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CPSA –Founded 1931.
Representing Pensioners of all ages, superannuants and low income retirees.

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To Senate Community Affairs Committee.

Inquiry into the cost of living pressures on older Australians.

At the July monthly meeting the members of the Bellingen Branch of the Combined pensioners and Superannuants Association of NSW Inc. asked me to make a submission to the inquiry.

1) - The upward movement in the cost of essentials, particularly petrol, in small country towns has placed an impost on those on a pension and on low income retirees. In nearly all small towns there is no public transport or, if there is, it is not available at suitable times. This is particularly noticeable in the case of transport needs to attend medical specialists in major towns or cities. Many pensioners own older, less fuel efficient vehicles and even though they would like to replace them do not have, or cannot obtain the funds to do so. The cost of fuel adds to the cost of everyday supplies in small towns and forces the price of necessities to be higher in relation to larger locations. The further from the point of supply the higher the cost of transport that has to be passed on to the consumer. With household utilities, most users try to keep the costs down but find that costs rise for no apparent reason.

One of the problems that persons on a pension or low income experience is in the replacement of household appliances when needed. Often they have no savings and are unable to obtain a loan or credit when a high cost item, washing machine, refrigerator or other item needs replacement. This also applies to a motor vehicle. Many pensioners etc have an ageing vehicle that is their only way of moving round the area, particularly attending specialist medical treatment in larger towns, and find that the cost of maintaining it getting to be beyond their means and cannot find the funds to replace it. This also is felt by those who own their own homes and find that they do not have the funds to keep the property maintained as they would like.

2) – With regards to dental costs. The high cost of dental treatment with no rebate from government services and the severe shortage of public dental treatment means that quite often the patient has to suffer for long periods before treatment or, in many cases, if the pain is not severe, foregoes treatment altogether. It has been reported on many occasions that some patients have had to wait years to get dentures.

3) – With the cost of travel rising all the time many pensioners or retirees are unable to take a holiday as their income does not allow for savings to cover the cost of

one and this prevents them from visiting family members when they are living at a distance. Also the cost of travel increases the cost of specialist medical treatment when the treatment is at a distance from their home town.

4) – Current pension and concession arrangements go some distance to meet the increasing cost of living but the increases come some time after the costs have increased making it that the income is mainly behind the cost of living. With tax reductions, they do not affect most pensioners or low income retirees to any extent as you have to pay tax to get tax relief. It is only when the government makes a one off payment that this portion of the community gets assistance. With superannuation. When people retire they often feel that the amount of superannuation they hold on retirement will cover them for the rest of their lives but, with the ever increasing cost of living, many have to apply for a part pension to enable them to maintain a satisfactory standard of living.

Finally government policies over the past years have had a negative effect on the cost of living for older Australians. With pharmaceuticals the ever increasing cost means to some that have to go without something else to pay for them or they have to go without medications to pay everyday expenses. Luckily the GST does not apply to food items but still has had a detrimental effect on costs.

One of the greatly increased costs of living is for those who do not own their own homes and have to pay rent. The increased cost of purchase of a home is forcing the rental costs to a point where it will soon be beyond the ability of a pensioner or low income retiree to afford it. Also government charges on the purchase does not help.

It appears that the older citizen is fair game when it comes to taxing by governments.

Yours faithfully,

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