

QCOSS

Queensland Council
of Social Service

Cost of Living and age pensioner households



Issue 5, October 2017

From data available in July 2017

About QCOSS

The Queensland Council of Social Service (QCOSS) is the state-wide peak body representing the interests of individuals experiencing or at risk of experiencing poverty and disadvantage, and organisations working in the social and community service sector.

For more than 50 years, QCOSS has been a leading force for social change to build social and economic wellbeing for all. With members across the state, QCOSS supports a strong community service sector.

QCOSS, together with our members continues to play a crucial lobbying and advocacy role in a broad number of areas including:

- place-based activities
- citizen-led policy development
- cost-of-living advocacy
- sector capacity and capability building.

QCOSS is part of the national network of Councils of Social Service lending support and gaining essential insight to national and other state issues.

QCOSS is supported by the vice-regal patronage of His Excellency the Honourable Paul de Jersey AC, Governor of Queensland.

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Our thanks and appreciation to COTA for their support and review of this document and the to the many people who spoke to us about their experiences in managing cost-of-living pressures.

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Executive summary

This is the fifth age pensioner *Cost of Living Report* compiled by the Queensland Council of Social Service (QCOSS) since 2013. The report uses publicly available data to examine the incomes and expenses of four model age-pensioner households and explore whether they can meet a basic standard of living. This year, the data has been further examined through a series of focus groups with Queensland age pensioners.

This report demonstrates that rent, rates, utility costs and motor vehicle expenses continue to have a significant impact on the capacity of age pensioners to afford a basic standard of living. The data shows:

- Rising housing costs and the battle to meet those costs is the single biggest financial burden for pensioners, especially for those who rent in the private market.
- Single and couple households renting privately are most likely to be in housing stress (with almost 50 per cent of their gross income being spent on housing costs).
- Our model couple age pensioners who rent in the private market are not able to meet the costs associated with a basic standard living, and our model single renter is just able to meet their basic costs with only a few dollars to spare each week.
- Without further support, renters who rely on the age pension must make compromises about their expenditure to survive, thus undermining their quality of life.
- Concessions are critical in supporting age pensioners to manage cost-of-living expenses.

The Queensland Government estimates that the number of people aged 65 years and over in Queensland will more than double by 2036, reaching between 1.3 and 1.4 million persons¹. The cost-of-living pressures experienced by age pensioners in Queensland are therefore likely to affect a growing number of people and potentially place greater stress on social services in the future.

Our focus group sessions demonstrated that cost-of-living pressures are placing significant stress on age pensioners, with many constantly worried about having enough money to get by and cover basic expenses as they age. This is especially stressful as people worry about having enough money to pay for services so they can continue to live independently.

“It’s overwhelmingly stressful – how much do I have? How long will I live?”

“I don’t want to lose the control of having to go into a nursing home – so, you think “Oh I need to keep some money so I can bring in services to keep myself in my home”. But you don’t have that peace of mind. You’re worried about “Am I going to be able to keep going?”

“When you’re older, you’re worrying constantly about the future. We need to take the stress out of just living”

This report calls for targeted action to address the significant costs associated with housing for Queenslanders dependent on the age pension, and makes recommendations to improve the affordability of other key expenses affecting age pensioner households in Queensland.

A basic standard of living

The QCOSS has produced this *Cost of Living Report – Special Edition: The cost of living and age pensioner households, Issue 5* to gain a better understanding of the capacity of age pensioners to meet a basic standard of living.

As with QCOSS' previous *Cost of Living Reports*, this report uses very modest estimates to determine a basic standard of living for four model households. A basic standard of living is defined as "...one that goes beyond survival (for example, food, shelter and clothing) – it provides an opportunity for quality of life (incorporating health, safety, use of facilities and services, connecting with people, a holiday) and access to a modest number of things that contribute to social inclusion and wellbeing (such as recreation, entertainment and social outings)".ⁱⁱ

While this report allows for these items, it does so at a very basic level. It is imperative to consider that the findings within this report are based on a strict living standard that allows very little room for improvement or any buffer from unexpected costs that can significantly impact on the household, such as moving to a new house, illness or death, or natural disaster. QCOSS believes that as a community we should be ensuring all Queenslanders have access to a 'reasonable' standard of living that provides peace of mind for older individuals and supports a quality of life that we would all consider adequate.

