

## Senate Community Affairs Committee

### Inquiry Into The Cost Of Living Pressures On Older Australians

I have been informed by the federal member for Wide Bay, Mr. Warren Truss about the forthcoming inquiry by the Senate into living cost and pressures on older Australians. He kindly forwarded the relevant document relating to the points that will be under discussion. I am a single aged pensioner living in Maryborough Queensland and submit the following details for your consideration under the relevant headings of interest in this matter.

**(a) Cost of living pressures on older Australians, both pensioners and self-funded retirees, including;**

- (i) The continuous rising cost of essential food items is outstripping the ability of pensioners to sustain a normal healthy diet. Food costs have risen by ten percent (10%) over the last few months and are still rising, the increase in pensions during this period was two point five percent (2.5%). This increase did not catch up with the already higher prices before the further savage increase in food costs. Milk, bread and meat have risen to such heights as to be regarded a luxury, and there is a suggestion that milk will increase to two dollars sixty cents (\$2.60) shortly. Meat, even the poorest cuts is a prohibitive cost and can amount to four or five dollars (\$4.00 to \$5.00) per serving. The simple sausage cost over six dollars (\$6.00) a kilo. Vegetables have risen to unprecedented heights with potatoes costing two dollars (\$2.00) per kilo. Green vegetables are not a viable purchase on a pension, notwithstanding this over one fifth of a pension is taken up with food. Petrol is around one dollar thirty (\$1.30) per litre. There has to be a fuel discount card available to pensioners to exclude the GST from this item. As public transport is not available in my area a vehicle is essential for transporting grocery shopping home and attending doctors and purchasing medication. This essential item costs me approximately thirty five dollars (\$35.00) per month; pharmaceutical benefits are only eleven dollars sixty cents (\$11.60) per month. This leaves a shortfall of twenty three dollars forty cents (\$23.40) and to make this up some social event has to be pushed aside.
- (ii) **Electricity,**  
This has risen by ten percent (10%) with a further ten percent (10%) rise predicted to occur shortly. The utilities allowance paid to pensioners by the government has not been increased in years and is entirely inadequate for today's electricity costs.
- (iii) **Dental and health care,**  
This aspect of the enquiry could be considered non existent in this area. The waiting list for basic dental care is anywhere from three (3) to five (5) years. I have been waiting for over three (3) years and believe it will still be another three (3) years before any treatment will be made available. Regarding health care, as hospitals are being closed in rural areas in Queensland treatment for minor injuries or infections are treated by your local Doctor. In a serious health situation in Maryborough, anything from an ambulance to a fire tender could attend an emergence call. The local hospital has been down graded to a shell, a thirty minute trip is required for travel to the Hervey Bay Hospital, then a further delay whilst an air ambulance is arranged to fly to Brisbane. Health services in Queensland are at a dangerously low level and people die with this primitive inadequate service.

(b) **The impact of these cost pressures on the living standards of older Australians and their ability to participate in the community;**

The cost of attending functions is prohibitive for older people as it is necessary to use a motor vehicle for transport to and from an event and fuel is just too expensive. Public transport is not available so older people do not attend functions therefore do not participate in social gatherings regularly due to cost. I am a member of the Maryborough RSL and have not attended there for over twelve (12) months due to the price of fuel and that the minimum meal cost is around eight dollars (\$8.00) per serving. Therefore a night out is too expensive as this equates to fifty percent (50%) of my free money from the pension. Most of the people I know in my age bracket are in the same situation. For the same reason it is not viable to hire a two dollar (\$2.00) movie from the local video shop for an evenings entertainment due to the cost of fuel.

(c) **The impact of these cost pressures on older Australians and their families including caring for their grandchildren and social isolation;**

I cannot comment on this aspect first hand, however from conversations with people whilst shopping I believe they are in dire straights and are desperately short of funds and funding.

(d) **The adequacy of current tax, superannuation, pension and concession arrangements for older Australians to meet these costs;**

Pensions do not meet the present high rate of inflation or local government taxes. Pensions need to be raised to a minimum of seventeen thousand dollars (\$17000.00) per annum immediately with provisions for higher concessions for land rates, medication and medical services along with car registrations, household utilities with further assistance for house, contents and car insurances. This must be raised to thirty three percent (33%) immediately. Or if the same concession rate is held then pensions have to rise to twenty six thousand dollars (\$26000.00) per annum *immediately* in order for pensioners to escape from an existence that is below the poverty level. Pensioners should not have to raid garbage bins for out of date food discarded by large grocery chains.

(e) **Review the impact of government policies and assistance introduced across all portfolio areas over the past 10 years which have had an impact on the cost of living for older Australians.**

Assistance has lagged behind any increases in not only the cost of living but also household utilities, and other general rises due to changes in government and local government policies within higher tax structures and other raising revenue policies. Having set periods for any increase in pensions such as the quarterly two point five percent (2.5%) naturally places pensioners behind any rises in the cost of living as these increases do not occur so precisely. However in today's market we have a runaway economy, especially in food, which is increasing weekly, and housing which is exacerbated by the GST component, as a five percent rise in base cost, also increases the tax cost of an item. Older Australians do not have the resources to keep up with the increased pressures of these rapidly changing circumstances and are living on a precarious precipice of not having usable funds for general living. The economy may be booming and interest rates low for housing; however the general living standards are desperately low due to escalating food, home, land purchase prices and fuel costs. The housing boom has placed tremendous pressures on the older generation through increased local government taxes, and higher renting costs; the rental subsidy only covers approximately a third or less of the total weekly rental cost for accommodation

and today is inadequate. This applies to not only the retired community but also to the younger generation as well. However the younger section of the community does have the ability to borrow extra funding which is not available to pensioners. Pensioners are now treated as disposable people and do not get the consideration they should for their years of service and support through general taxation to this country compared to the younger generation and the tremendous handouts they get for little input to the community at large. Both major political parties have failed to address some of the above items in their build up to a general election this year, and indeed are powerless to change some costs without disastrous consequences to the stability of the economy and of the community at large. They have however concentrated to greater extent on further gratuitous handouts to a section of the community that has little intention of, or is not required to repay the amounts blithely handed out to them. This attitude does little to assist the pensioners of this country; it does however push them further into an unfortunate position of slow starvation and isolationism through unprecedented increasing costs and pensions that do not keep up with these increases.

