

State Community Affairs Committee Inquiry into the Cost of Living Pressures on Older Australians

Thank you for the opportunity to respond to the Senate Community Affairs Committee Inquiry into the Cost of Living Pressures on Older Australian. This submission is from the National Seniors Goodna Redbank Branch, Queensland.

Goodna and Redbank are eastern suburbs of the town of Ipswich in Queensland . The area is described as being at the lower end of the social economic scale with a higher percentage of residents receiving social benefits of one sort or another. The older population have generally lived in the district all their lives or for many years . This is mainly because several of the larger employers such as the mines, railways and the large mental hospital are located in the district . All of these industries are much smaller or defunct however the residents have remained in the district.

Response to Terms of Reference .

A working group from National Seniors Goodna Redbank branch have met to record their responses to the Terms of Reference. The following responses represent their views on the subject of the Cost of Living Pressures on Older Australians.

(a) the cost of living pressures on older Australian , both pensioners and self-funded retirees, including;

- (i) The impact of recent movements in the price of essentials , such as petrol and food have had a significant impact on older people .As an example, over the past two years if you are single and receive a single pension you are already disadvantaged with the amount of money you receive and yet the costs for necessities does not differentiate .The cost fill up tank once a week with petrol two years ago was \$30.00 now it is \$55.00, even with discount docketts.

Reviewing food docketts from Woolworths , two years ago the following articles cost;

coffee, 200gm	\$5.99	now	\$13.00
bread ,89 cents	now	\$1.29	
margarine 500gm	\$3.00	now	\$4.20.
1kg. mince	was \$3.00	now	\$8.00
a cooked chicken	\$5.99	now	\$10.50
a box of Panadol	was \$1.99	now	\$4.00

So when doing the weekly grocery shop, the list which cost \$55.00 two years,ago may cost \$75.00 today . The rises in the pension, certainly do not reflect these increases over the last two years and for self funded retirees who received their money via an allocated pension, this does not increase accordingly.

- (ii) the costs of running household utilities, such as gas and electricity; gas and electricity have both risen steadily in cost , for example if you are not connected to gas and prefer to use cleaner and greener gas, and have a gas cylinder supplied to run the stove and hot water system, a couple of things have happened with the sale of energy companies. First , you were charged a fee of approximately \$24 .00 per year to have the cylinder sitting in your yard now that "rental ' is charged six monthly and the cost of replacing an cylinder has now doubled . There is no rebate on this if you already receive the rebate of your electricity account. With electricity supply, there is more than one reason older people are turning off power besides the education in reducing the use of energy , its because the cost continues to rise. In this part of Queensland it becomes very cold in winter and hotter in summer. Restriction on the use of power means a lot of older people will feel the cold as reverse cycle airconditioners , electric and oil heaters are power hungry and cost dearly. These costs are set to rise again we are told by the media .

(iii) the cost of receiving adequate dental care;

The cost of dental care has become prohibitive for older people. Older people on pensions and not able to afford medical insurance therefore can not afford private dentists either. The waiting lists at public dental hospitals are from two to seven years. Private dentists charge outrageous fees, why, because they are not regulated and can charge what they like. All of this means that the older person will put up with rotten teeth and the consequences. It has been proven with research that dental caries can lead to cardiac disease, a greater imposition on the older person and the already burdened health system.

(b) the impact of these cost pressures on the living standards of older Australians and their ability to participate in the community;

One of the outcomes of these pressures is that the older person has to restrict outings to place where seniors meet such as seniors clubs. Older people have to look at what is more important to stay alive, eat food or fill the fuel tank in the car to go somewhere. There are many other things impacting on the amount of expendable money seniors have to spend which are not part of this enquiry, but should be mentioned any way so they are not dismissed, there are quarterly council rates, telephone, insurance, house, contents, car registration, car insurance, car coverage for breakdowns insurance, and the list goes on, all of these things contribute to the older person feeling marginalised as they struggle to pay the bills.

One older lady explained that her family want her to keep in touch using a computer, however she cant afford to buy one and will not be able to afford the lessons anyway.

(c) the impact of these cost pressures on older Australian and families, including for their grandchildren and social isolation;

Grandparents are often called upon to look after their grandchildren before and after school, as well as taking them to school, because both parents, or in some cases the single custodial parent has to work to pay rent, food and utilities for the family. These grandparents may also have the added burden of looking after elderly parents who are now 'ageing in place'. This brings with it a new set of difficulties often resulting in a breakdown in the health of the grandparents. This group is sometimes referred to as the sandwich set.

Grandparents with this extended role receive no extra funding for this as they are not the custodial parents. As for social isolation, it becomes impossible for grandparents with this role of parenting (either way) to participate in community social activities.

(d) the adequacy of current tax, superannuation, pension and concession arrangements for older Australians to meet these costs; and

The resulting changes in the tax reforms will assist many superannuants currently supporting themselves with a little extra income and the those on full or part pensions will find that raising the level of assets will give them a few extra dollars in their pension. However for those receiving the pension only and without assets life will continue on as the cost of living has increased significantly over the past few years. Any increases in the pension is nothing more than catch-up, but then there is never a catch up, as the cost of every commodity used in daily life has already increased again.

With concessions, these are helpful however they do not go far enough. One of the problems with an older person wanting to take a holiday for example interstate is that railway concessions only apply in the home state. Living in Queensland, the concession received for rail here, is of no use anywhere else in the country. You would wonder if we all lived in Australia. Reciprocal arrangements would go a long way to improving the ability of the older person being able to afford taking a holiday out of their own state. It might be beneficial for the tourist economy as well.

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

Older persons are taxed on everything they use or consume, this is the same for every Australian however for the older person on a pension, whatever type, the amount of expendable money they have to support themselves on is far less than that received by a worker on the lowest income. Single pensioners are even worse off. In other countries eg. Europe, conditions for older persons are far better. For instance, In Holland they even receive 'holiday pay', what a decent thing to do for the older members of our community.

In conclusion the older person on a basic pension without any assets set aside for a 'rainy day' are below the poverty line when compared to the average working family. Life is a struggle just to provide the necessities, this is not how it should be, given our healthy economy.