

11 July 2007

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

### SUBMISSION TO SENATE COMMUNITY AFFAIRS COMMITTEE

THIS SUBMISSION RELATES TO SELF-FUNDED RETIREES LIVING IN  
ADELAIDE, SOUTH AUSTRALIA

#### Petrol, Car Registration and Third Party Insurance

We do not have our petrol price records for the ten-year period 1997-2007, only for June 03-June 07. In that period, we have sustained an increase of 55% in our fuel costs.

Another factor we would like the Committee to examine is the burden of a 70% increase in the cost of our Registration and Third Party Insurance on our private vehicle.

With our increasing age and deteriorating health and mobility problems, we have become more reliant on essential car journeys to medical appointments, and hospital visits. Consequently, we have less weekly funds available to enable us to visit friends and family, or for outside entertainment.

#### Food

Our net income since 1997 has increased by 46%. Essential food prices for dairy foods, fresh vegetables, bread, and meat have inflated dramatically - the worst case being meat by 200%.

#### Household Expenses and Taxes

Self-funded retirees in South Australia do not receive the same concessions as pensioners. Our Council Rates have increased by 19%, yet the State Government has only given us an unchanging concession of \$100 since July 01 (before that time we received nothing). This figure is less than pensioners receive.

Escalating property values have increased our Water Property Levy Charge by 46%. Our Water Supply Charge increased 13%, and because our house was designed for Oil Heating, and cannot be altered (even if we could afford to); we have to meet a 100% increase in heating fuel.

Electricity costs have increased since privatization by 42% for which the State Government allows us \$120 pa concession since 2005.

#### Health Costs

Private Health Fund Contributions have risen, as have patient contributions to various medical investigations and procedures. The Federal Government's Rebate on Private Health Insurance for Older Australians has enabled us to maintain our membership; without this rebate, we would be unable to continue paying our insurance.

### Taxation Changes

Changes from July this year will have some beneficial effect on our income, but since Commonwealth, and State Funds provide our superannuation, the unfunded (untaxed) Government component we receive will be taxed at our marginal tax rate. This is unjust because pensioners who receive income from a private source will not be taxed. The 10% Tax Offset on the unfunded component which will be received by self-funded retirees is inequitable.