In determining the income and expenditure for our model households, we have followed the same methodology as used in QCOSS' previous *Age Pensioner Cost of Living Reports*.ⁱⁱⁱ This year, the data has also been combined with information about the real-life experiences of age pensioners gathered through three focus groups conducted in September 2017 in Brisbane and Hervey Bay. QCOSS would like to acknowledge Council on the Ageing (COTA) Queensland and the Hervey Bay community for assisting QCOSS to arrange and facilitate these focus groups.

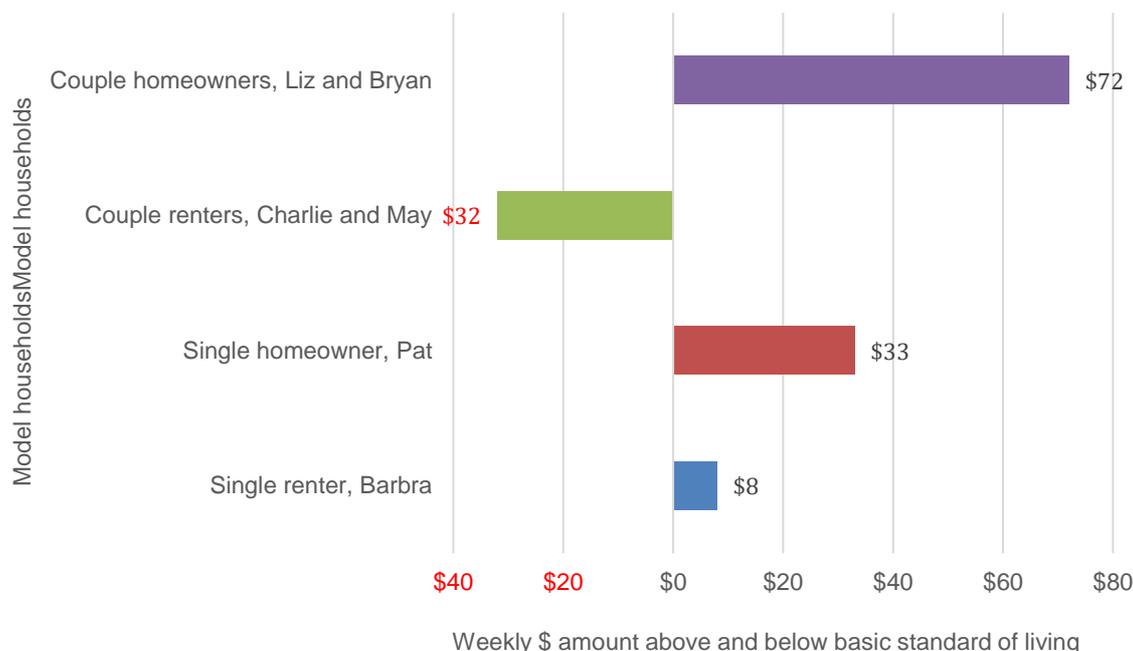
Recognising that older Australians "*generally want to remain independent and in control of how and where they live*"^{iv}, the assumptions in this report are based on four model households who live independently in Brisbane. The main differences between each of these households are the number of people in the household, the type and size of their housing, whether they own or rent their home, and the type of transport they use. This necessitates some differences in the way income and expenditure is estimated.^v The model households include:

- Barbra: aged 73, who rents a one-bedroom apartment and relies exclusively on public transport
- Pat: aged 73, who owns her own three-bedroom house (debt-free) and owns a small car
- Charlie and May: aged 75 and 73, who rent a two-bedroom apartment and rely exclusively on public transport
- Liz and Bryan: aged 73 and 75, who own a three-bedroom house (debt-free) and own a small car.

