Gonski or over the NDIS? The one difference is that he was dealing with a federal Labor government and now he is dealing with a federal Liberal–National government. The impact for Western Australians will potentially be widespread and devastating and, frankly, the issue of the eligibility criteria will be much worse than the \$25.4 million taken out of this year's budget and the \$107 million to be taken out over four years. However, the Premier, our go-to guy to protect us from Canberra, has said that they have made their decision and there is nothing he can do about it. I find that absolutely astonishing.

Hon Helen Morton: They did not ask us for an agreement, did they?

Hon SUE ELLERY: Of course, they did not. What is the Premier doing to say to Canberra that this is completely unacceptable and we will not tolerate this? What is he doing about that?

Hon Helen Morton: Have you found out?

Hon SUE ELLERY: I listened very carefully to the —

Hon Helen Morton: You don't know.

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Hon SUE ELLERY: The minister has to stop her little performance pieces about who knows what in this place. Several members interjected.

The PRESIDENT: Order! Some other members might wish to speak in this debate and I am sure they will want other members to listen to what they have to say. It cuts all ways.

Hon SUE ELLERY: I find it astonishing that the Premier is not taking a much stronger line on this issue to protect seniors and those people who are vulnerable and who rely on the concessions as a substantial part of how they manage their household finances. It is a staggering decision for the federal government to say to the states that in three weeks it will take out this money. That is astonishing. At least the government has said that the eligibility criteria will not apply until the beginning of 2015. The states have time—not very much time—to work out how they might respond to that. To put in the federal budget and say to the states in three weeks that this money ceases is astonishing. All the states have just done their budgets and made commitments to their populations in good faith that they will continue those concessions at the same rate they are available to people now, but in three weeks the government will rip out the \$25 million on which we rely to do that. I find that astonishing. It also astonishes me that the Premier has not expressed more anger about that publicly. It raises the question in my mind: why is the Premier not being so angry? Let us put to one side the politics of the federal government being the Premier's friends and the Labor government not having been his friends and the fact that the he does not want to attack his friends. Does the Premier have a broader agenda about concessions? Is this a convenient shield, if you like, behind which he can say, "I have to cut concessions, I have to do a lot more work on reducing the assistance that we provide to people in Western Australia because nasty Canberra made me do it. It is not my fault; it is nasty Canberra." He is right to blame nasty Canberra for the \$25 million that is coming out in the immediate term, but if he wanted to go further than that and make deeper cuts in concessions, the eligibility criteria changing could be the shield. He might think that this could be quite convenient for him and he will cut the concessions further and blame Tony Abbott for it. Perhaps that is how he will get around it.

I genuinely hope that that is not the case, because the victim of that will be the people who rely on concessions who do not have the financial capability to make adjustments. These are not the people who can pick up some extra overtime or do extra shift work. These people do not have the capacity to do that. I am very concerned that the Premier will rely on this mechanism to make further cuts to concessions that are convenient for him and to tackle issues that are politically sensitive for him because taking on concessions to seniors is—in the vernacular of *Yes Minister*—a very courageous decision for any government to make, because that is a very vocal group. From the work that that group has already been doing in the past couple of weeks and the meeting at the Perth Town Hall on Friday, I know that they are already pretty angry about what is proposed. It would be a very courageous Premier who was to decide that he would use Tony Abbott's cuts to make a few of his own additional cuts to concessions.

For those people who are impacted by this—seniors groups, people with disabilities and others who are on fixed incomes—living with the massive increases that I outlined at the beginning of my contribution to this debate in fees and charges is difficult enough. It is difficult enough for them to have to think about whether they can afford—I know people in this position—to put petrol in the car or whether they should spend an extra \$10 to stock up on milk and bread because it is on special. People are making those decisions. It frightens me if the Premier wants to use the cuts being imposed by the Abbott government as a shield behind which to further cut concessions that are available to Western Australians on low and fixed incomes. They have enough to worry about; it is stressful enough dealing with making those judgement calls on buying petrol versus bread and milk without having to worry about putting aside an extra \$5 because those concessions might go.

For those reasons we are very concerned about the massive increases in fees and charges to Western Australians on low and fixed incomes and the cuts that apply to seniors. We are very disappointed and, frankly, astonished that the Premier and this government is not standing up to Canberra with more anger and trying to find a way to convince the Abbot government that this is not the program to attack.

HON HELEN MORTON (East Metropolitan — Minister for Mental Health) [10.36 am]: I rise on this also in my capacity as the minister representing the Minister for Seniors and Volunteering. We are all concerned about this. We all know people who will be affected by this decision. It will not be easy for lots of people. Lots of people whom I know are in the same boat that Hon Sue Ellery has been talking about but this outcome has been handed to us to deal with. It did not need our agreement, as I indicated, and the decision was handed to us by the federal government. It is a very difficult situation for a state government to deal with. It is a difficult situation for individuals who will be impacted by this. How to resolve that problem or how to lessen that difficulty is something that we all need to be concerned about and engaged in. It has been brought about by a \$107 million cut in the federal contribution over four years, including a \$25 million cut in 2014–15.

