

4 July 2007

The Hon. Kevin Rudd, MP  
Leader of the Opposition  
Parliament House  
Canberra ACT 2600

Dear Mr Rudd,

**Re : Two Concerns : Single Pensioners' inability to manage on the Existing Single Persons' Pension; Underemployment - numbers**

The above concerns don't seem to be addressed by either party, but are real concerns to the Australian community.

### **1. Single Pension**

The single pension as it is currently indexed, in real terms seems less viable than the couple pension (\$530.90 single; \$882.80 couple per fortnight). When one considers that singles or couples pay the same rates (\$23+ pf.)/rent (\$250+ pf.) per home, similar water rates (\$11+), electricity and/or gas bills (certainly the service charges are the same)(\$30+ pf.(\$11 charges)), petrol, registration and car maintenance payments etc.(\$75+ pf.), telephone (\$40+ pf. (charges \$15+)) and that food (two can live as simply as one - proven) and cleaning bills (the same) (\$180+ pf.), doctor/dentist/optical (\$23+ pf.), chemist (\$30 approx. pf.), contents and house insurance (\$30 approx. pf.), health insurance (\$50+ pf.), home and garden maintenance (\$70+ pf. - this includes replacement of white goods etc.), clothing (\$20+) are proportionately approx. one quarter only more for couples, the single pension is hardly sufficient. This does not include any extras like holidays (single supplement applies), entertainment, grooming, gifts, donations etc. I know many single pensioners who have gross difficulty managing on the single pension, where couples appear to be coping reasonably well. I would suggest that single pensioners should at least get \$600 pf. especially with water rates due to double and substantial rate increases every year. I would like Labour's assessment on this. I budget and live frugally, and I feel this is a fair estimate.

### **2. Underemployment**

I would like to know after the 2006 Census what the figures are for employable people who are working less than 20 hours per week. The reason I ask this is that there seem to be many people of employable age who are not working during daylight hours (they can't all be shift-workers) and are in fact travelling the transport system or wandering around the shopping centres aimlessly. These numbers seem to be rising, while unemployment figures are dropping - I for one can't work this out. I believe that to be 'employed', one only has to work one hour per week, which hardly, to me anyway, seems to constitute being employed. Therefore, I ask the Labour Party to work out how many people constitute 'underemployed'.

I can fully understand the strain on the health, welfare and police systems if people can't live in our community with adequate means either through insufficient pension funding, or underemployment. I would hope that whoever gets into power at the next election would show some responsibility in solving these issues of concern.

Yours sincerely,

BETH BUTLER

## SUBMISSION TO SENATE INQUIRY INTO PENSIONS

After making contact with Kevin Rudd over the injustice of pension rates especially to single pensioners, I was asked to place a submission before the Senate Inquiry. The following are my views based on what I understand of the plight of especially single pensioners.

### Background to today's pensioner

Today's pensioner is likely to have been born pre WWII, during the depression, or during WWII, and will have grown up during the post-war growth period. Some will have married during WWII (some losing husbands to the war), others post-war, others during the building recession of the early 60's.

Most aged pensioners will be single women, and will more likely be on the pension for 20 years or more. Most will remain alive to 83 years on average, but will not necessarily be healthier. They will have left the workforce on the birth of the first of an average of 3 children, and few would have returned to work, and if they did it would have been menial, low-wage, non-superannuated work. Their spouses would have been more likely to have been blue-collar workers on low incomes, also non-superannuated. Between the two partners, they would be less likely to have been able to make savings, and if they did it would be due to a meagre estate, not enough to survive the 20 or so years on the pension. Home ownership would have happened for many later in life, some still paying a mortgage up to pensionable age.

### Questions about the current situation with the pension

Who set the benchmark for the pension being 25% of male total average weekly earnings – who deemed that would be an adequate income for pensioners to live on? Seems that both parties seem to regard that as enough – on my experience, and my knowledge of struggling pensioners, especially single pensioners, they have to do without many things including health insurance (needed more by unfit elderly than younger people), and/or personal transport, or holidays etc. etc. Is that fair?

Who deemed that the \$500 'hand out' once an election is a 'real gift' – how far does the Government think that will stretch? How much of a help will that be? Even once a year, \$500 would hardly pay the annual rates, or one month's rent, or be swallowed up in petrol. It doesn't take Einstein to see that it is merely designed to look like 'generosity'.

Is the CPI really a true indicator of the rise of prices on petrol, groceries, medical costs and insurance, rate and rent increases, household service costs etc. etc.?

### The real situation

The single pension as it is currently indexed, in real terms seems less viable than the couple pension (\$530.90 single; \$882.80 couple per fortnight). When one considers that singles or couples pay the same rates (\$23+ pf.)/rent (\$250+ pf.) per home, similarly with water rates (\$11+, NOW \$19+(charges 2/3rds), electricity and/or gas bills (certainly the service charges are the same)(\$30+ pf.(\$11 charges)), petrol, registration and car maintenance payments etc.(\$75+ pf.), telephone (\$40+ pf. (charges \$15+)) and that food (two can live as simply as one – proven) and cleaning bills (the same) (\$180+ pf.), doctor/dentist/optical (\$23+ pf.), chemist (\$30 approx. pf.), contents and house insurance (\$30 approx. pf.), health insurance (\$50+ pf.), home and garden maintenance (\$70+ pf. – this includes replacement of white goods etc.), clothing (\$20+) are proportionately approx. one quarter only more for couples, the single pension is hardly sufficient. This does not include any extras like holidays (single supplement applies), entertainment, grooming, gifts, donations etc. Do the math – how would parliamentarians like to spend a year living like this!

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A few pensioners are luckier than others, as they have been lucky enough to have income to support the pension, but as I understand it they are the minority, not the majority.

### **Rental and Telephone Support**

The rental assistance amount barely touches the cost of rental of today's properties, and the people unfortunate enough not to own their own homes, barely exist on the pension plus rental support. Telephone assistance is not enough to support especially those living alone without family support and who are incapable of getting out and about. The telephone is the only lifeline for these people, especially when the Government encourages them to stay in their own homes, and make do on a small amount of practical assistance.

### **Suggestions**

I suggest the Senate Inquiry look carefully into the rates – both single and married pension rates as they apply to the real cost of living for the aged pensioner. Also look at hand-outs and allowances to see if they believe these to be fair. The only way I see changes happening, because politicians will throw their hands up in horror on what this will cost the nation, is for each member of the Inquiry to examine their own hearts, get on their feet and question pensioners who are too afraid to speak out on their own behalf, and truly put themselves in the shoes of the disadvantaged.

I would suggest that the single pension needs to be at least \$600 THIS year, and should be three-quarters of the couples' pension. I would suggest that the rental allowance should be at least half the cost of the rental, and the telephone allowance increased to half the cost of phone rental and calls for the shut-ins in the community.

In summary, I am looking to this Senate Inquiry to really examine their hearts and make a difference to the plight of the current pensioner who is likely to be with us a lot longer than was in the past, most with only Government support to assist them.

**BETH BUTLER**