Thank you for the opportunity of submitting this document for consideration in the forthcoming senate inquiry into cost of living pressures on older Australians. Please find attached herewith a copy of correspondence forwarded to the Prime Minister earlier this year relating to pensions.

Yours faithfully

L.D. Arrowsmith.

The Honorable John Howard  
Prime Minister  
Federal Government  
Parliament House  
CANBERRA. AC.T.

29<sup>th</sup>. May 2007

Dear Mr. Howard,

I was disappointed, but not surprised to learn there was no relief for pensioners in the budget just handed down.

The one off five hundred dollar (\$500.00) bonus tossed at the people who have fought for, worked for, paid and still pay taxes to support this country in their working and retired life is a gross insult.

Mr. Howard this equates to just nine dollars sixty cents (\$9.60) per week. It will not buy one cooked chicken per week now. However as this is an extravagance most pensioners can not indulge in as this "bonus" will be gobbled up with more important things such as electricity, water rates or if they are lucky to own their own dwelling a part payment on land rates.

Yes that's right only a part payment of a twelve hundred dollar (\$1200.00) annual rate notice in my area ... its higher in other shires. This is after pensioner discounts. For which there is no further assistance to the owner of a dwelling for this item similar to rent assistance of two thousand five hundred and seventy four dollars (\$2574) per annum paid to people who have

not bothered to save and purchase their own home. These people do not have to worry about house maintenance, another burden to those who own their home..

This miserly five hundred dollar (\$500.00) *bonus*? is made more despicable when young girls who have not done a days work nor have supported this country in any way are given a four thousand dollar (\$4000.00) bonus for just having a baby. This is compounded when they continue to produce offspring with monotonous regularity by anyone who will service them. Just for this bonus and the unmarried mother's pension along with allied benefits. All while living with the current "friend" who is also most likely on the dole or other benefits!!

Mr. Howard before you throw this letter into the waste basket please consider the following. I receive five dollars eighty cents (\$5.80) per fortnight pharmaceutical benefit; my medication costs seventeen dollars fifty cents (\$17.50) per fortnight; this equates to almost what this bonus is per annum. This expense is not a one off purchase, it continues twelve months of the year.

This bonus does not allow for any relaxation in keeping a tight rein on any considered frivolous spending such as a night out at the movies.

I have to pay vehicle registration as there is no public transport and a vehicle is necessary for visiting the doctor and medication purchases, along with fortnightly grocery shopping. These three necessary items are approximately four thousand seven hundred and fifteen dollars (\$4715.00) per year; some times these necessary expenses exceed this budget as food, just one item has risen over 10% in the last twelve months. Electricity, telephone, rates, petrol, and replacement clothing, (secondhand) and footwear etc. required items which cannot be trimmed any more than they are at the moment and all relate to insufficient pension to live a normal life style.

Just to exist as I do, with the above fixed amounts which cannot be reduced equates to twelve thousand seven hundred and fifty five dollars (\$12755.00) out of thirteen thousand eight hundred and three dollars (\$13803.00) per year. This leaves one thousand and forty eight dollars per annum (\$1048.00) or twenty dollars fifteen cents (\$20.15) per week to save for necessary repairs.

I must also mention that I do not smoke and certainly cannot afford even the odd bottle of beer, which is sheer luxury.

I am not alone in this predicament as all pensioners I know suffer from a severe shortage of income funds.

Some are reduced to raiding dumpsters to retrieve bread, fruit, vegetables, canned goods and sometimes meat that have been discarded by our large grocery chains as it is bruised or out of date and considered un-saleable. However when these items are considered luxuries by the disadvantaged, raiding a garbage bin is a means of avoiding starvation and maybe saving a little so the refrigerator can be repaired or maybe the roof repaired to stop the leaks.

Yes this is correct .... in our land of supposed plenty senior citizens are reduced to scavenging and begging, similar to those living in countries our government donates millions of dollars to.

Mr. Howard both you and the opposition have forgotten us, the disposable people, even more so in your build up to the forthcoming election and the hype of luring the younger population with such niceties as tax benefits, assisted child care, whether married or not, just to capture their vote; this only adds to the above degradation of us, the pensioners; as does the above mentioned gratuitous gifts of millions of dollars to neighboring countries that despise us.

Even more disappointing is that we are supporting these young families and monetary gifts by way of GST, yet we only get five hundred dollars out of our thousands that we give to the federal government through this insidious tax each year. Yes we do not get any where near what we pay each year in GST back in the so called bonus. This is a farce!!

Mr. Howard we need an immediate increase of 25% this would raise a single pension to seventeen thousand, two hundred and fifty three dollars (\$17253.00) at the bottom of the

scale to a possible twenty six thousand dollars (\$26000.00) at the top per annum. This would allow us to live with just a little more dignity in our twilight years.

I have always supported the Liberal Party throughout my voting life; however I am now having doubts about the wisdom of this and am considering seriously placing my preference for independent candidates as they appear to work harder in parliament for their constituents. There is not one federal parliamentarian on either side that could live for three months on what we are expected to exist on per year.

Yours faithfully

L.D. Arrowsmith