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The early termination of the National Partnership Agreement on Certain Concessions for Pensioner Concession Card and Seniors Card Holders was announced in the commonwealth budget for 2014–15. That will reduce funding to WA by \$107 million over four years, representing that immediate reduction of \$25.4 million in 2014–15. The state delivers \$430 million in seniors' concessions across the biggest range of discounts of any state in Australia. I will talk a bit about what they include. For a start, WA has the most generous and largest range of concessions in Australia and I think that we need to be cognisant of that. WA is the only state in the nation to offer seniors concessions on water rates, air conditioning and safety and security rebates, and we need to be cognisant of that. WA is the only one of two Australian states to offer seniors concessions on vehicle regulation registration, electricity, local government rates, drivers' licences and the emergency services levy, so let us be very clear about that. There are 16 concessions, rebates or payments in WA and Queensland versus three in Victoria, six in New South Wales, six in South Australia and five in Tasmania. That makes 16 concessions, rebates or payments available in WA, and similarly in Queensland, versus the much smaller numbers of concessions available in the other states. Western Australia offers concessions on bus fares, ferry fares, rail fares, the Museum, galleries, national parks, spectacles and fishing licences et cetera. As to the comments made around why the Premier has not been more angry—I think the word used was “angry”—the Premier has written to the Prime Minister about the issue. The Minister for Seniors and Volunteering, Tony Simpson, MLA, has written to his counterpart, Minister Kevin Andrews, seeking a meeting of all state ministers with responsibility for seniors to look at the concessions and rebates provided across the country. I note that around 50 per cent of Hon Sue Ellery's contribution on this was about what might be going to happen. If there was any evidence that it was happening, I think that would be more legitimate, but I understand that the approach being taken is to warn the government that this will be a problem if it happens, but there is no suggestion, evidence or indication that something is happening, and that this is being used as some kind of a shield for the state to start reducing those sorts of concessions.

Hon Sue Ellery asked what the difference is. The difference is, of course, that the federal government made this decision without requiring the state to sign an agreement with it. If members want to ask what the difference is around the National Disability Insurance Scheme, there of course needed to be a state agreement with the federal government on that, and we were in a position to negotiate and bargain. I might add that we got a really good outcome for Western Australia.

Hon Stephen Dawson: You told us yesterday; stick to the motion!

Hon HELEN MORTON: Okay, but it was raised by Hon Sue Ellery. Let us be fair here, Hon Stephen Dawson; if it is raised, I can surely respond to the complaint. If the opposition suggests there is some kind of a shield or it is asking why the Premier did not stick up for Western Australia in the same way as we did around the National Disability Insurance Scheme, it is because we were in a bargaining position with that. With this, there was no requirement for us to have any agreement with the commonwealth.

Hon Sue Ellery: Why doesn't he admit it's outrageous? He hasn't even said that!

Hon HELEN MORTON: I am sure if Hon Sue Ellery was able to get hold of the letter he wrote to the Prime Minister, she might see exactly what he said. But Hon Sue Ellery is suggesting that he has not said this or that.

Several members interjected.

Hon HELEN MORTON: Hon Sue Ellery is, unfortunately, just making suggestions about things she really does not know that much about—again!

Several members interjected.

The PRESIDENT: Order!

Hon HELEN MORTON: The Department of Local Government and Communities, along with Finance and Treasury, is exploring all the possible options to mitigate this circumstance. Treasury is doing extensive modelling. Is the opposition suggesting that somehow or other some consideration is taking place without that modelling being done or without exploring all the options? I know members are aware that earlier this week the Minister for Seniors and Volunteering met with his Seniors Ministerial Advisory Council, along with other key seniors groups, to discuss how best to reduce the burden left by the commonwealth's withdrawal of funding —

Hon Sue Ellery: Because there's a meeting this Friday—that's why!

Hon HELEN MORTON: — and have the least amount of impact on some of our most vulnerable citizens. We intend to come up with the right solutions that will put our seniors concessions on a sustainable basis.

During that meeting on Tuesday, 17 June the Minister for Seniors and Volunteering met with seniors' groups including the Western Australian Council of Social Service, the Council on the Ageing, the Association of

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Independent Retirees, Retirees WA, National Seniors Australia, the Seniors Ministerial Advisory Council and the Seniors Recreation Council. That meeting was held to work through some of those issues with those groups. I know members opposite would like to see fists up in the air and all sorts of things, but I think we can say that the minister is taking a very responsible approach by meeting with the people concerned and looking for solutions. It is a difficult situation, but I believe that Hon Tony Simpson, Minister for Seniors and Volunteering, is going about it in the right way.

