

## Senate Community Affairs Committee

Dear Senators

The Member of Cowan, Mr Graham Edwards MP, sent us a letter informing us of your committee and encouraged us to send to you a submission. Our submission only gives data on our situation and does not address the more esoteric references such the impact of cost pressures per se.

### **Family Situation**

Our family consists of three (3) adults. My wife (66), my daughter (27) and myself (70). My daughter is working and pays board such that her board pays the interest on a mortgaged overdraft. My daughter is planning to move out in the next few months and this will require that the family home is sold the overdraft cleared and another home purchased.

Besides the house, our main asset is our car valued at about \$17,000. In addition we some shares in Home Building Society which we received as a result of the take over of Statewest Credit society by Home Building Society. My wife and I do casual work at John Twenty Third College (JTC), Claremont, WA, where we supervise year 12 students who have teacher free periods. We also run and supervise after school assessments and half yearly exams for years 11 and 12, trial exams for year 12 TEE and final year 11 exams.

### **Fixed Costs**

Following are fixed costs relating to utilities, insurances etc.

Rates	\$	575.00	After pensioner rebate
Power	\$	949.00	After pensioner rebate
Telephone	\$	1,440.00	After pensioner rebate
Gas	\$	388.00	
Water	\$	797.00	After pensioner rebate
HBF	\$	2,400.00	After Government 30% rebate
House Insurance	\$	600.00	
Car Insurance	\$	390.00	
Car registration	\$	386.00	
Pest Control	\$	132.00	
Prescription Medication	\$	309.00	After pharmaceutical allowance
Non Prescription Medication	\$	364.00	
<b>Total/year</b>	\$	<b>8,155.00</b>	
<b>Total/fortnight</b>	\$	<b>313.65</b>	

Prescription medication is that medication required on a regular basis of high heart pressure, asthma etc. The pharmaceutical allowance of \$5.80 for both a single pensioner and a couple who are both eligible pensioners does seem equitable.

Non prescription medication is preventative medication recommended by our doctor for chronic ailments such as stiffening of the joints, osteoporosis etc.

Given an aged pension of \$882.8 (including \$5.80 pharmaceutical allowance) about 35% of our fortnightly must be set aside to cover these fixed costs.

The fluctuating price of petrol makes it difficult compute amounts spent but what records we do have records show that we spend about \$50 a fortnight on petrol and about \$55 a fortnight on maintenance.

Household expenditure which included food, cleaning etc was \$400 per fortnight.

Thus:

Fixed costs	\$ 313.65
Petrol and maintenance	\$ 105.00
Food and cleaning	\$ 400.00
<b>Total</b>	<b>\$ 818.65</b>

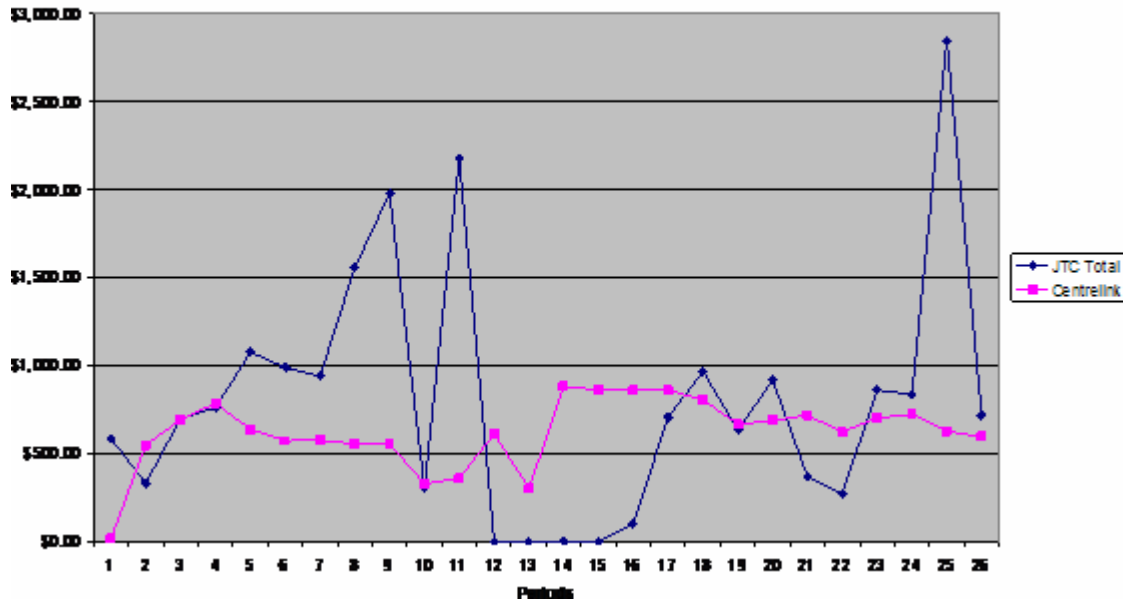
If we did not have casual employment then there would be little money for us to enjoy our lives at we grow older.

We acknowledge that once our daughter leaves home our power, gas and water costs will be reduced. The telephone costs would remain the same as she has her own mobile phone.

### **Affect of wages**

Shown below is a graph of fortnightly wages and a graph the resultant adjusted pension.

### Actual



It is only fitting that our pension be reduced as a result of our wages from JTC. The wage from JTC is received in the week in which our fortnightly pension is not received. (In the above graph this is highlighted in periods 11 through to period 13) . Thus our adjusted pension is received a fortnight later. Because we cannot be certain what our pension will be for that fortnight, even though we attempt to work it out, budgeting becomes difficult. We would welcome a system of pension payment where the payments were averaged out from the previous year. Payees would have to inform Centrelink when they start work and finish and continue to inform Centrelink of the wages as is now the case.

Wages in excess of the allowable limit of \$2435 as occurred in period twenty five (see above) resulted in or pensions being cancelled and meant that it had to be reactivated. In a way this seems to be a bit ludicrous since these one off large wages (which resulted from running exams over 10 days) had occurred before. Whilst no pensions were expected we feel that simple checks over our past history would alleviate this problem.

We expect to cease working at the end of 2007.

Yours sincerely

Paul & Yvonne Hogan