How are our model households faring?

The data suggests that renter households are continuing to struggle with the cost of living, especially couple renters who are unable to meet basic, essential weekly cost-of-living expenses (**Figure 1** and). Given this finding, we assume that many Queensland households in a similar situation are foregoing basic goods and services to survive, as they simply do not have enough income to meet basic costs.

Figure 1: Weekly amount above and below a basic standard of living, July 2017



This was certainly the message given by age pensioners who attended focus groups sessions in Brisbane and Hervey Bay, and who provided COTA with feedback via email. Specifically, participants mentioned how they have significantly modified their diet, neglected dental care, and try to only purchase items when on sale.

“Dining out appears as a total luxury and if done, eats into my budgeting” - Brisbane.

“Shopping needs to be controlled and sales are a necessity” - Brisbane

“I do most of my own cooking and I don’t buy processed things. I make my own dog food. You have to be careful about how you spend your money” – Hervey Bay

“As a single age pensioner, I don’t want two loaves of bread, just one that’s a reasonable price. I don’t need five kilos of potatoes, I want just a few. If I buy that huge bag, it’s much better value, but it’s actually not because you end up throwing a lot of it out” – Hervey Bay

“I get annoyed because Supermarkets have “Buy two for this price” and usually I only need one” – Brisbane

“I just eat very small meals now” – Brisbane

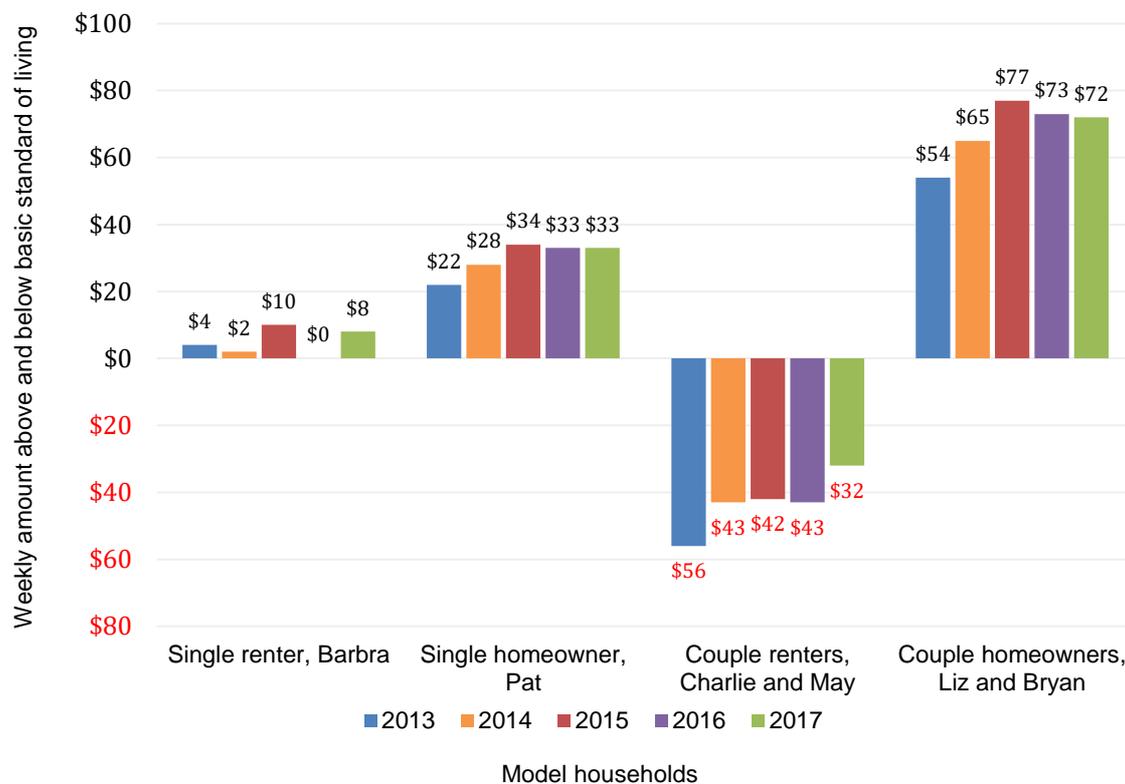
Table 1: Weekly budgets for our four model households, July 2017^{vi}