I make it absolutely clear, in case there is any suggestion otherwise, that to date there have been no changes to the WA Seniors Card. My point about that is that when this first hit the deck, in my electorate office I had people ringing me and saying that if something was going to happen—if somehow or other the state had to find a way to accommodate the deficit or the lack of funding given to us by the federal government—they would like the eligibility for the Seniors Card to increase from 60 years to 65 years. They are the only comments I have had made to me in my electorate office, and I have, of course, passed those on. Whether that is picked up or seen to be a useful suggestion, I have no idea. That will come from the Minister for Seniors and Volunteering. The Seniors Card, as most people remember, was established in 1988 as a recognition card for older people entering retirement, available to persons 60 years and over who work 25 or fewer hours a week. There were 345 836 cardholders in 2013, and that is estimated to grow by more than 10 000 each year. In terms of dollar amounts, as I have indicated, WA is the most generous of all the states and is on a par with Queensland in its range of concessions.

I conclude my comments by saying I think that both the Premier and the minister have taken a responsible approach to this by working through it. Treasury is doing the modelling and looking for the options. The Minister for Seniors and Volunteering is working and talking with the groups most affected by this, and in due course I am sure we will find the outcomes will either be outcomes that we all have to live with, in terms of the reduction in funding coming from the federal government, or whether we are able to ameliorate that by finding ways in which the state can pick up some of the differences. Those are the things that are being worked through at the moment.

HON AMBER-JADE SANDERSON (East Metropolitan) [10.47 am]: I rise this morning in support of the motion moved by Hon Sue Ellery, which reads —

That this house condemns the Liberal–National government for its attack on seniors’ cost of living by —

- (a) imposing severe rises in fees and charges; and
- (b) failing to stand up to the federal government’s funding cuts to seniors.

Let us go through what some of those cuts are likely to be and how they may look.

The federal budget included, as Hon Sue Ellery mentioned, \$107 million worth of cuts over the next three to four years, with \$25 million out of this year’s budget alone that will come into effect from 1 July. It is true that we do not know exactly how those cuts will materialise, but at the end of the day \$25 million out of the budget means there will be cuts and there will have to be some adjustment of concessions. The Treasurer made it clear during the estimates hearings that this government will not be making up that shortfall. The kinds of concessions we are looking at for seniors are public transport concessions and free travel, and discounts on local government rates, which is a huge expense for people living on fixed incomes. Also, there are the discounts on the emergency services levy, motor vehicle registration and water charges. If we add all these up, the potential impact on single seniors could be around \$876 a year, and on couples it could be around \$1 300 a year; that is a big chunk out of a low and fixed income. That does not even take into account the rises in fees and charges for utilities that the government has imposed in not only this financial year, but also the past five or six. There has been an around 77 per cent increase in electricity charges alone. They are some of the impacts that are likely to flow through the state.

Another measure the federal government has announced it is implementing is the abolition of the \$800 seniors supplement to low income, self-funded retirees. Do we not want to support self-funded retirees? Is that not completely contrary to the purpose of asking people to make sure they put away enough to support themselves in their later years? It seems completely contrary to that policy. The federal government is changing the eligibility for Seniors Health Cards, as outlined by Hon Sue Ellery. From 2017, superannuation balances over \$30 000 will be treated similarly to term deposits and other financial investments. That in particular has instigated a number of calls to my electorate office from people concerned about their super. From 20 September, the seniors’ supplement attached to the Seniors Health Card for self-funded retirees will also be abolished. Twice-yearly income support bonuses on Centrelink and Veterans Affairs payments have been scrapped, and the dependent spouse tax offset will be abolished from 1 July.

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Let us look at it in the broader context of the federal government. They are just the cuts targeted at pensioners and seniors. Let us look at the cuts that are broader but will definitely impact those groups, probably disproportionately to middle and higher income workers. They include the introduction of a co-payment to see a general practitioner; the states will also be allowed to impose a \$7 co-payment for emergency visits. It is not just the GP co-payment; it is the charge for PBS prescriptions, it is the raising of the safety net and it is the charge for pathology and imaging. When I think about my own grandmother, who is sadly no longer with us, she outlived my grandfather by nearly 20 years. She was a single woman on a very low pension. She had been a dental nurse, not a high income earner, who raised four children in her lifetime and had had breaks from the workforce, so she was dependent on the pension. She lived in a park home because it was an affordable option—we are seeing a lot less of those for people—it was close to the shops and had a general practitioner virtually on site, right next door. She was able to stay in her home on her own until she was well into her eighties, partly because she had that GP close by and he bulk-billed her so she was able to get the regular care, check-ups and management of her health conditions that she needed. It enabled her to maintain her independence and kept her out of the very expensive aged-care system and the very expensive hospital system. The co-payment will impact a lot of people. Older Australians are generally managing a range of health issues and chronic conditions, and this will make it a lot harder for them to do that. There is no fat on the goose; people on low incomes cannot afford to pay this repeated \$7 fee plus pathology plus prescriptions. It will have a cumulative effect and I believe a more focused effect on seniors. Most health experts have roundly condemned this co-payment.

