

## INQUIRY INTO THE COST OF LIVING PRESSURES ON OLDER AUSTRALIANS

### INTRODUCTION

This submission addresses the cost of living circumstances and impacts on the very older Australian pensioners whose birthdays precede the post WWII “Baby Boomers” 1945> generations. In particular those of single people who reside in rural and remote regions of Australia, either in their own homes or rented premises; especially women alone who generally outlive males of this period.

### HISTORY

These early generations of the population experienced the full impact of the Depression, its profound hardship years of mass unemployment, then plunged into wartime conditions, shortages, rationing, and restrictions of WWII and aftermaths into the 1950’s.

Women had no equality in terms of employment, wages, career opportunities, or retention of equity in family assets in the event of a rare divorce or legal separation. Women’s widowhood status relegated them into entrenched poverty by lowly paid, arduous jobs such as school cleaners, taking in washing by hand, having boarders, or as household skivvies for other people. The few women who were fortunate enough to complete secondary education and train as teachers, nurses, stenographers; and later members of the armed services, were obliged to resign at the time of their marriages.

Consequently generations of women were obliged to exist on the benevolence of their husband’s handouts. Many never knew how much their husbands ever earned. These handouts, often irregular, provided minimal sustenance to feed and clothes mothers and children, to maintain the household, along with the obligation of paying the rent and bills.

Needless to say, there was little opportunity to put money ‘aside for a rainy day’, save for one’s old age, burial, or investment folios.

Now, the long term effects of these protracted years of poor nutrition and living conditions for males, females and children; e.g. tuberculosis, rickets, diverticulosis, industrial trauma, are now evident in many of the old age diseases and infirmities including osteoporosis, which contribute greatly to current health and medical costs.

As late as the mid 1960’s >, women employed by the Commonwealth Repatriation Department were still excluded from Permanent Employment status, thus excluding them from superannuation contribution schemes.

### CURRENT

The Social Wheel has turned the full circle.

Again, these generations are now the most downtrodden in this, according to economic rationalists and politicians of all persuasions, the nation of wealth, opportunities for all, choices, prosperity, noticeably expanding during the past 10 years; as repetitive governments turn their backs upon their national social

obligations of care of the aged and infirm so entrenched in our Constitutions. These fine Australians who built this nation with their blood, sweat and tears with little true reward; now exploited and impoverished by the ‘snatch and grab’ selfish, introspective governments and generations whose main ambitions are to ‘party on’ and ‘have a good time’. Particularly the aged women who generally outlive the males counterparts.

The once held adage of ‘A Fair Go For All’ has become an Australian myth.

In accordance with the Terms of Reference:

Ai: the cost of living pressures on older Australians, both pensioners and self-funded retirees, including: I the impacts of recent movements in the price of essentials, such as petrol food,

The lack of essential, even basic, public transport obliges aged people in rural and remote areas to provide, maintain and drive their own vehicles at considerable costs which erodes deeply pension values, when compared to people residing on the ever expanding coastal metropolitan areas.

Petrol prices are unaffordable in this area. In the last 2 weeks ranging from 130.9 cents litre to 135.9 cents litre for unleaded fuel.

Restructuring (centralisation) of medical/hospital services in this HNEAHS now requires aged residents to travel 132klms to Armidale – nil public transport, 244klms to Tamworth; also to Newcastle, Sydney, Coffs Harbour; Brisbane and Toowoomba Queensland for specialists and technical investigations.

Refer: Submissions 17 & 21 – current Senate Inquiry into PATS/IPTAAS – Isolated Patient Travel And Accommodation Assistance Scheme. In particular, the clawback by HNEAHS of patient's refunds from federal funds. By way of an authentic comparison figure as used by local government when private vehicles are used, re-imburement rate is 62 cents per kilometre.

See section (b) for examples of total annual car running costs.

In regard to the spiralling costs of foods, aged population malnutrition is a growing concern. Consumption of beef – the only source of absorbable iron, is off the menus. Its costs range from \$16 to \$26 per kilo in most outlets. All mass produced meat protein contains high levels of animal antibiotics, preservatives 220, 221, 222, 223, 224, which create resistance to human antibiotic treatment in cases of viral and bacterial infections, which can result in death.