	Single		Couple	
	Renter	Home owner	Renter	Home owner
	Weekly expenses			
Food and Drink	\$85	\$85	\$171	\$171
Clothing and footwear	\$10	\$10	\$21	\$21
Rent (including water)	\$245	\$0	\$325	\$0
Electricity	\$17	\$18	\$19	\$19
Household contents and other services	\$46	\$59	\$46	\$59
Health	\$29	\$29	\$57	\$57
Private motor vehicle	\$0	\$78	\$0	\$78
Automotive fuel	\$0	\$17	\$0	\$33
Public transport	\$11	\$0	\$22	\$0
Phone/Internet	\$9	\$9	\$18	\$18
Recreation/Entertainment	\$26	\$26	\$56	\$56
Annual Holiday and Travel	\$5	\$5	\$9	\$9
Financial and Insurance	\$10	\$15	\$10	\$15
Emergency savings	\$10	\$10	\$10	\$10
Rates	\$0	\$20	\$0	\$20
Water and Sewerage	\$0	\$14	\$0	\$14
Household Maintenance and Repairs	\$0	\$18	\$0	\$18
Total weekly expenditure	\$503	\$413	\$764	\$598
	Weekly income			
Age Pension	\$404	\$404	\$609	\$609
Pension Supplement	\$33	\$33	\$50	\$50
Rent Assistance	\$66	\$0	\$62	\$0
Other	\$7	\$7	\$11	\$11
Tax	\$0	\$0	\$0	\$0
Total weekly income	\$510	\$444	\$736	\$670
Weekly difference	\$8	\$33	-\$32	\$72

Change in budget position

All model households have experienced modest financial improvements since 2013 (Figure 2). However, this is little comfort for our couple renters, Charlie and May, whose income remains insufficient to meet their basic living costs. Our single renter, Barbra, is also struggling with only \$8 per week to spare above her very modest budget. Our single homeowner's budget has 'flatlined' during the last three years, while the couple homeowner's budget has experienced a slight decline (Figure 2). Although our homeowners are better off compared to our renters, they have less than \$40 per week per person, which does not provide substantial savings to accommodate for an emergency.

Figure 2: Amount above and below a basic standard of living for four model households, July 2013 to July 2017^{vii}



Change in expenditure for our model households

As shown in Table 2, our homeowner households experienced increases in their annual expenditure of \$393 for a single person and \$581 for a couple. Expenditure for our single and couple renters remained relatively steady with increases of just \$2 and \$8 in their annual costs, respectively.

The differences in expenditure changes across our homeowner and renter households was largely due to differences in their expenditure items. Our homeowner households experienced increases in the cost of fuel, rates, and water and sewerage charges, which our renter households were not directly exposed to. While our renter households benefited from a significant decrease in their public transport costs. These trends are explored in more detail in the next section.