Let us look at eligibility for the security rebate. At the last election the Barnett government promised \$15 million over four years towards the senior security rebate. Only \$1 million was actually allocated in this budget with no further funding in the forward estimates. Pensioners and seniors want and deserve to feel safe in their own homes. In Morley alone we have seen a couple of invasions—most recently a very vicious home invasion of a woman living in a retirement home. In Morley and across metropolitan and regional areas this is an issue; seniors are feeling vulnerable and exposed to those really unpleasant and violent crimes. This government made them a promise and it has broken that promise. The rebate was well taken up. It is not as though this money was not well taken up, as around 36 000 applications were approved before the changes to eligibility. The government changed the application eligibility process so that it is almost impossible for people to claim the rebate.

Hon Sue Ellery very clearly outlined the cost-of-living increases, and across the board we are looking at increases of nearly 77 per cent for electricity, 62 per cent for water and drainage and 90 per cent for water alone. These people cannot go out and do a few more nightshifts to add a few dollars to their fortnightly income; their income is fixed and they have to make hard decisions. They have to decide whether they pay for their medication or pay their bill this week. It is disappointing that this government has failed to stand up. The South Australian Labor and Queensland Liberal–National governments have both said that they will step in because they recognise that this is a particularly vulnerable group and it is the government's role to support this group—the Western Australia government has not even done that. I would like to see the letter that the minister proposes, because in the other place the Premier said that he was not going to write a letter; he was not even going to write to the minister because the federal government had made its decision. When has that previously stopped the Premier from lobbying on behalf of Western Australia? Why is he absolutely failing to stand up on this issue?

I want to talk about a group that I think is particularly vulnerable in the broader group of older people, and that is older women. Older women make up the largest growing group of people to find themselves homeless. This is often because they have had a lifetime of income inequality, breaks from the workforce due to having children, find themselves widowed and on a single income—women tend to live longer than men—and live longer. These sorts of cuts and issues will affect women who are on their own and surviving on a single pension, similar to the way my own grandmother did, in fact, similar to my other grandmother who is still alive and also surviving on her own. When I think about these women from low-income backgrounds who do not have large amounts of super and have to survive simply on their pensions; they are the ones who will be impacted by this. This government has failed to stand up for them in a range of ways. It has failed to stand up against the healthcare cuts and the concession eligibility changes, and it is failing seniors. This issue will not go away; and the government responding a month later by asking the director generals to look at the budget to see how it might be affected is not good enough.

HON ADELE FARINA (South West) [10.57 am]: I rise to support this motion. I commend Hon Sue Ellery for bringing this motion to the house's attention and endorse the comments of the two previous opposition speakers on this matter. This is a serious matter facing pensioners across the state in all of our electorates. These are very vulnerable people, many of whom live from pension pay cheque to pension pay cheque. As we heard from previous speakers, it is daily and sometimes hourly decisions that need to be made about what they spend that money on. These are difficult decisions to make in the context of ever-increasing living costs and decreasing government support for concessions. The minister's response to this motion was pitiful. The minister has basically said, "Don't blame us, it was a federal government decision." We have heard from the debates in other

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states that all the states had a bit of an inkling that something was going to happen because the national partnership agreement expires in July 2016 and the states had been unable to engage the Liberal federal government in discussions about extending that national partnership agreement. If state governments cannot engage the feds in discussions about extending that partnership agreement, then they know that cuts are imminent. Certainly, by 2016, the federal government is looking at withdrawing or cutting that funding. The state governments knew this was on the cards.

The minister's other explanation is that WA only found out about it when the budget was handed down. We learnt about the magnitude of the cuts when the federal budget was handed down, but we knew something was happening well before that. The states were aware that something was happening and they had plenty of time to start looking at this issue. Nevertheless, even accepting the argument that the first the states knew about this was when the federal government handed down its budget in May, it has been over a month since that date and we are only now seeing the minister calling together his ministerial council and seeking to address how we deal with this issue. We know that the federal government cut to concessions is a global cut; the cut is not targeted to any specific concession. Pensioners in our electorates are saying, "Okay, \$25 million has been cut from pension concessions in this state for this financial year and the state government said it will not cover that cut in funding, but the governments in South Australia, New South Wales, Queensland and even Victoria said they will cover it." I think Victoria has said it will cover it for only one year while it works out the adjustments and how it will implement the cuts, but it is at least covering it for one year. This means Western Australian state government will not even look at that, so pensioners are left in the position of knowing that they will have cuts to their concessions, but with no idea about where those cuts will hit them. They do not know whether they will lose the electricity rebate, so they need to be very careful about turning on their heaters this winter. They do not know whether it will be the water rebate that is going to be cut, so they have to do their best to save on water consumption. They do not know whether it will be the local government rates concession that will be cut, and I can tell members that that is a significant issue for people living in Bunbury. The City of Bunbury decided this financial year to change its assessment of rates and is moving to a gross rental value system, and this is in the same year that Landgate has done a revaluation of property values in Bunbury. As a result of those two decisions, residents in Bunbury are facing a general increase in local government rates and land rates of 21.2 per cent. That is a massive slug for people who are living from one pension pay cheque to the next. On top of that, the City of Bunbury is increasing its rates by 6.6 per cent. For someone living from one pay cheque to the next, balancing every single cent, this is a significant hit that they will have to sustain in what is already a very, very tight budget, yet this government will not even tell them whether they will lose the local government rates rebate, the electricity rebate or the water rates rebate. The state government has left the pensioners of Western Australia completely and totally in the dark. They have been told that their concessions are going to be cut, but the government will not tell them which concessions are going to be cut. As anyone who has to manage a very tight budget knows, one needs to know the variables in order to manage that budget. They need to know what their likely costs are going to be so that they can then make decisions about where to tighten their belts and what things they will have to forgo in order to pay for the things that are essential. In this case, the state government is going to make the decision about which concessions it is going to cut.