Supermarkets adjust (increase) the prices of all shelved products one or two weeks prior to the government announcements of CPI retrospective adjustments for the previous assessment period. This is a no-win situation for pension budgets. In past years, food price increases were just a few cents, then it became 5, 10, 15 cents. In recent times, 50 - \$1 cents are common. On some lines, a great deal more. In between times perishables such as milk, dairy, fruit and vegetables prices jump dramatically overnight. Pensioners just stop buying these dietary essentials.

So called 'fresh fruit and vegetables' are transported around the globe, harvested before optimum maturity, processed with various preservatives (toxins), waxed, irradiated to counteract loss of quality encountered in the long freight distances, delays, and to prolong shelf-life. Freight and packaging costs are passed onto consumers.

Meanwhile, our local producers are forced out of these primary industries.

Packaged and manufactured foods labelling is inadequate in regard to all contents, organic, synthetic chemicals, genetically modified, preservative, stabilisers etc not listed, which provide consumption risks for asthmatics, allergy victims, diabetics and other dietary influenced diseases. Not forgetting the huge amounts of waste packaging clogging up our waste disposal depots.

Bar Codes and computerised pricing systems are very convenient methods for applying price increases across selected or all stock lines, based upon company profit expectations and increasing targets – not based upon what consumers can afford in real terms.

Supermarkets promote greater consumption by way of 'special offers', e.g. 2 loaves bread at say \$4.50, but 1 loaf costs \$3 – you have to buy two to get the discount. The same applies to meat via 'bulk buys' of 1.5kg or more, say 5.99kg, but less quantities cost \$8.99kg. This practice disadvantages single aged pensioner' tight budgets.

Aged Australians, still living at home, are encouraged by various home assistance providers, and banks, to implement the use of electronic payment of accounts etc. They are also encouraged not to carry large or hoard large amounts of cash. Sounds logically in the first instance. However,

such practices incur large amounts of transactions fees of which cannot be sustained by many pensioners. Another downside to this practice is the fact that some external allied medical services add an additional fee onto the consultation cost when a pensioner wants to pay by cheque or credit card. It is condoned by the Dept. Fair Trading of NSW, regardless of the fact that bank fees are a legitimate tax deduction business expense. Very unfair!

Aii the costs of running household utilities, gas, electricity and water:

The population was told that privatisation of these historical public utilities would bring about competition, greater efficiencies, and consumer cost reductions.

This has not occurred.

Instead, consumers are slugged with escalating 'new' service charges (supposedly to be used for the maintenance and expansion of infrastructures, however outside crews have been drastically slashed, operational areas expanded to an impossible degree, highly skilled staff scrapped).

Actual consumption fees, added to these service charges, both attract GST. Late fee payments have become the norm. Effective personal contact in times of outages are decidedly wanting as well as up-to-date information during the outages.

Many rural and remote householders had to pay the full supply and installation costs of electricity supplies by the former public utilities, which then controlled and maintained them without additional costs.

Now, since privatisation, such costs have been dumped back onto these domestic households without any negotiation or 'choice'. And our governments demand increasing percentages of the new service providers profits. It could be called double dipping!

An added stress factor in these rural and remote scenarios is that other government instrumentalities prohibit/restrict, via protected species regulations, the removal/thinning or trees which adds risks of lightning strikes, storms and wind damage to this infrastructure. Such unexpected, huge repair costs are feared by pensioners.

Aged pensioners cannot access cheaper bank loans. Credit card is their only avenue of obtaining emergency funds for such events. But these attract the highest interest rates and charges of any lending authority. This is blatant discrimination.

The same applies to many rural residential Telstra telephone fixed lines. City, metropolitan people are exempted from maintenance decrees and resultant unsustainable repair costs – again, discrimination.

The media ' political announcements have been emphasising the costs and usage of domestic households for heating, cooling, greenhouse emissions etc, and predicting more increased costs to domestic consumers.

