

*To Members of the Senate Enquiry.*

*The attached information is material that I personally have researched & collected from our various relevant Accounts ,Supermarket Dockets & Credit Card Statements. The motivation for the exercise was a study done by myself in year 2006 which showed that the GST cost to us was some 4.8% & this has a greater impact on those of us on "fixed incomes" than the Household where the income is much higher.*

*My Wife & myself ,both aged 80 years live in a Retirement Village consisting of some 300 residents most of whom occupy "Independent Living Units", with the remainder living in "Serviced Units" The "service fee "we pay to live in the Village attracts a GST of some 10 %which equals \$27 per month.*

*I believe my wife's & my situation is typical & for the people living on "Fixed Incomes," that income coming from Investments or Aged Pension. I trust the material I present in this Correspondence will be of some help in the Enquiry. I sincerely believe that a significant percentage of "Aged People of Australia" are living in "stress" because of their Financial position & in particular the effect of the GST on that financial position.*

*Yours Sincerely.  
Keith Thomson.*

*Copy to Hon. Kevin Rudd*

## SUMMARY OF INFORMATION SUPPLIED.

Our Income. Total is approximately \$24,000 & is made up from

- Aged Pension, Carer allowance & Investments

### Effect on our quality of Life.

- \* GST paid on Foodstuffs 4.1 %.
- \* GST paid on "other essential items" averaged 9.1%
- \* Supermarket prices have risen by 23.9 % when comparing January to June 2006 to 2007 using actual "shopping docket".

## COST OF LIVING INCREASE

### .Supermarkets.

Approx. gross spent for Year	<u>2006</u>	<u>2007</u>
	\$2300	\$2850.

These figures show how "meaningless" the CPI figure is to our age group since Supermarket spending is clearly the major component of our expense & this is an essential expense. Overseas trips etc. may or may not have reduced in cost but this irrelevant to our age group.

This represents a **23.9 %** increase in our spending on "essential foodstuffs. The shopping was at the same local district Supermarkets each year.

## GST INFORMATION

(B) The GST paid for month of June at Supermarkets

\$21 out of a Gross of \$512 equal to 4.1% .

### Other Essential Expenses.

1 Telephone a period of 4 months gross paid \$233.

GST paid \$ 24 equal 9.7 %.

2 Energy total paid per month \$130.

GST paid \$13 equal 10 %.

3 Car Insurance ,Reg'n & Repairs

Total paid \$729 GST paid \$58 equal to 8.1%

4 Contents Ins. Total paid \$208 GST paid \$17.30 equal to 8.3%

5 Medical (1 month)

Podiatry,sundry Chemist etc

Total paid \$140 GST paid \$14 equal to 10%.

6 Other Items.

Clothes,Computer expense,etc.

Total paid \$194 GST paid \$ 18 equal to 9.3%

7 80<sup>th</sup> Birthday expense.

Total paid \$580 GST paid \$ 53\_ equal to 9.1 %

Note.this is "one off" expense !!!

### SUMMARY.

1.While the Supermarket GST was an average of 4.1 % the other items averaged 9.1 % & these are absolutely essential expenses for living.