It is completely unacceptable for the Western Australian state government to simply say, "It's the federal government's fault; it's their decision." Other state governments have actually stepped in and said, "Look, we will make up the shortfall because we need time to determine where these cuts in the concessions are going to impact our seniors, and we know that they live from pension pay cheque to pension pay cheque, so we need to give them some certainty." Other state governments do not want their seniors living in fear and uncertainty. They want to provide them with some certainty, and for at least the first year they are going to meet that cut in funding to give pensioners peace of mind. They will work through and determine where those concessions will be cut, and they will inform pensioners so that pensioners can plan and manage their budgets. That is not a big ask—not a big ask at all. I do not really understand why this state government is sticking its head in the sand and saying that it is all too difficult to do, when other state governments around the country are doing exactly that, because they are putting the interests and needs of pensioners ahead of their own inability to manage budgets.

The minister's other explanation was that, "In Western Australia we're really generous with our pensioner concessions. We give a larger number of concessions, and of much greater value." It would be interesting to know exactly the value of concessions in this state, because the Treasurer and the Premier have given very different figures for the total pensioner rebate. The Premier quoted a figure of \$430 million, while the Treasurer said that the figure is \$380 million. That is a significant difference; if the state government does not even know the value of the concessions that it is providing, one has to be a bit fearful about its capacity to determine where best to cut concessions in terms of the funding cut that has been provided by the federal government.

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The minister might well say that Western Australia offers the greatest range of concessions, but it is also the case that Western Australia has much higher costs of living and much higher cost-of-living increases, imposed by the Barnett government, than in any other state. Our pensioners are actually doing it much tougher than pensioners in other states. Consumer prices in Perth are 7.78 per cent higher than in Sydney. That is a significant amount for people living on a budget from pension pay cheque to pension pay cheque. Grocery prices in Perth are 5.48 per cent higher than in Sydney; again, that has a very significant impact on people living from pay cheque to pay cheque. As Hon Amber-Jade Sanderson said, it is not only the cut in concessions that is the issue here, but also significant increases in costs to pensioners, right across the board, have been announced in both state and federal budgets, including increased costs of pharmaceuticals. Everyone knows that as we get older, our dependence on pharmaceuticals increases because we have more illnesses. As members in this place will know, my father is terminally ill; he requires a large number of medications to get through, and he is not alone. There are a lot of seniors in the same position who are prescribed large quantities of pharmaceutical drugs and they cost a lot of money. They get concessions through the pension card, but the government is proposing to decrease those concessions, which will impact on pensioners.

HON ALANNA CLOHESY (East Metropolitan) [11.07 am]: I also rise in support of this very important motion —

That this house condemns the Liberal–National government for its attack on seniors’ cost of living by —

- (a) imposing severe rises in fees and charges; and
- (b) failing to stand up to the federal government’s funding cuts to seniors.

As we know, this is a particularly heartless decision by both the state and federal governments. We know that seniors, in Western Australia in particular, are living under significant cost-of-living increases and have done for a number of years; for example, the cost of electricity has increased by 76.9 per cent since 2009. That percentage increase on an electricity budget is a significant increase for anyone to manage, much less anyone trying to live and make ends meet on a pension. Decisions will have to be made on how to make ends meet, and for electricity that can be particularly difficult in Western Australia, given that our winters can be quite cold, as we are currently experiencing, and our summers can be extremely hot.

The Western Australian population has also had to bear the burden of a 90 per cent increase in the cost of water since 2008–09. Water is necessary for life and for us to live our lives, but when people have to make a decision to decrease their water consumption because of the impact of cuts on their budget, it means that they have to make a decision about whether to shower or to fill the sink and wash the dishes. These are hardly decisions that we should have to make, particularly when we are living in a state in which other cost-of-living increases are also impacting on us.