Aged pensioners overall do not contribute to vast consumption increases or emissions. Their restricted budgets control such matters, more than any regulation:

- a. few can afford central heating/cooling systems, b. even fans are expensive to run, c. plug-in heaters are very expensive to run even for short periods and in just one room, d. many oldies resort to going to bed on very cold days using their electric blankets, which is not good for the welfare.

Now water consumption has hit the headlines.

Again the emphasis is on what domestic users consume, whereas there is a distinct lack of co-operation and compliance to restrictions by industry and commerce in real terms.

Flat and house renters are now being charged for water usage by landlords with little regard to the service providers real charges. This includes single pensioners in single units owned and controlled by the Dept. Housing, .e.g. recent caller to a radio programme revealed his water charges per each rent period commenced at \$5, then \$10, latest \$56! (nil individual unit water meter) Now in desperate straits as after paying the rent he can no longer buy food.

#### A iii the cost of receiving adequate dental care

Availability of dental services in rural areas is increasingly scant as dentists age, retire overworked and burnt out.

Federal funding was scrapped several years ago – almost as if the federal government doesn't recognise the fact that teeth and oral health is an integral part of human anatomy.

Teeth are the first line of defence to maintain good health, therefore a major factor in the long term reduction in general and specific health ailments, nutrition, reproduction and wellbeing, and therefore a reduction in the nation's health costs.

As mentioned in Ai, aged people, if they wish to eat beef, other red meats, essential high fibre foods, fruit and vegies and nuts, often cannot chew these textures due to poor dental health, previous extractions, dentition gaps, and lack of dentures. This is very evident in aged care facilities.

Most aged pensioners cannot afford medical fund contributions; cannot afford fund gap payments either; cannot afford escalating dental repair costs, nor dentures.

Waiting lists of some 9 months are common. Regular appointments for regular clients are made 12 months in advance. Some dentists don't take new patients. Scant NSW hospital dental funds are reserved for the very worst cases of juvenile urgent needs in this region. I

#### B the impact of these cost pressures on the living standards of older Australians and their ability to participate in the community:

Aged pensioners have become the silent majority, especially women. Never heard by ruling governments at any level. Overlooked, often over talked by those in power in any scenario. Therefore, are often, individually or collectively ignored by the population-at-large.

Meanwhile, a wealth of experience, knowledge and wisdom continues to be lost.

Alone, they silently battle financial hardships to keep a roof over their heads.

Homeowners – widows and widowers – no longer physically able to maintain buildings, fences, yards and front street nature strips as required by shire councils; Plus impossibility to pay tradesmen for painting and carpentry. Only acute plumbing problems attended to with charges up to \$1200 per day. Young tradesmen often not interested in the needs of the aged owners. Lack of effective communication skills evident, also. Tradesmen often insist on 'cash in hand' immediate payments too.

Rapid, skyrocketing real estate purchase prices flow onto aged home owner's insurance costs. Replacement policies the most practical but now impossible premiums for many, especially single pensioners, e.g. a Combined Cover Policy of \$185,000, contents \$30,000, Public Risk \$2m = \$530 premium. Actual same size replacement cost far greater in reality; contents values always depreciated by insurance companies; and electricians over 10 years age nil cover / payout. The above premium contains RFS and GST components.

Specialised 'Pensioner' Insurance companies no longer cover any purely domestic homes situated on more than 5 acres/2ha in zoned small allotment rural residential areas. Why not?

Home invasion/thefts/property damage/ costs and in-house assaults a major stress factor and concern.

Pensioners residing in rented private property investments also bear these increasing costs passed onto them via their landlords, even though such costs are claimable tax deductions on income so derived.

Car / vehicle insurance costs are just as bad.

Most rural based pensioner cars have very little use due to increasing petrol costs etc. Few can afford new vehicles. Insurance companies add extra loading on premiums when cars reach 10 years old and over, e.g. 1995 Holden Commodore 3<sup>rd</sup> Party \$235; car \$370; NRMA \$75; battery \$120; set tyres \$500, plus R&M, fuel = \$1400p.a.+.

‘Making Do’ on all fronts has become the norm.