Table 2: Annual change in expenditure for each example household, July 2016 to July 2017

	Single renter (Barbra)		Single home owner (Pat)		Couple renters (Charlie and May)		Couple home owners (Liz and Bryan)	
	% change / year	\$ change / year	% change / year	\$ change / year	% change / year	\$ change / year	% change / year	\$ change / year
Food and drink	1.6%	\$71	1.6%	\$71	1.6%	\$142	1.6%	\$142
Clothing and footwear	-4.3%	-\$24	-4.3%	-\$24	-1.8%	-\$20	-1.8%	-\$20
Rent	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Electricity	2.2%	\$19	2.4%	\$22	2.5%	\$25	2.5%	\$25
Household contents and other services	-0.1%	-\$2	-0.1%	-\$3	-0.1%	-\$2	-0.1%	-\$3
Health	3.3%	\$47	3.3%	\$47	3.3%	\$95	3.3%	\$95
Private motor vehicle	0.0%	\$0	1.8%	\$70	0.0%	\$0	1.8%	\$70
Automotive fuel	0.0%	\$0	4.9%	\$41	0.0%	\$0	4.9%	\$82
Public transport	-20.6%	-\$146	0.0%	\$0	-20.6%	-\$291	0.0%	\$0
Phone / internet	-3.7%	-\$18	-3.7%	-\$18	-3.8%	-\$36	-3.8%	-\$36
Recreation / entertainment	2.4%	\$32	2.4%	\$32	2.4%	\$70	2.4%	\$70
Annual holiday and travel	1.7%	\$4	1.7%	\$4	1.8%	\$9	1.8%	\$9
Financial and insurance	3.7%	\$18	3.7%	\$27	3.7%	\$18	3.7%	\$27
Emergency savings	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0
Rates	0.0%	\$0	4.3%	\$42	0.0%	\$0	4.3%	\$42
Water and sewerage	0.0%	\$0	12.1%	\$80	0.0%	\$0	12.1%	\$80
Household maintenance and repairs	0.0%	\$0	0.2%	\$2	0.0%	\$0	0.2%	\$2
Total change in expenditure	0.0%	\$2	1.9%	\$393	0.3%	\$8	2.0%	\$581

Please note: Annual percentage and dollar amounts presented in Table 2 are based on unrounded weekly estimates. Annual estimates will differ from weekly estimates (such as those provided in Table 1, which are rounded weekly figures). This provides a more accurate reflection of the annual impact of changes in expenditure for each of the four households.

Housing costs

Based on the median rent data sourced from the Residential Tenancy Authority (RTA), rental costs have plateaued in 2017. The CPI data also shows a zero increase in rent between June 2016 to June 2017. However, the cost of rent remains a significant cost of living pressure for our renter households, making up 48 per cent of income for our single renter and 44 per cent for our couple renters (see Figure 3). Both renter households are therefore in significant housing stress – defined as where households spend more than 30 per cent of their income on housing costs.

