

## SENATE COMMUNITY AFFAIRS COMMITTEE

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

#### SUBMISSION FROM E. ANN PARMENTER

As far as I can see, the terms of reference cover in general the main subject areas which need to be addressed. My interest relates to the general subjects itemised in paragraph (d).

- The first point relates to the need to address the inequity in taxation for those who receive their pension from overseas. As I understand, whilst a pension received from an Australian self funded scheme will not attract tax, a pension received from overseas will attract tax. This seems inequitable.
- Further, the Australian pension is not counted in the calculations for receiving medication at a reduced cost, whereas the foreign pension is. Again, inequitable.
- Finally, it would be helpful if the matter of the UK pension being fixed at retirement age for those living here was taken up by the relevant government agency, as this will impact more and more as time goes by.

In summary, from my point of view, as the majority of my income arises from pension paid gross from the UK, I do not believe I can benefit from the exemption from paying tax on this, nor can I exclude it from the calculations which might enable me to get my medication at reduce cost. At the time I elected to receive a pension from the UK rather than transfer the funds to an Australian pension these rules were different.

In addition, I receive a State pension from the UK, but as you know, this is presently fixed as at the time of claim. You will realise this will have an increasing impact on my income as the years go by. I am not aware that the Australian government is making any moves to correct this wrong. I paid tax all my working life in the UK and received a full pension (as at 12/2003). Why should those who live in, for example, the US get the pension increased in line with the cost of living, while those from Commonwealth countries do not?

I am lucky enough to have a good income at present, but can see that as I get older this will deteriorate for several reasons, including those above.

Thank you for your interest.

E Ann Parmenter