Shoes cannot be repaired, boot makers another dying trade. Darning wool and flannelette no longer available. Second hand clothes from charity outlets the norm.

Medical expenses not covered by ‘the system’ add to the burdens and stresses, e.g. Tamworth eye specialist \$147, other specialist \$160, new spectacles – nil fancy frames \$600, petrol \$60. Refer to p. 2 -IPTAAS Senate Inquiry Submissions, etc.

Some pensioners burdened by multiple trips to Tamworth for medical treatments, several times in a month, completely destroys budgets and can bankrupt them.

Seniors Discounts are few and far between in rural and remote areas, likewise NRMA discounts, or not applicable to everyday needs, like jewellery, wines, travel holidays.

For single pensioners to change from home ownership into rental premises is not a solutions due to rapidly rising rental costs, \$250+ per week, nil guarantee of long leases due to the volatility of the real estate markets. Tenancies are now being auctioned to the highest bidder. Unheard of in Australian history.

Aged retirement units are in very short supply. Entry costs prohibitive. Often not available in one’s own locality, therefore cessation of access to family, friends, activities, usual medical services etc. Often nil public transport between such locations. A lonely old life indeed.

C. C. the impact of these costs pressures on older Australians and their families, including caring for their grandchildren and social isolation

Social isolation affects community participation membership. This is because in rural areas membership numbers can be on the small side, therefore do not have the capacity to accumulate large fund reserves. Lack of effective transport is another limiting factor when members are obliged to have their own means of transport to reach the sporting field or indoor venue.

In many rural and remote areas many community organizations have been killed stone dead by the now legal requirement of Incorporation under the laws of the Dept. Fair Trading. Gathering of over 5 people anywhere require the ongoing registration and escalating annual fees of this department, on top of membership costs and vital insurances.

The northern hemisphere habit of frenetic litigation for perceived problems has landed upon ‘Down Under’. This new fear of innocent entrapment consequences, defence costs, compensation possibilities, potential loss of ones home and assets, etc. has quelled many smaller, and often in-home, neighbourhood recreational activities and volunteer management of such associations and non-profit hobby organizations.

This effectively increases the isolation of older people in many avenues of their lives.

Many now forced to live most of their days locked indoors in their own home in solitary confinement because of the ever increasing criminal elements who ravage the aged and the less fortunate people in the community.

Holidays – What are they?

1. Packaged tour prices are based upon per person, twin share room tariffs. Single travellers incur an extra levy (sometimes as much as  $\frac{3}{4}$  full pp tariff) on tours with the state, nationally and internationally.
2. National and State Recreation Parks Admittance Fees are applied per vehicle, not per person. Therefore, a single pensioner travelling alone to meet up with family or friends in such areas pay the equivalent for a 4 – 6 passenger seat vehicle. So, these pensioners stay at home, alone.
3. Travel on NSW Countrylink Rail/Coaches now incurs booking fees based upon the distance of the journey. This is discrimination for rural and remote people, especially pensioners, as the actual fare cost is charged per distance. Double dipping again.
4. Recreation usage of own vehicle – fuel costs now too prohibitive even for short trips for single pensioners.
5. NSW Drivers Aged Driving Licences are under review – projected outcomes will limit aged, self-propelled travel, even for essential medical journeys to major towns/cities even further, this resulting in greater isolation from life's necessities and everything else. Feared by many.
6. RTA RURAL TAXI FARES means paying double the charge for a one direction cab Hire. A return journey attracts a fare equivalent to 4 single journeys, therefore totally unaffordable by single and married pensioners. Only used in desperation circumstances / crisis medical / nil ambulance use qualification, etc.  
Or, to and fro from the airport, if a passenger service continues to exist. Then only for extreme physical incapacity – post operative circumstances.
7. More and more single aged pensioners do not have any family / other capable support people to assist in times of emergency or casual need. Younger generations move out of rural and remote environs for employment and study / training.
8. Never enough spare cash to 'dine out' even on odd occasions, nor attend picture theatres, live performances, sporting events, participation in the performing arts or various field days.
9. Rural and remote circumstances of the dangers of long distance driving, especially kangaroos, blinding setting suns, B Double transports, narrow roads along with the prospect of major car damages, massive repair costs, longer periods without a vehicle, deter casual touring for many pensioners, especially so if they live outside of the nearest major town.
10. Active, mental and physically able pensioners have the ability and desire to participate in Mature Age External Studies University courses – often a lifelong ambition never fulfilled in the years of hardships, need to earn a living, raise and educate a family, etc.