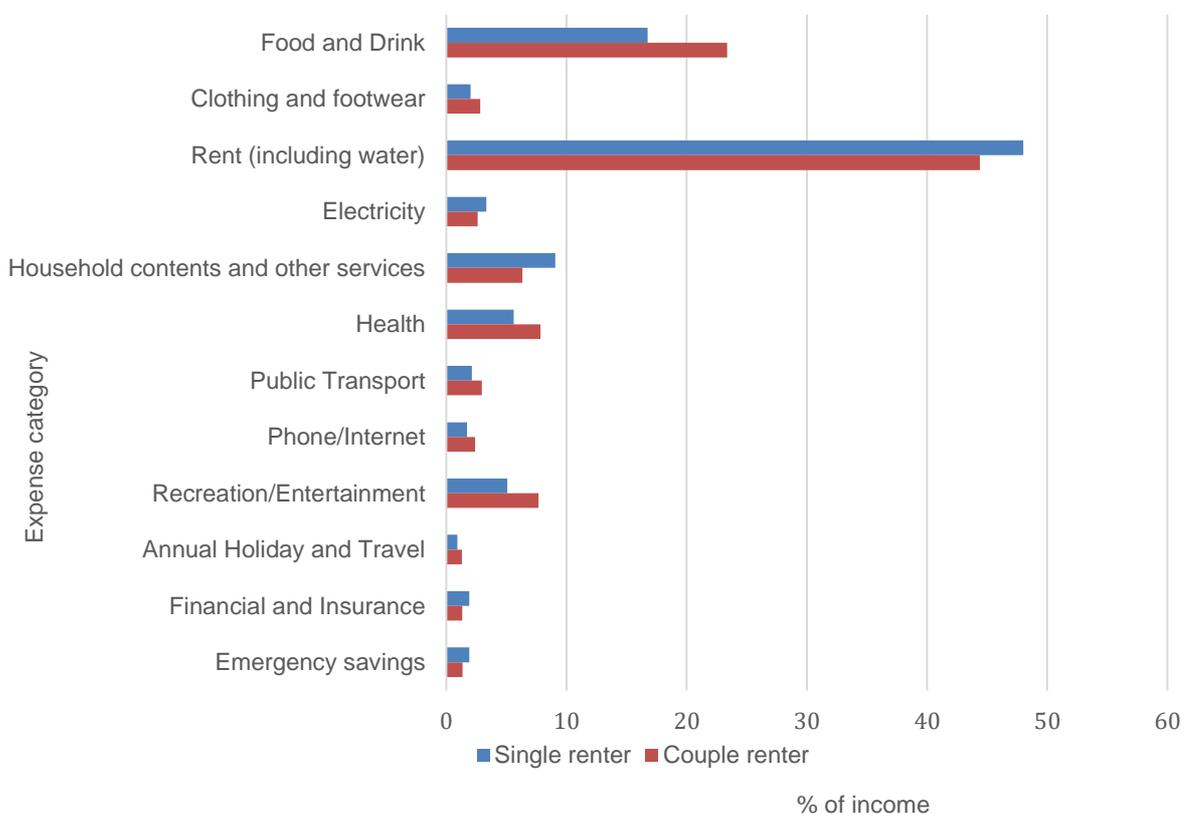
In addition, our renter household rent estimates are based on the cheapest suburbs in Brisbane, which change from year-to-year. Yet, it is physically, financially and socially difficult for age pensioners to readily move to the cheapest suburb, as highlighted by some focus group participants.

“I had to move earlier this year. All of a sudden I was without my home. And then you’ve got find all those moving expenses - about \$2,000 In moving. You don’t have that security.” – Hervey Bay

“It would cost thousands of dollars to move to a suburb with cheaper rents” - Brisbane

As 33 per cent of Queenslanders aged 65 and over who are renting are low-income households (that is: personal weekly income of \$400 to \$649) this is a critical issue. Housing stress is a key concern for age-pensioner households who rent, as echoed by the focus group participants.

Figure 3: Weekly expenditure as proportion of income, single and couple renter, July 2017



It is important to highlight that an assumption is made in this report that our homeowner households are debt-free with no mortgage payments to be made. The 2016 ABS Census data shows that the proportion of Queensland people aged 65 years and over who are paying off a mortgage has increased from 9.3 per cent in 2011 to 10.5 per cent in 2016^{viii}. While it is not yet at a level to constitute adjusting our methodology, it is a concerning trend.

Utilities: Electricity, water and sewerage costs

Utility costs were a key focus for participants at the focus groups, with some suggesting the family were a critical source of support to help age pensioners cope with their expenditure. For example:

“My wife has just paid her Mum’s water bill at over \$200 which for a single lady on a pension seems a fair bit” – Brisbane

“My electricity bill is \$360 per quarter. What pensioner can afford that?” – Hervey Bay

“They’re not saying why the cost of their services are going up. There’s no understanding about why. We don’t even have choice here.” – Hervey Bay

As seen in Table 2, there has been an increase in the cost of electricity across all model households, ranging from 2.2 per cent (for our single renter) to 2.5 per cent (for both couple households). Electricity prices were deregulated in South East Queensland (SEQ) from 1 July 2016, so the prices used are the standing offer prices of the retailer with the largest market share in SEQ. The Australian Energy Market Commission (AEMC) has identified that older person households are more likely to remain on higher priced standing offers, as they are less likely to shop around and switch retailers.^{ix}

Annual water and sewerage costs for our homeowner households increased by 12.1 per cent (or \$80) for our couple and single homeowners (see Table 2). This is a smaller increase than the \$141 annual water price rise experienced last year. However, Brisbane City Council and Queensland Urban Utilities have ceased offering their 40 per cent water remission to new customers, which has a significant impact on the outcome for both of our homeowner households, increasing their annual water and sewerage costs by \$5 per week.

