

The secretary Senate Community Affairs Committee
PO Box 6100
Parliament house Canberra ACT 2600

Dear Sir /Madam,

I appreciate having an opportunity to air my concerns regarding aged pensions, cost of living etc. & apologise for this rather lengthy missive.

The high and rising cost of living is affected not only by The GST (which has added painfully to the cost of living) but also extreme changes to pensions.

Re: Changes to allowable financial investments and deeming rates over the past 3 years for a single person:

Early in 2004 for up to \$35,600 the deeming rate was 2.5%

anything over that amount was deemed at 4.0%

allowable income at \$120 per fortnight (\$60 wk)

with \$91,000 in financial investment before pension reduction.

BUT

On the 1st of April 2004 up to \$35,600 the deeming rate was raised to 3%

anything over that amount was deemed at 5%

allowable income was \$124 per fortnight (\$62 pw)

Allowable financial investments changed from \$91,000 in 2004

DOWN to \$79,260 before a reduction of pension

However in 2007 there have been further significant changes to the deeming rates & to allowable financial investments as follows:

FOR A SINGLE PERSON:

2007

For a financial investment of \$38,400 deeming rate has been raised to 3.5%

anything over that amount is now deemed at 5.5%

allowable income now \$128 per fortnight (\$64 pw)

BUT there has been a change from \$91,000 in 2004 allowable financial investment (with full pension) so that in 2007 the allowable financial investment before a reduction has decreased to \$74,400

To recap: In 2004 the amount of financial investment a single aged pensioner could hold before any loss of pension was \$91,000

Now that amount has been reduced down to \$74,400

A difference of \$16,600 since 2004.

That's a very big difference and means (if my sums are correct) a loss of 40c in the dollar. The deeming rates have gone up from 2.5% & 4% in 2004 to 3.5% & 5.5% in 2007.

The allowable income per week has only risen from \$60 pw to \$64 pw in 3 years

And a pensioner with an income over the allowable rate is also taxed.

It's all very punitive!!!

2.

Re: The need for the elderly and incapacitated to employ help in the house and upkeep of property:

Home/help is limited to the mere basics as the Shire does not receive sufficient funding and also because of the ridiculous litigation problems helpers are limited as to what they are permitted to do. Handy man services are good but limited to absolute necessities. So our houses are really not maintained as they need to be. However it does help in a limited sort of way.

Transport: (the lack of easy transport) to and from shops, medical clinics and hospitals is a nightmare. Plus grocery delivery & staff no longer select items for delivery to those people unable to get to shops.

Medical costs: ordinary medical and specialist fees, medical equipment, dental costs, and eye wear, medical aids incl. colostomy fees and equipment, walking aids, aids for the home, hearing aids* etc, health products, physiotherapy and alternative treatments such as acupuncture absorb a lot of the pension.

*free hearing aids are mostly unsatisfactory and non free hearing aids very costly.

Whilst wealthy retirees are receiving part pensions AND concessions the Govt. is not looking after pensioners on low (or no extra) income.

Those who are single incapacitated without family and living on in their own homes on an age pension are acutely vulnerable. And I am one of those people. At times I didn't know how I was going to have enough for food let alone anything else I might require such as wood for the fire, clothing etc. etc.

The present government are keen to keep people in their own home for as long as possible but little is done to encourage this.

I look forward to receiving a report on your findings, results and future action regarding these matters.

Yours faithfully,

Janet R. Boddy