Alas, current spiralling course and entry fees, rationed enrolments for Australian citizens, are beyond the scope of pensioner budgets. The same applies to TAFE courses due to class locations, programme scheduling and residential proximity. TAFE courses often axed before a course can be completed – students of all ages left high and dry. Fees and effort wasted. Nil opportunity to gain accredited qualifications, as advertised.

Lack of mental stimulation increases the onset of aging dementia, loss of quality of life.  
“USE IT, OR LOSE IT” applies to all ageing people.

d. d. the adequacy of current tax, superannuation, pension concession arrangements for older Australians to meet costs:

- Current concessions – phone, power, house rates, vehicle etc. are very welcome and are greatly appreciated by all. However, GST applications often wipe out the concession.

- Deeming Laws – on modest bank savings accounts in circumstances whereby pensioners do not have any other investments, term accounts, income etc. these are unfair when such laws apply when the credit balance reaches \$5,000.

Banks penalise these depositors when balances fall below \$3,000, with extra fees.

The \$5,000 is impractical in 2007>.

Considering that pensioners have to save continually and carefully to cover annual expenses, e.g. Funerals cost around \$6,500> paid in advance. Home and vehicle expenses amount to around \$2,500, houses need painting every 5 years @ \$5,000 now, plus repairs and maintenance, additional medical type expenses conservatively \$800 p/a, and essential major electrical and whitegoods need replacing around \$2,000>.

The Base Deeming Rate needs to be raised to \$20,000.

Banks charge transaction fees to both sides of a credit purchase – double dipping again.

Greenhouse Gases Implications – taxes / levies are causing growing concern in pensioner households which are being applied to gas, water, electricity accounts.

Aged persons do not cultivate the excessive lifestyle habits of the ‘Baby Boomers’ and younger generations ‘Throw Away Habits’. They consume less of these services, petrol etc, than the population mass.

After all, they were raised in poverty circumstances and the WWII necessity of recycling everything, going without, and little if any ‘disposable incomes’.

Whereas, currently industries, governments, corporations etc. don’t even bother to turn out the lights at night, haven’t installed double insulation, nor manual flush male urinals, but do enjoy tax deductions for income expenses.

e. e. review of the impact of government policies and assistance introduced across portfolio areas over the past 10 years which have had an impact on the cost of living for older Australians.

Parental, teachers and police have lost the legal right to discipline juveniles due to treaty commitments despite the fact that our national laws protected the rights of the child to a high degree not enjoyed by other countries.

Summary Offences Acts were repealed years ago.

There is need for re-enactment of both ASAP. Parents need to be made responsible for the damages, losses, costs incurred by uncontrolled family juveniles to eliminate the onset of anarchy. Pensioners cannot sustain such costs, stress, medical related expenses, injuries and abuse.

Pensioners need to be able to access new specialist loan facilities rather than the expensive credit card system’s exceptionally high interest rates monopoly, which is really exploitation of and discrimination by the banking industry on the most vulnerable population.

10 – 20 years of no future planning by any level of government, compounded by the largest increase in immigration figures for many a long year, has seen the emergence of total inadequacies in all of the nation’s infrastructures. Despite these figures evidenced in the ABS statistics and every Census comparative data.

The list is very long – university rationed enrolments to Australian citizens, prohibitive fees, drastic shortfalls in places for doctors, nurses, radiographers, pathology, engineering, paramedics of all kinds, teachers at all level, all skilled trades, now extending across several generations. Grandiose school subjects, but few practical skill means generations of useless people which will be exploited in the years to come by other nations who have deliberately cultivated such education skills and higher level professional graduates. Australia is heading towards the status of third world countries.

