



27/7/07

Dear Sir,

RE-INQUIRY INTO THE COST OF LIVING
PRESSURES ON OLDER AUSTRALIANS

The cost of living pressures on older Australians have been well documented and reported to government agencies, by Welfare organisations as well as individuals.

All aspects of the quality of life are affected if a person's income is not adequate to provide for even the most frugal of life styles.

To this end, what is required is an acknowledgement by government (whichever political party is in power) that the age pension is totally inadequate to meet the ever rising costs referred to in your terms of reference.

My submission to your inquiry is as follows:-

All Australians relying on the Centrelink age pension, be able to receive a level of income at least equal to the tax free threshold which the Australian Taxation Office operates is \$24,867 for 2006-07.

Centrelink at present "taxes" income at 40 cents in the dollar after an individual's income reaches ($\$530 + 132 = \662) per fortnight. - approximately \$16,432 per annum.

This effectively ² restricts that individual's ability to reach an adequate income level to meet day to day expenditure.

Legislation should be introduced to prevent Carbelink reducing the level of age pension until one's income is at least at the level of the ATO tax free threshold i.e. \$24,867 for 2006-07. Further, the basic level of age pension should be increased to at least \$600 per fortnight, with proportionate increases in the tax free allowances, i.e. rental assistance, utilities allowances etc.

In this way, many will be encouraged to take measures to increase their income, over and above the basic pension in the knowledge that Carbelink would not be able to impose its own form of income tax until an individual's total taxable income was at least equal to the tax free threshold announced by the Australian Taxation Office.

Yours faithfully

J L Teale

M^r J. L. TEALE