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This written submission is further to oral evidence presented to the hearing of the Impact of Petrol Pricing Select Committee at Nerang on 11 November, 2005.

Overview

This is basically my personal perspective of the Impact of Petrol Pricing, plus information, observations and opinions obtained through informal research. Articles and papers reviewing of the impact of previous petrol price increases on people on fixed incomes were also reviewed. The proportion of seniors, pensioners and fixed income earners in the community impacted is presented. Strategies to reduce the severity of the impact of petrol pricing are also noted briefly.

Personal Perspective of the Impact of Petrol Pricing

I am an Age Pensioner. I own my own home. I live alone like many senior citizens. Other groups of people who are also on very low incomes and who are struggling to cope with the impact of petrol pricing include: people who are unemployed, redundant etc. on the dole, tertiary students, those on family support, and fixed incomes. On the Gold Coast many people – especially women have limited hours (20 or less) in retail and hospitality.

The impact of petrol pricing on our individual lives is quite significant. In order to participate in modern society we need to be able to purchase petrol in order to maintain our independence, and to engage in ordinary everyday activities. Thus the direct impact of petrol pricing has forced us to make choices and placed limitations on our activities. The Pension has not risen in proportion to the increase in petrol prices, and all the other prices that have followed on – especially food and groceries. Having to make choices means that we have to sacrifice other things. This in turn has implications for our social life, health, medical, and psychological wellbeing.

Records and Planning

Since going on the pension in May 2001, I have used an Excel spreadsheet to plan and control my expenditure, so I have good records of my petrol and other costs. Also, since December 2004 I have maintained a Vehicle Log - so I can calculate the cost of petrol for a trip. My car does 7.3 km/L, 13.7 L/100km. With the increase in petrol pricing I have further reduced my car use to essential travel, and very few outings to beach, etc. Planned trips to other parts of Queensland are now out of the question.

Fixed Income & Expenses

Currently the Age Pension for Single Homeowner is currently \$482.10 pf, or \$242.05 per week. As I own my home, I have to pay for rates, insurance, repairs, utilities, and have my lawn cut. Other car costs have also risen. Early this year my budget for petrol was \$25 -\$30 per month. It is now \$45 -\$60 depending on whether I drive to my Writers, or Computer clubs

Responsible Choices

I have chosen to maintain private health insurance – which is about \$50 per fortnight. In April I had knee surgery privately because of the very long waiting list at the Gold Coast Hospital. Gap payments were \$700. These responsible choices limit the amount available for other things – e.g. adjusting to increased petrol prices

Social Sacrifices

As I live alone, my children live interstate or overseas, and my social life is now limited to going to church, Gold Coast Writers Association, and my computing club. The latter involves a 50km round trip (at \$7) – so petrol prices limit my attendance at Retired On Line tutorials and meetings. Several people now only attend meetings if they can get a lift with someone else.

The cost of petrol also means that I rarely go to the cinema, or the beach unless I have other reasons to be in the vicinity. e.g. Instead of going to a movie at Pacific Fair with a friend on a Saturday, I plan to go alone at Australia Fair after a doctor's appointment in Southport on Monday when I can collect my Medicare Rebate, at the same time.

Cost of meeting friends

Because of the cost of the meal, and the cost of driving to & fro I rarely eat out. Most of my contact with friends is by phone because that is cheaper than driving to visit or meeting up for coffee. Through special interest groups on the internet I am in touch with many people everyday, but I can't afford to drive to meetings with real people in Brisbane etc. This has seriously limited my contact with professional speakers, authors etc. e.g. Queensland Writers Centre, Psychology, ADHD professionals, Diabetes, Breast Cancer etc. Although I have retired I still give talks to community groups, and like to keep in touch with professionals.

Food

Food prices are going up out of proportion to the pension. As a well controlled diabetic I buy mainly fresh ingredients and very little packaged food. I don't buy fruit juices, soft drinks or alcohol, so I can't cut back there to pay more for petrol. However, it appears that many seniors buy lots of packaged meals for convenience. These are often high carbohydrate meals. They tend to buy very little fresh fruit, vegetables or meat and fish. They spend more on food and have less for increased petrol costs.

Making do with alternatives

In the past many of us went to two or three shopping centres for good deals. Now we tend to go to just one, - the nearest - and make do. Or, plan ahead and save up to go to another centre - and buy up big. One item I use constantly is not available nearby at Bilo, Action, or Woolworths but is always available at Coles – but the nearest is 8 km away. Some young families say Big W has the best quality and price on nappies for newborn – but can't just drive that far more than once a month.

Rarely go to the beach now

Ever since moving to the Gold Coast in May 1985 one of my chief joys in life has been walking on the beach – usually 3 or 4 times a week. It refreshed my soul, and was part of my health management. As petrol prices have risen I have cut out driving to the beach for walks, and have not been to the beach for many months. Others have told me they rarely go for a drive to the beach, or The Spit, or other beauty spots, and if they do they don't buy food there anymore. Part of the point of living on the coast in retirement is to enjoy the beach, and facilities – restaurants etc. – obviously now limited due to petrol pricing.

Ultra light Flying

There are many hobbies that have been impacted. My research has found that Retirees who are on the pension can no longer afford to drive to the Ultra Light Flying Club, or pay for the fuel to fly their aircraft. Thus club attendance midweek has dropped dramatically. Wage earning families still attend on Saturdays. These retirees have effectively lost the hobby that was their passion and joy in life. There also appears to be no market for their ultra light craft.