There have been increases in public transport fares, and significant increases in car registration costs. Public transport is really important to people on low incomes, particularly pensioners. Over the last seven years we have seen public transport increases of more than 30 per cent. If someone’s only means of getting around is public transport because they cannot afford a car—that is the reality for many people in Western Australia—an increase in public transport fares will have a significant impact on their quality of life and on their ability to get around and do the things that they have to do, much less the things they want to do. For some people that means forgoing visiting the doctor. As people get older, they experience increased need for medical care, which is why these cuts are significantly impacting on older people. These cuts in concessions, particularly by the federal government, are heartless. Let us look at what the impact of those cuts will be.

The federal government will introduce a patient contribution of \$7 per service for general practice, pathology and diagnostic imaging. If a person regularly visits their GP, that \$7 will have a serious impact, particularly if they have a chronic condition because of the increased number of visits to a GP that are required. This is the case for a lot of people receiving a pension. It means that people will have to make a decision about whether they can afford to go to a GP. In Australia, that is simply unfair. Having to make a decision about whether or not a person can afford to go to their GP to get help with their healthcare is something that Australians are not used to. It is something we see in health systems in other countries. In our health system, which we are particularly proud of, it is a deep, deep cut. It is for visits not only to general practitioners but also for pathology services. If someone is managing a chronic illness, which is the case for a lot of people on pensions, making a decision to get those pathology tests as ordered by their GP is going to be difficult, particularly if they are trying to balance their budget with increased electricity, water and other cost-of-living expenses. What also happens is that people who are living on a low income do not necessarily have choice about the type of shopping they do. We know that pensioners make more and more choices about whether to buy cheaper cuts of meat or other varieties of

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vegetables or nothing at all to try to balance their budget. If we eat a poor diet, of course, that will affect our overall health, so it is a downward spiral whichever way we look at it.

The commonwealth government will also cut funding guarantees for public hospitals, and in two years' time will look at commonwealth public hospital funding arrangements. That is another attack on our health system that will disproportionately affect seniors and other pension holders. Our hospitals will be under a lot more pressure because pensioners are more likely to use the public hospital system, and our public hospital system will receive a decreased level of funding. That is one example of the effect of budget cuts in health, and the disproportionate way that these nasty cuts will affect pensioners.

I want to look at the long-term impact of these cuts. As I mentioned, \$107 million over four years will be cut from the Western Australian budget on concessions for pensioners and Seniors Card holders. Let us look at what that means in real terms. This financial year that will mean a cut of \$25.4 million; next financial year, the cut will increase to \$26.3 million; in the year after that it will increase again to \$27.4 million; and in the year after that it will increase again to \$28.5 million. These cuts are not going to go away; they will only cut deeper and hurt more and more people over the next four years. When we put that together with the idea that the cost of living is only going to increase, particularly in Western Australia, then we know that pensioners, particularly those on age pensions and who receive certain concessions because of their pensions, are only going to experience the effects worse and worse and worse. I know that is the case for some 67 000 people in the East Metropolitan Region who are over 65 years and receive a pension. It will get tougher for those people, and the government has to look again at its response to these cuts and to apply a fair and measured hand to the budget.

HON SALLY TALBOT (South West) [11.15 am]: I have not had the chance to make my response to the budget speech yet, so I look forward to making an extensive contribution on the budget next week. However, I am very pleased to have this early opportunity to have my say on one of the most insidious parts of the recent budget; that is, the effect on pensioners and seniors. The motion moved by Hon Sue Ellery states —

That this house condemns the Liberal–National government for its attack on seniors' cost of living by —

- (a) imposing severe rises in fees and charges; and
- (b) failing to stand up to the federal government's funding cuts to seniors.

Since 2007 we have had a conservative government in Western Australia, and until recently we had a Labor government in Canberra so, of course, there has been a lot of tension, as there always is. Even when we have governments of the same flavour or persuasion, it is part of the great Australian tradition to maintain that tension between state governments and the commonwealth government. However, when it comes to the wellbeing of older people in our community, I completely fail to understand why this conservative government would pick a fight with its own people in Canberra over a constituency that traditionally is their constituency. We all know that people over a certain age tend to vote more conservatively, yet from both Canberra and this state we have seen a full-bore attack on older people in our community.

One of the most insidious parts of the budget is found in a line—by the time I get to my speech on the budget next week, I will be able to quote the exact page reference in the budget papers—that refers to national partnership agreements. I put to honourable members that never has so much been summarised in two or three little lines that look quite innocuous when we see them written on the page, but in fact are being used by this conservative government as a universal get-out-of-jail card for all its budget difficulties. What they are saying is those two or three lines in the budget papers is, “By the way, wherever there is a national partnership agreement in place and there are changes made to funding by the commonwealth government, we reserve our right whether to continue our funding under that program.” What an insidious little insertion. It looks innocuous, but the impact of this is absolutely catastrophic throughout the state, but particularly in communities that are disadvantaged or living on fixed incomes and perhaps are less advantaged economically than other sections of the community. I have much more to say about that next week. Some members check their inboxes regularly. I know that ministers often think that one of the nicest things about being a minister is the fact that somebody else reads their inbox every day.