Our methodology assumes that our renter households do not pay for water. However, under the *Residential Tenancy and Rooming Accommodation Act 2008*, landlords may pass the water usage charges onto their tenants if the tenancy agreement indicates there are water efficiency devices in the home. If our renter households were charged for water usage their expenditure would increase by \$373.73 per year (or \$7.19 per week). Unlike our homeowners, our renter households would not be eligible to receive the Queensland Government’s Pensioner Water Subsidy. This would push our couple renters, Charlie and May, even further below a basic standard of living – and leave our single renter, Barbra, with nothing left at the end of the week for unexpected expenses.

Transport: Public transport, car registration and fuel

Both renter households benefited from reductions in the cost of public transport this year. Public transport costs reduced by 20.7 per cent for our couple renters and 30.95 per cent for our single renter, compared to last year. This change was driven by reductions in public transport fare structure^x. In December 2016, South East Queensland public transport zones were reduced from 23 to eight. For example, zone 2 became zone 1, zone 3 became zone 2, and zone 6 became zone 3, and so on. This reduction in fares resulted in a saving of \$3 per week for our single renter and \$5 per week for our couple renter.

Our homeowners are assumed to use their own vehicle and therefore did not benefit from the reduction in public transport costs. In fact, their transportation costs increased with the biggest change being an increase in the cost of automotive fuel (see Table 2). Based on CPI data, our single and couple homeowners both experienced a 4.9 per cent increase in fuel expenditure from June 2016 and June 2017. This equates to an overall budget increase \$41 and \$82 per year for the single and couple homeowners, respectively.

The impacts of the increases in the vehicle and fuel costs are likely to be exacerbated in regional and rural areas. Households in regional areas of Queensland typically pay higher fuel prices, for example in Cairns fuel prices are consistently higher than the rest of the country.^{xi} In addition, residents in rural and regional areas typically travel further than metropolitan areas^{xii}, therefore, the cost of fuel is likely to be a larger proportion of their overall expenditure. Moreover, given the lack of accessible public transport options in many rural and regional areas, more age pensioners will need to rely on private vehicles.

Health costs

Health expenses are a notable cost for seniors and have increased 3.3 per cent between June 2016 and June 2017 for our households (see Table 2). This equates to \$47 per year for our single renter Barbra and single homeowner Pat and \$95 per year for our couple households (see Table 2).

It is important to note that changes in the cost of health care are taken from the CPI which includes costs associated with private health cover^{xiii}. This may not directly reflect health care costs for low-income households relying on the age pension who are less likely to have private health cover or use private hospital services. This was certainly the message from our focus groups with age pensioners.

"I don't know how any pensioners afford private health insurance. The payments are horrendous. But then if you go to hospital you still have to pay thousands on top!" – Hervey Bay

While these figures demonstrate how health costs have changed based on CPI, we know health expenses can vary dramatically across pensioner households depending on their circumstances and life events. Health costs can not only vary significantly across individuals, but can also be experienced as unexpected spikes in expenses that can dramatically change a households' budget position. With three of our model households having only a slight surplus above a basic standard of living (and our couple renters not at all), an unexpected increase in health costs can have a significant impact on the cost of living and in some instances, create a cycle of poverty which is difficult to recover from.

