

The Secretary
Senate Community Affairs Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

As pensioners (age and partner allowance) we write to you to draw attention to the ever-increasing cost spiral on retirees like ourselves, aged 71 years and 62 years.

Whilst pension income rises at about 2.5% increments, this rise is rapidly eroded by the greater increases in:

- food purchase prices - perhaps self-explanatory, there has been enough comment in the media re. these spiralling costs and I believe it is accepted that this is a daily reality
- vehicle and transport cost increases

e.g. petrol roughly increased 15% from \$1.05 to \$1.22 and this year gas increased from 38c to 52c and tyres for our vehicle rose from \$85 to \$102. Whilst we are able to claim transport costs for some of our voluntary work (essentially coaching junior swimming) much of what we try to contribute to the community is at our cost and we are unable to recoup these costs. Both our elderly mothers (92 & 85) are still living and trying to be independent with quite a bit of assistance from us; this involves a round trip of approx 80km at least twice a week and frequently three times a week. We cannot claim because neither mother lives with us and one receives funded assistance (for which she and we are very grateful; however, this doesn't help our budget!). Having raised seven children to tertiary level education and given them as much assistance as possible to establish their future, we are not wealthy (nor are we impoverished - yet). We now have 13 grandchildren, some approaching their teens and we delight in tutoring them to assist in their schooling where they have problems. Again, this involves driving - and cost. We like to maintain a personal dignity, and seeking financial assistance from our children does not come into the equation; the fact that we cannot "spoil" our grandchildren as we would like to, especially at Xmas and birthdays is quite sufficiently painful. Finally, as longstanding members of Rotary, we are involved in further community work and enjoy being of assistance where possible.

Other difficult costs we face include:

- service costs - e.g. searching for bulk billing doctors is getting difficult
- a bi-annual colonoscopy now attracts a \$200 gap
- dental rebates from private funds now attracts a gap - quantity not yet clear and reason given was that some people were ordering cheaper dentures and getting full rebate and this wasn't fair to people ordering more expensive dentures! So now the poor subsidise the wealthy.
- we can no longer maintain hospital cover for both of us as it has become far too expensive - this despite the fact that throughout our working lives we

- both maintained full top cover. Now we find it may be necessary to move away from ancillary cover for both - and anyway, if every time we need glasses or dental care we have to find two or three hundred dollars in GAP we simply cannot cover the constant costs.
- we now do our own tax return and tremble with the terror of possibly making an error. We hope that the tax dept. checks and corrects and is there to assist us, but the fact remains that, despite a better than average education, the ramifications of tax law are not easy for us to understand. And does this mean we possibly miss out on a larger refund?
 - similarly, we often find difficulty with centrelink . We have had some wonderful advice from centrelink FIS officers whom we recommend to our peers BUT - our own situation is fraught with confusions. Whenever we finally clarify our position (centrelink staff say we have a complex situation - we mark examination papers, state testing and next year national testing etc.) the relevant officer is moved and we find we have to start from the beginning with a new officer. Again, the situation is anxiety driven; if a problem emerges blame is inevitably pointed in our direction (in one instance we were informed we shouldn't have reported an income as the desk officers didn't understand the relevant processes).
 - our centrelink office for seniors was moved from a close location to approx 20km drive away - again this is both a time and a cost increase. In our situation, every km is counted against the fuel costs.

Whilst we appreciate the assistance we do receive, we feel that our working lives involved paying quite high taxes which at the time were supposedly levied in order to fund our retirement; we resent the implication that we should have set aside enough funds to cover our own needs. We sincerely hope that superannuation funds that absorb contributions from current workers are well administered and governed by laws that protect these funds - especially as almost 50% of the little superannuation we had put into allocated pensions on our retirement disappeared with the fall of the Twin Towers in the US. What protects future retirees from a total loss of their savings? These questions continue to trouble us in our retirement years.

We thank you for the opportunity to make a submission and hope that our comments are relevant and helpful.

Yours sincerely

Peter and Britt McGowan