Hon Helen Morton: I agree with you.

Hon Stephen Dawson: Finally agreement between the minister and Hon Sally Talbot! Who would have thought it?

Hon SALLY TALBOT: I knew I would get there one day!

Hon Helen Morton: Plus someone in the electorate office does that as well.

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Hon SALLY TALBOT: For years now I have been looking for that chord to strike and at last I have found it—Hon Helen Morton and I agree about how nice it would be to not have to read our inboxes every day!

However, I put it to Hon Helen Morton that if she were reading her inbox every day—perhaps she might like to ask her staffers to show her what is coming into the inbox because it might expand her range of appreciation about the hard times that some people are facing. She would see that members regularly get emails from YOURLifeChoices, a seniors group that keeps members very well informed on the key issues troubling older people right across the nation. In reference to the motion of Hon Sue Ellery, I notice that today's email from YOURLifeChoices is headed "Lipstick on a pig". The content of this email is about an advertising campaign. Essentially, we have to call it an advertising campaign that the commonwealth government is about to embark on because it is worried that Labor has been misleading the community about some of the cuts to pensioners' incomes. The good people who write this newsletter have gone to a lot of trouble to itemise all the cuts so that people who read their material can make up their own minds. The list is pretty chilling, and I do not use that term flippantly, because, as the newsletter points out, the cuts to people on fixed incomes are in the order of thousands of dollars a year. I will name just one of them: the cuts to the Commonwealth Seniors Health Card that will take place later this year will cost older people—people who are currently eligible for that health card—nearly \$900 a year. When that kind of concession is taken away from people living on fixed incomes, it often means that they cannot turn on their heaters when the weather drops below 10 degrees. That has always been my benchmark for turning on my heaters. I have the latest, greenest, most environmentally friendly heaters, but I always watch the weather forecast, and this year we have been fortunate, because it was many months into the year before the temperature finally dropped below 10 degrees. The temperature has dropped now, so I have my heaters running on 15 degrees. But can I tell members that there are many older people in our community who now, because they have lost these concessions and because the state government is ratcheting up taxes, charges and fees, will have to drop the trigger point at which they put on their heaters down to five degrees. As Madam Deputy President has pointed out, with the direct experience of her family, that can have a very serious effect on older people, particularly those who are not well. When we add in things such as the Medicare co-payment—Hon Alanna Clohesy focused a lot of her remarks on this motion around health issues—it gets to a point at which it is perfectly obvious that we are operating, to use the terms that people in the Liberal and National Parties like, on a law of diminishing returns. Because older people will, to take my example, not be able to switch on their heaters now until it gets to five, four or three degrees, and they will cut down the number of times they go to the doctor because every time they go it is another whack out of their fixed income on a weekly basis. It is inevitable that they will suffer adverse health events and, therefore, it will cost more to maintain their health in terms of their hospital admissions and the kind of care that they will need to sustain themselves at home.

It was a terrible mistake for the Liberals to sign up to this rhetoric that is now seeping through all the public debates on the issue of pensions, welfare and people living on fixed incomes. It was a terrible mistake to subscribe to the language about the "age of entitlement being over". Who, with all due conscience, can look at older people in the community and say, "Up until now you have been the beneficiaries of the age of entitlement, but that is now coming to an end because we are going to get tough on you"? I think the more accurate language used around this is the language that the commonwealth Treasurer is using about "lifters rather than leaners". He is saying that from now on we will privilege "lifters" rather than "leaners". What is inherent in that message and what is quite clear in all the language being used by the Barnett Liberal government is that it clearly regards older people in our community as being leaners and not lifters. What an absolute insult to people who have worked hard all of their lives, many of whom have made provision to live on fixed incomes, to be now categorised as leaners and to be told that they can no longer consider themselves entitled to a degree of support from this state! That is an absolute insult to those people!

HON SAMANTHA ROWE (East Metropolitan) [11.26 am]: I am also very pleased to stand and make a contribution to Hon Sue Ellery's motion, that this house condemns the Liberal-National government for its attack on seniors' costs of living by imposing severe rises in fees and charges and failing to stand up to the federal government's funding cuts to seniors. It goes to highlight yet again how out of touch the Barnett Liberal government is with the reality of what is happening in this state. We have a situation in which the cost of living has blown out of the water to such an extent that people, not just seniors, are absolutely struggling to get by on a daily basis. What does that mean for seniors? Elderly people come into my electorate office and share stories about how they have to try to manage their already overstretched budget with all the extra cost-of-living pressures. The types of examples that I hear in my electorate office are stories such as that from an elderly woman who came to my office the other day, who was almost breaking down because she is living on a diet of bread and cereal because there is no extra money in her budget to buy fresh fruit and vegetables like the rest of us do. An elderly gentleman called the office the other day and said that last year during winter he was unable to have the luxury of getting out of bed because there was no option for him to turn the heater on. If he wanted to stay warm during the winter months, it meant staying under the blankets in bed. What kind of life is that for

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someone who has got to the age of 65 and older? People who get to that stage of life deserve better. There is absolutely no dignity in living under those conditions. We have just seen the recent budget handed down, and it is only going to get worse.

