

18 April 2009

[AFTSretirement@treasury.gov.au](mailto:AFTSretirement@treasury.gov.au)

Dear Mr Swan

I am advised by my local Member of Parliament, Mr Alan Griffin, that you are still taking submissions on the retirement income system and would like to state our views, on behalf of my husband and myself, who are retired and we are [removed for privacy reasons].

Like many others, we are self-funded retirees who spent years paying money into superannuation, giving ourselves less disposable income during our working years, specifically so we could look after ourselves in retirement and not draw a government pension. We retired at different times and each of us put our superannuation into allocated pensions and we also purchased some shares during our working life which provide some dividend income.

As you are aware, superannuation funds have taken a beating and so have share prices with the result that for us, our hoped for retirement income has reduced by many years. Although allocated pensions for seniors does not attract income tax, it also has no opportunity to keep up with prices, especially since the reductions. Each visit to the doctor costs \$54 of which we get back about \$34 from Medicare; each prescription costs around \$30-\$40 per month and if you are taking 4 items, that equates to \$160 per month for medication alone.

As other pensioners or whatever age are bulk billed and have subsidised medications, we feel we are discriminated against because we provided, we thought, for our later years. Many of those getting subsidised doctor and medical have never worked at all or paid any taxes and in addition to those subsidies also get rates, licence fees and telephone rental reductions, even stimulus packages.

Our other concern is proposed changes to the dividend imputation system, which at the moment gives some franking credits on share dividends. These dividends are what enable us to pay for things like glasses, car maintenance, Council rates and any repairs to our house. If there is to be a change to this there would be no incentive to invest in shares, just leave the money in the bank, which will then make the share market even worse, especially for those whose superannuation is invested by their funds into the share market.

I would request you consider the impact on retired people of any change to the dividend imputation system. Could you also consider subsidising all medications for people over 65, whether pensioners or not. It is rather galling to think those of us who raised our families before Baby bonuses and single mothers pensions, having done it on our own, see these people getting all sorts of concessions where none are given to those who acted responsibly and provided for their own old age.

Yours sincerely

Jill Delahoy