

From **LEONARD HAINSWORTH**

18/07/07

**TO. SENATE COMMUNITY AFFAIRS COMMITTEE
INQUIRY INTO THE COST OF LIVING PRESSURES ON OLDER
AUSTRALIANS**

Submission Re. Terms of reference.

- (a) Cost of living pressures on older Australians, both pensioners and self funded retirees;
 - (1) The impact of recent movements in the price of essentials. such as petrol and food
 - (2) Cost of running household utilities. such as gas and electricity. and
 - (3) The cost of receiving adequate dental care.
- (b) the impact of these cost pressures on the living standards of older Australians and their ability to participate in the community.
- (c) the impact of these cost pressures on older Australians and their families including caring for their grandchildren and social isolation.
- (d) the adequacy of current tax, superannuation, pension and concession arrangements for older Australians to meet those costs ; and
- (e) review the impact of Govt. policies and assistance introduced across all portfolio areas over the last 10 years which have had an impact on the cost of living for older Australians.

L Hainsworth



From L Hainsworth
to SENATE COMMUNITY AFFAIRS COMMITTEE

Addendum (a)

(1) Impact of price movements of petrol and food. The impact is greater when diesel is included in cost of fuel for some cars. It also causes price increases in transportation costs of food to distributors. The increases will have to be absorbed by the distributor or as is more likely; passed onto the consumer which includes pensioners /self funded retirees. It is inevitable that any foods which are subject to G.S.T will be subject to both these increases. Transport and G.S.T.

(2) Cost of running household utilities. These are not controlled The only way of control by pensioners/selffunded retirees where they may have HEATING winter COOLING summer is to wear more clothes in winter and; perish the thought; do whatever they need to do to keep cool in summer Refer; Assets of asset/income test.

(3) Cost of receiving adequate dental care. This is too variable to assess but will always be subject to the local dental care professional and "Do you have false teeth etc. Once again; G.S.T. enters the picture.

Addendum (b) Impact on living standards and ability to participate in the community

As costs pressures increase it becomes harder to see the way through the wood for the trees; that are constantly being moved; so it becomes harder to make the best decisions and takes the time that could be spent on participating in community activities. These could require costs of fuel for your vehicle and items for games activities e.g Lawn bowls, Ten pin bowling etc.

Addendum (c) Impact of the cost pressures on older Australians and families E.G.

Caring for grandchildren and social isolation. These are; basically the same type; but caring for grandchildren fuel costs for traveling there could/ would be a deciding factor however it would limit social contact with others. Social isolation would increase for both parties.

Addendum (d) Adequacy of current tax, superannuation, pensions and concessions.

There have been no worthwhile changes that would compensate sufficiently for the increase in fuel prices and G.S.T. to prevent a lowering of living standards to pensioners/self funded retirees.

Addendum (e) NEXT SHEET



From L Hainsworth
To SENATE COMMUNITY AFFAIRS COMMITTEE

18/07/07

Addendum (e) continued

Review the impact of Govt policies and assistance introduced across all portfolio areas. These have been already summarised already but there has been no change to the one policy that could have had benefit for pensioners and self funded retirees.

The income /asset test

Income is calculated by adding investment income superannuation pension and other pension and any other cash incomes together

The asset test part of the test allows the family home to be asset free in this part of the income/asset test

Included as assets are

Car

Furniture

Table/chairs

Bed/bedding

T/V Radio

Clothing (to wear) modesty and weather protection

Eating cutlery/crockery

Caravan if not used for living in

Computer Modernity demands it for social contact and reduced isolation

All these are included as assets. Information I have substantiates it. Their value is calculated according to the formula for income; the total is then added to income to calculate pension to be paid as the income/asset test

I suggest that a more balanced approach to reduce the cost impact of increased prices ;to pensioners /self funded retirees would be to have an asset free allocation amount of money for these types of assets. It would however have to have a limit that would prevent people from deliberately buying beyond their needs. E.G. Car

The same applies to the other assets. Surely no one could say that clothes, table and chairs ,bed **ETC.** should be sold to raise income.

Yours Sincerely L Hainsworth