I have an interesting article from the ABC news website from June 2009 that I would like to refer to because I think it is still relevant. It was written by Vivien Cuttle and is titled “1 in 4 pensioners living in poverty: oeCD”. It states —

An oeCD report on pensioners has found Australia has one of the highest rates of poverty for people aged over 65.

The report says more than one in four Australian seniors live in poverty by international measures, which is the fourth highest old-age poverty rate in oeCD counties, after Ireland, Korea and Mexico.

What exactly are the Liberal federal and state governments doing to assist in this issue? They are doing absolutely nothing, because they do not care; they live in a world in which they have absolutely no concept of what is happening in their own communities.

Hon Robyn McSweeney: Rubbish!

Hon SAMANTHA ROWE: If the honourable member wants to make a contribution, she should do so. She will not, so she will just have to listen.

Several members interjected.

The DEPUTY PRESIDENT (Hon Adele Farina): Order, members! Hon Samantha Rowe has the call.

Hon SAMANTHA ROWE: I would like to quote from an article in *The West Australian* online entitled “I will never vote Liberal again: pensioner”. It states —

A West Australian pensioner says she will never vote Liberal again after Premier Colin Barnett refused to fight more than \$100 million in cuts to seniors concessions.

Penny told ABC Radio on Wednesday she and her housemate, a fellow pensioner, viewed the proposed cuts as terrifying.

“I’m shaking because I am so terrified of trying to pay full rates, full car registration, full electricity, full water rates,” she said.

What is the government doing about it? It is doing nothing. I am not sure whether Hon Sue Ellery has already mentioned this, but a rally for WA pensioners is being held tomorrow between 10.00 am and midday at the Perth Town Hall. I recommend members of the Liberal government go down there and listen to what is happening to find out what the community wants. Then they may have some idea of what is happening in this state.

A lot of interesting comments have been posted on the 6PR website about the Barnett Liberal government. I want to share one of them with members. It states —

Iam totally sick of this liberal government they think that having a pension is a privelige not an entitlement things are getting that bad im going to have to sell my home of 36 years because the goverment has decided to hell with the most vulnerable in the community we will just take away the support they have been given and they can sink or swim i was a good bloke when i worked and paid taxes for the generation before me but now it comes my turn to hell with you mate.my wife also paid her share she was a workoholic held down three jobs regularly paid tax on all of them but sadly passed before she was able to collect a pension so could she be called a whinging pensioner all we want is our seniors discounts back so we to can live not in luxury but LIVE

HON ROBYN MCSWEENEY (South West) [11.33 am]: Hon Samantha Rowe has urged me to get up and speak. I have some sympathy for this motion, not for the way it is worded but because \$25 million will be taken out of the budget for seniors rebates and discounts. Like the member, I do not know what discounts will be discarded or not included. I imagine that this matter is being hotly debated in Treasury. As a former Minister for Seniors, I know that we gave out \$430 million in rebates, and we still do. However, with \$25 million being taken out of the budget, I was rather hoping that the state government would put up the shortfall like the other states. I will not stand here and defend something that I do not believe in. Having said that, we are the most generous state. Seniors receive between \$1 500 and \$1 800 in benefits, and WA is the only state to offer discounts in water rates and electricity as well as a safety and security rebate and a cost-of-living rebate.

Hon Alanna Clohesy: WA also has the highest cost of living in Australia.

Hon ROBYN MCSWEENEY: Yes, but we were very advanced. The Labor Party says that we do not care. In fact, when I was the Minister for Seniors we were on the front foot in giving a cost-of-living rebate because we

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recognised that the cost of living was high. We have been very proactive with our seniors groups over the years. I can understand why they are getting upset about the \$25 million that the federal government has taken away from the state government—because it leaves them wondering what will be taken away. I heard Hon Helen Morton say that people have been ringing her office and saying that eligibility for the Seniors Card could be put up to 65 years of age. I do not know whether that is feasible but I do know that when I was minister, people were saying that the Seniors Card was unsustainable. I looked at all sorts of ways to make it sustainable. I said that I would not change it. Rather, we increased the number of hours that seniors could work each week from 20 hours to 25 hours because I recognised that there were people—there still are people—out there in the community who are hurting. In my first term of government I was very proud to belong to a government that was very caring towards our seniors.

Hon Darren West: So what happened?

Hon ROBYN McSWEENEY: Nothing has happened. That is the point that I want to make. Nothing has happened yet.

Motion lapsed, pursuant to standing orders.