The physical infrastructures are in appalling condition – roads, rail especially the Arden Tunnel at Muswellbrook, hospitals, schools, ports, airfields. The list is endless. The population-at-large is totally disgusted at this neglect, compounded by the perpetual tug-a-wars between the state and federal systems.

This neglect is passed onto older Australians in added living costs, medical costs, travel costs, taxes, inconvenience, loss of services, excessive rationalisation. The younger generation of ‘caretakers’ have let the side down badly. Too many egos, too many sheep/followers, not enough practical people in the parliaments to keep the ‘egos’ feet upon the ground for too many years have created this mess. Older generations, pensioners especially, are sick of being its victims.

This ‘heads in the sand’ attitudes have seen fit to lock out lateral thinking, new lateral fully accredited sciences in health and related sciences, especially by the NHMRC > AMA etc which choose not to open their minds and intelligence to these new, advanced sciences, complementary medicine specialists, and wonder why the population is turning to these newer modalities for health prevention and curative living styles already in place for many years in overseas westernised nations. Enlightened people, including aged pensions subscribe to these far better health standards and practises.

Our hospitals are riddled with contagious infections. These cause added, longer disabilities for patients and have been known to be fatal. Obviously new methods of hygiene practises are overdue. Such problems and costs are forced onto every individual patient, including pensioners. Quality of life is damaged, often forever. Hospital/doctors never accept these financial burdens and still insist on their payments. It could be called daylight robbery.

Again, these systems are not looking at the introduction of proven, better sterilisation and infection control process which are available overseas in forward thinking nations.

Wholesale cashing in of our public utilities to the exclusion and demise of the nation’s small businesses – the backbone of nation’s true economy and employment and training, is proving to be one disaster after another.

One has to look no further that the utter uselessness of prior and current mobile phone technology; increasing areas of non-function in rural and remote areas.

The Telstra sell-off debacle, inadequate phone fibre optic cable, useless internet connections, non-rollout completion of broadband is before us people in rural and remote Australia every day, along with drop-out of key services, long repair delay, longer installation times than ever before. Impractical and hugely unaffordable wireless phones prove useless for country business and essential school and tertiary education needs. This list goes on and on.

Lack of food standards on imported foods has hit the headlines in recent days. This government has opened the nation to great quantities of such animal and human foods under the guise of ‘free trade agreements’. Nothing is ‘free’ in this world. This government has demonstrated that it doesn’t care about decent nutrition, free from toxins and detrimental bacteria for its population, otherwise it would have simultaneously implemented stringent, ongoing testing and critical standards for all food imports by the existing AQIS services, EPA and NICNAS.

It is indeed ironic that Australian produced exports are keenly sought on international markets because of its proven ‘clean green’ standards, and now contractually demanded in newer negotiations by these nations.

Its about time the government slammed the door on such imports, regardless of contracts.  
The feral government's new IR Laws have brought apprehensions, fears and stress to all aged pensioners as they witness the demise of collective wage negotiations and outcomes for workers; women's superannuation minimal long term outcomes, particularly with casual and part time employment.  
Pensioners, especially single aged categories, shall not survive in any sense of the word, when flow-ons affect the method of pension calculations so derived from a percentage of the average adjusted male earnings rates of pay, already no longer a quarter of the 'basic wage'.  
Pensions will be the next object of rationalisation by the government.  
Pensioners are already below the poverty line for sustainable existence.

The political process has lost its way.

### CONCLUSION

In recent times, since turning 70 years of age, myself and others have been told that certain medical investigations 'were very expensive', 'only available to cancer patients', 'you are getting older', therefore nil referrals, presumptive diagnoses without confirmation technologies utilised.

In other words, the ultimate implementation of the Himler Report's, User Pays System, regardless of passed lifetime years of compulsory wage taxation without income expense deductions or relief.; .e. if you don't have lots of money you don't have any rights, quality of life, ability to participate in society at any level in any community, especially in rural and remote areas of Australia, and especially if you are a woman and a single aged pensioner.

George Orwell's novel, "1984, pig farm" was supposed to be fiction.

A sad indictment, indeed.

Betty Moore,                    6 August, 2007