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21 May 2002

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The Secretary
Senate Select Committee on Superannuation
The Senate
Parliament House
Canberra ACT 2600
AUSTRALIA

Sir,

I write on behalf of my constituents, Mr Peter and Mrs Hylda Beach of 2 Surfers Avenue, Mollymook Beach, 2539.

Mr and Mrs Beach would like their observations considered by the Committee which are contained in their letter, attached.

I would be appreciative of your attention to this matter and appropriate response.

Thank you for your assistance.

Kind regards,

Joanna Gash MP (Mrs)
Federal Member for Gilmore

Encl; Copy

Getting the Job Done!



JOANNA GASH MP

Federal Member

for Gilmore

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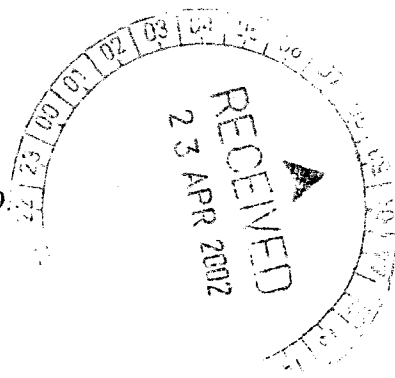
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2 Surfers Avenue,
Mollymook Beach. NSW. 2539.
20th April 2002.



Ms Joanna Gash, MP,
P.O. Box 1009,
NOWRA. NSW, 2541.

Dear Minister,

Re: SENATE COMMITTEE SITTING 3/5/2002.

We were prompted to write to you today after reading an article by Ms Annette Sampson in the Sydney Morning Herald (page 46) dated 20-21/4/2002. That article suggested that submissions could be made to the above Committee by interested individuals although it provided no other information. We are therefore sending this letter to you because we feel confident you will extract and forward on any of its content if it is deemed relevant. It is written because of a certain amount of "self-interest" by my wife and I as self-funded retirees, as well as our concern for genuine pensioners who survive on the full aged pension and little else.

As average wage earners my wife and I planned and saved for our retirement in the hope that we could remain independent and reasonably comfortable for as long as possible during our retirement years. Unfortunately the "expert" advice we received during the 1980's, which suggested what savings would be required to achieve our goal of "relative comfort", was well below the figure we found, with hindsight, to be more realistic. However, throughout our five years of retirement to date we have maintained a reasonably comfortable lifestyle and have stayed slightly above the income and asset threshold provided by Government to qualify for a part-aged pension. We are aged in our 70's.

One often reads and hears of self-funded retirees being "well off". One also reads and hears of retirees receiving incomes in excess of \$60000 p.a. and who are still able to qualify for the aged pension. Presumably they achieved that through the use of complying pensions/annuities. There are also those who place their savings "out of sight" and others who choose the "good life" during their working lives rather than make some provision for their retirement years. There are of course those who, through no fault of their own, did not have the opportunity to make any such plans. It is obviously a very difficult task to achieve a fair balance for all, but any changes that do place, or are being considered, should aim to minimise stress on the elderly and, in fairness to them, should be carefully thought through rather than the rules being changed repetitively.

The tax rebates introduced last year with the concessions made available through the seniors health card, has been of significant assistance to my wife and I as it would have been to many others. The performance of income invested in allocated pensions etc has been poor for the past year or two but we have stayed above the assets test for the aged pension. At the same time we have been below the income test despite being recipients of small UK pensions and if the paper value of our assets continues to deteriorate it seems likely that we will be required to seek a part-pension through Centrelink much sooner than we had anticipated. We realise this is our entitlement but it is probable there will be many retirees in a similar position to our own and if most have to seek additional financial support the costs to the "system" could be very high.

We understand Senior Health Cards can be obtained by the elderly with incomes under \$80000 p.a. per couple and \$50000 p.a. for singles. To us that level of income seems overly generous for we were earning less than that while in the workforce and yet paid the full rate for prescription drugs on a regular basis. We managed that without too much difficulty. From our point of view a more prudent cut off level would be \$55000 p.a. per couple and less for singles linked to CPI. That would not place additional hardship on low income pensioners and \$55000 hardly labels you "hard up". In comments made by some people to the press and in passing over time, it is suggested that retirees with income of \$30000 p.a. are well off. We totally disagree with that suggestion. Would it not be better to make savings for prescription drugs by

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by reducing the income ceiling as suggested, rather than tinkering with the current arrangement of subsidies. Surely those on incomes in excess of \$55000 p.a. per couple, or the equivalent for singles, could cope with the extra cost.?

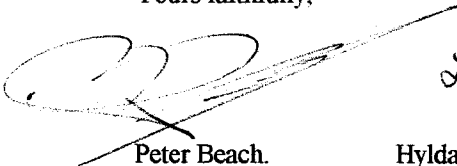
The raising of the income threshold last year appeared out of proportion to the rise in the assets threshold. Perhaps the system would be healthier if the aged pension phased out completely at say \$55000 p.a. per couple linked to CPI and be seen as a "right" rather than a "privilege" to the phase out point. It might help solve the "us and them" attitudes that seem to be growing and help to preserve the strength of the "middle class" that is being squeezed out of existence. A rich and poor society is hardly a healthy one. Would a strong "middle class" not improve the communities confidence in the system?. Would it not provide savings for Government over the longer term by reducing the amount of "cheating" and manipulation that occurs?. That in itself could encourage people to save more for their retirement and reduce the stress caused by uncertainty created by frequent changes.

There are also a large number of people in receipt of a part or full UK pension. The local pension is adjusted downwards depending on the level of UK pension received. The UK pension, unlike pensions received from many other countries, is not CPI linked. This is most unjust when you think that it would be CPI linked if you lived in the US of A or Greece for examples, just a couple of a number of non-Commonwealth countries. Perhaps it should be taken up by this Government to the appropriate International body to highlight it's unfairness. If it succeeded, many people would receive a larger UK pension here which in turn would reduce the level of the local pension supplementing it. Would that not be a significant saving?

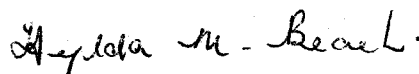
We hope this letter has not been a waste of your valuable time, but the above are issues that concern us and, presumably, many others. Whatever your decision is regarding it's contents, we congratulate you on your seemingly tireless efforts over he years to fulfil your numerous ministerial duties and your successes in achieving improvements for this part of the country.

Thanking you,

Yours faithfully,



Peter Beach.



Hylda Beach.