

18 July 2007

Ref: Inquiry into the cost of living pressures on older Australians

Dear Sir / Madam,

I am an older Australian (War Veteran) suffering the costs from ever increasing cost in basic food items and power, fuel and gas.

In many cases I believe there are no reasons for price increase other than to maximise the profits by the large Supermarket Chains, Petroleum Companies etc. in there never ending quest to improve there share price each reporting quarter. These extreme profits we see reported to the Stock Exchange cannot be achieved with a population of 25 Million people unless there is overcharging and squeezing the price given to farmers etc. for their produce.

It's my belief that Superannuation has a large impact on price increasing because the money generated has to be invested to get a return on the investment which goes on a never ending cycle to increase share values and to do this extreme profits have to be produced to maximise dividends to shareholders and massive bonuses for the company executives with the loser being those on low incomes.

The problem has been further compounded by the Government allowing these Large Supermarkets to buy out smaller supermarkets, this has allowed them to squeeze out the competition and gain a monopoly.

Another area these large Supermarket chains gain extra profit is by increasing the price at the same time they reduce the amount of product in the package. A good example is a 10 Razor Blade pack, the priced was increased by 25% and the contents reduced to 7 blades. They are so powerful that they can dictate to the manufactures how they want the product packaged.

Those with no super and living on an old age or disability pension there is no extra income to make up for the increases so they are forced to reduce the amount of food they can purchase to a point that some are missing out on meals on a regular basis. They cannot afford to maintain there motor vehicle this puts unsafe vehicles on the road and in many cases the engine is adding to pollution because of the lack of servicing.

I know of pensioners that just sit around the house week in week out because they cannot afford to go out other than on pension day when they do there shopping and complete the same two week cycle again.

The Government and its policies must be blamed for letting these large Supermarket Chains / Petroleum Companies reach a point they can charge what they want and the Government is powerless to stop them.

Past Federal Governments and State Governments through short term gain have been fast to sell off our assets, minerals, Gas and Oil to foreign multi nationals for a few pennies instead of taking a long term view and instead of selling the raw product we should have been building factories to produce the finished product. This short term view has allowed us to be dictated by foreign influence where we are now forced to accept our fuel prices to be set by another country. (Singapore Pricing)

Current government policy is dividing this country into those who have and those who have-nots. They have removed or reduced to extremely low levels state housing where affordable housing is a thing of the past. For those pensioners renting the burden will double as the younger generation will also have to rent and this will push rents to extreme rates as we have never seen in Australia.

To sum it up our Government has a lot to answer for. Australia with its Mineral, Agriculture, Oil and Gas reserves should have been a power house in this world. As I see it they have made a total mess of this once great country. We have been set up to become a third world country in the not too distant future. Once the Minerals have gone what do we have to offer?

Thanking you for taking the time to read my submission.