Medical Impact

Many avoid going to the doctor because very few doctors bulk bill, so people have to pay for the appointment and then drive to a Medicare office to get their refund straight away. Double whammy!!

Several people said they often went without their medication to cut costs.

Others would not make a separate trip to the pharmacy if they ran out – unless it was imperative.

Reduction in social outings, loss of freedom through increases in petrol prices will undoubtedly cause reduced quality of life, and lead also to depression and health impairment.

Comments from Volunteers

Several people said they were no longer willing to volunteer because of the cost of petrol. Others will reduce what they do next year. This has significant implications for the community:

“Recent government research has indicated that Australians aged 55 and over contribute almost \$74.5 Billion dollars per annum in voluntary and unpaid caring work to the economy” <http://www.seniors.gov.au/internet/seniors/publishing.nsf/Content/Australians+over+50>

Increasing Isolation

Seniors said they stay home mostly, and only go out when necessary. They only shower and get dressed if they are going out. Many seemed depressed.

A young mother of two receiving Family Allowance said they now only visit the local grandparents – and rarely have visits to or from friends. They can't afford to go interstate to visit relatives this Christmas.

Impact on Vacations & Travel

Many of us feel we can not afford to visit friends and relatives. My brother-in-law in Central Queensland has motor neurone disease – I can't afford to drive there and back. I may never see him again.

Several pensioner couples told me they had cancelled their plans to drive to Cairns, and return by rail because of the petrol prices. Others have cancelled trips inland and around Australia. According to reports visitors to Diamantina Shire are down one third.

Psychological Impact

The most significant thing I noticed when asking people about the impact of petrol pricing on their lives was a feeling of helplessness. Pensioners are severely restricted – single pensioners who are homeowners have less than \$250 a week. By the time rates, insurance, and car registration, phone, electricity etc. are paid there is very little left for food, and other things that determine our quality of life. Petrol prices have gone up 23% in the last few months, but the pension only increased \$6 pf.

Resigned to Poverty

Many people seemed angry, but resigned to the limitations on their lives. Some are depressed – especially with not being able to see their family. Many were overwhelmed, and despairing. They are not able to spend as much on Christmas presents, visits, outings or other treats.

Few seemed to be able to squeeze more out of their budgets. Petrol, food, doctors – all cost more so the “discretionary dollar” amount is miniscule.

Public Opinions

“A Sensis consumer report polled 1500 people and found that soaring petrol prices were rated the highest consumer concern, replacing terrorism, the health system and the environment.” http://gscblog.typepad.com/management_blog/demographics/

Self-funded Retirees

During the hearing at Nerang, Mike Horan said the majority of seniors on the Gold Coast are Self Funded retirees. No one on the committee, or the representatives of Gold Coast City Council, and the Tourism Board refuted this. It is not true!

According to the 2001 census the Gold Coast is similar to other parts of coastal Australia. Approximately 50% of people over 65 are on the full pension, about 30% of men and 20% of women receive part pension. Thus only 20 to 25% do not receive any pension i.e. are Independent self funded retirees. Source: Whittaker Macnaught eBulletin 14 November 2005

Self-funded Retirees 2001 Census

55,962 residents over 65, and 97,334 over 55

38.1% of total Gold Coast residents earned less than \$600 per week

75.2% of Gold Coast City's over 55 year old residents earned less than \$600

61.3% of those over 55 earned less than \$400 a week (Full single pension was \$403.82 pf in 2001)

29.4% of over 55's earned less than \$200

Source: GCCC City Facts May 2004. Population Issues

Impact on Quality of Life

The perception that the majority of seniors on the Gold Coast are wealthy is erroneous. The impact of petrol pricing has very harsh implications for those on limited incomes – especially single seniors on the pension. It is critical that the committee acknowledges this. Other factors also impact on pensioners living on the Gold Coast. Our insurance premiums are higher – because of the high crime rate. Rent is going up all the time.

25% people live in rented houses or units on the Gold Coast.

<http://iplan.nsw.gov.au/print.jsp?page=/tweedheadtaskforce/eds/part4/index.jfp>

Public transport is poor, and inconvenient so the majority depend on driving themselves.

Stress

Many of my friends were professionals who like myself have ended up with limited funds through investment losses, divorce, etc. Most of us are on the full age pension, some are on part pension. We struggle to adjust – to increased petrol prices and other expenses - but there are limits. Obviously, not everyone has the skills and abilities to cope. Many of us are stressed out.

The following points were found during my research**Impact on Churches**

Reduced attendances at services and mid week events

Reduced income

Restrictions on home visits

Increased running costs

Some volunteers have cut back

Food costs increased – less for distribution

Retail

Reduced spending

More plastic – credit card debt especially for petrol

More returns

Fierce competition for retail discount \$

Some sectors worse than others

Jewellery, cars - down

Electronics – up

Vacation Destinations

Off season bookings down (about 1/3 in some cases)

Cheap airfares have helped some destinations

Strategies

Discount on petrol for Seniors Card holders.

Food outlets – Coles & Woolworths etc. could lower the amount for fuel discount to \$20 so we can actually get the discount. (We rarely spend \$30 on groceries.

Educational programs to help Seniors plan and adopt strategies to save on petrol costs. This could be included in the Over 55's Driver Training.

What can Governments do?

Reduce waiting lists at public hospitals so we are not forced to spend precious pension dollars on private health services.

Increase the Utilities Allowance – to \$400 to cover the impact of petrol pricing (State politicians could put pressure on their parties to lobby for this at the Federal level.)