



Warren Pitt MP
Member for Mulgrave



**Queensland
Government**

Our reference: ORC00448

**Minister for Communities,
Disability Services, Seniors and Youth**

20 NOV 2006

Mr Neil Laurie
The Clerk of the Parliament
Parliament House
Cnr George Street and Alice Street
BRISBANE QLD 4000

Dear Mr Laurie

I refer to the petitions tabled in the Legislative Assembly on 31 October 2006 by the Honourable Dean Wells MP, Member for Murrumba regarding eligibility to the Queensland Government Pensioner Rate Subsidy Scheme by residents of retirement villages under registered leases.

The Queensland Government Pensioner Rate Subsidy Scheme precludes those people who are residents of retirement villages under 90 or 99 year registered leases as they do not meet the Scheme's definition of owner.

For the purposes of the Pensioner Rate Subsidy Scheme, the definition of the "owner of land" is taken from Section 4 of the *Local Government Act 1993*. As such, eligibility is generally restricted to "a registered proprietor of freehold land". This excludes those pensioners who reside in retirement villages and operate under leasehold arrangements. The Act also specifies that the "owner of land" is liable to pay the rates levied by a local government.

Owners of freehold property are legally liable to their local government for the payment of rates and charges, whereas residents of retirement villages under a leasehold arrangement are only required to contribute towards the overall cost of maintaining and operating the complex, which includes a rates component.

Expenditure on the Pensioner Rate Subsidy Scheme has increased from \$27.13M in 1992-1993 to \$44.913M in 2005-2006. This expenditure has grown significantly due to increases in the number of Queenslanders who receive pensions. There are approximately 245,000 pensioner households in receipt of the subsidy.

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The provision of concessions to pensioners, seniors and veterans is a major commitment for the Queensland Government. In addition to the rate subsidy, the range of concessions includes ambulance, public transport (local rail, bus and ferry and long-distance rail travel within Queensland), car and boat registration, electricity and a variety of health services, such as spectacles, dental, medical aids and patient travel.

The Queensland Government is mindful of the significance benefit concessions provide to people on fixed low incomes, and is committed to ensuring that the range of programs currently provided are sustainable over the coming decades and that increasing demand does not undermine Queensland's ability to maintain this level of assistance.

While there are no plans to extend the qualifying criteria under the Pensioner Rate Subsidy Scheme, I assure you this issue will continue to be monitored in the context of ongoing budget and policy reviews.

I am advised some residents of retirement villages may qualify for rent assistance payable by Centrelink on service and maintenance fees. In fact, many more residents of retirement villages could access rent assistance if the Commonwealth formula for accessing eligibility for rent assistance took adequate account of the entry fees paid by older Queenslanders who take up residence in retirement villages.

I trust this information is of assistance.

Yours sincerely

Warren Pitt MP
Minister for Communities, Disability Services, Seniors and Youth