

The Secretary  
Senate Community Affairs Committee

Thankyou for the opportunity to forward this submission re the Inquiry into the cost of Living Pressures on Older Australians. We make the following comments:

- a. (1) The impact of recent movements in the **price of essentials**, especially motor vehicle fuel has a significant impact on our situation. We have to make a 10 kilometre round trip to get to our local shopping centre, which offers limited shopping options. There is no public transport and as our road is a semi rural road adjoining a suburban area it most certainly not suitable to walk or ride a bicycle.

The **increase in food prices makes budgeting more difficult**. Especially meat, people on restricted incomes are forced to eat cheaper cuts, general weekly grocery requirements have also increased, if we want to source the cheaper supermarket options, we need to consider the cost of fuel to travel the extra distance required.

- (2) In this area, although only 3 kilometres from a growing suburb, we do not have the option of **Natural Gas or mains water**. Electricity has recently increased in cost, as this is our only source of heating, we find the need to use this with care.

- (3) **Dental care is almost out of the question** on a pension and waiting lists are enormous. In order to reduce our living costs we recently took the risky decision to let our private health cover lapse.

- b. We **no longer participate in regular community activities** as we are constantly considering the cost. Until our retirement we participated in community groups, such as school councils and tuck-shops, rural fire brigade etc.
- c. We do **considerable hours of childcare** for our grandchildren as a way of assisting our children in keeping their childcare costs down. They are mindful of providing additional food to assist us with the cost of giving this care. It is a task we enjoy doing, however, sadly it does have an impact on our living costs.
- d. We were farmers and due to our age, superannuation was not a consideration in the early years. Our family have owned this property for over 50 years, and we are within 3 kilometres of a growing area, namely Craigieburn on the north of Melbourne, we had always considered our property to be our **superannuation**. Ironically in the past 5 years we find we have been locked into the State Government's Hume Green Wedge. The Green Wedge perimeter is rather erratic in this area and does not follow a significant boundary. Our property has now reduced in value.

Hence we are not comfortable self funded retirees as planned, but dependant on the Federal Governments Age Pension.

- e. The main benefit in our situation was the change on January 1<sup>st</sup> 2007 of the **Age Pension assessment guidelines** in relation the residential properties over 5 acres. This change has enabled us to receive almost the full pension as of this date. We would like to see the additional income threshold increased to at least \$7000. We have calculated that this would cover major expenses such as building insurance, health insurance, vehicle insurance and registration. Then living on the pension would be a little more comfortable.

**Donald & Elma Butler**