Age pensioners in Hervey Bay talked about needing to travel for specialist medical services not available locally. The Queensland Government's Patient Travel Subsidy Scheme subsidises some travel and accommodation costs for medical appointments. For example, commercial transport (air, bus or rail) is paid at lowest available discount fare, private vehicle use is subsidised at \$0.30 per kilometre, \$60 per person per night is paid for commercial accommodation and \$10 per person per night for private accommodation^{xiv}. However, age pensioners still incur expenses not covered by the subsidy, such as additional accommodation and vehicle expenses, as well as the cost of meals or taxi fares.

Changes to income

While some pensioners have access to superannuation or other forms of income in conjunction with the age pension,^{xv} our model households rely on the age pension as their primary source of income.^{xvi} Reliance on the age pension can be influenced by a range of circumstances.

For example, older women are overrepresented as age pension recipients and are more likely to receive the maximum rate, because it is more difficult for women to earn enough superannuation through either compulsory or voluntary contributions over the course of their working life.^{xvii} Only 10 per cent of retiring women cite their main source of income as superannuation, compared to 25 per cent of men^{xviii}. As such, it remains vital that the age pension is adequate and keeps pace with living costs.

Age pension

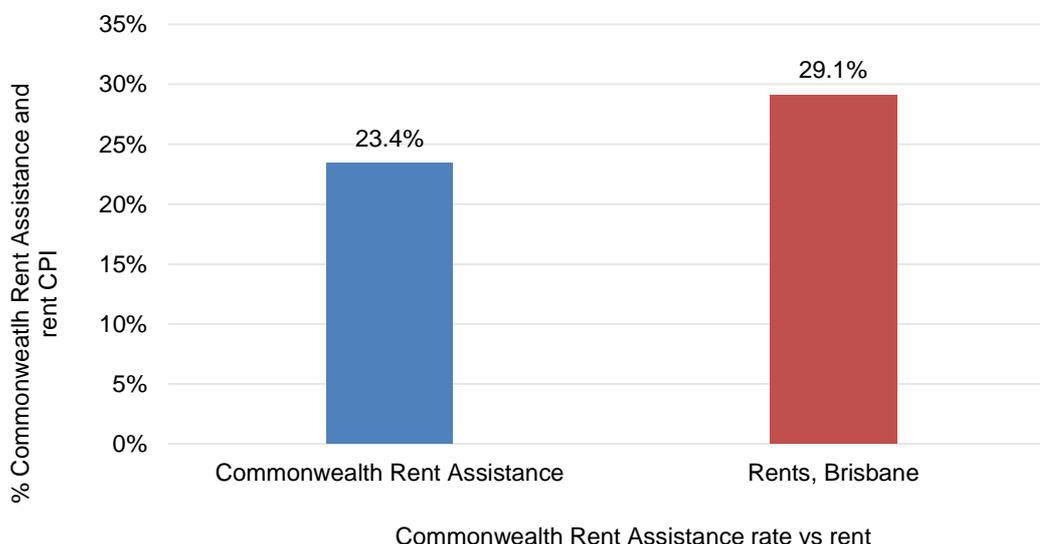
Unlike many other income support payments, the age pension is currently indexed twice each year by either the Consumer Price Index (CPI) or the Pensioner and Beneficiary Living Cost Index (PBLCI), whichever is highest. It is then checked against Male Total Average Weekly Earnings (MTAWE) and if the age pension is lower than 41.76 per cent of MTAWE, this amount is used, instead of CPI or PBCLI, to set the couple rate for the age pension.

The single rate of pension is then set at 66.33 per cent of the combined couple rate. Because of this method, it is more likely that the age pension will increase at a rate equal to or higher than costs, compared to other income support payments^{xix}. However as evident in the information provided within this report, the current age pension rate is still insufficient for some age pensioner households to afford a basic standard of living.

Commonwealth Rent Assistance

Much of the difficulty that renters face within the private rental market results from the high and increasing cost of renting, coupled with the inadequate level of support provided. While CPI data demonstrates that the cost of rent in Brisbane has not increased in the past year, it has increased by 9.6 per cent during the past six years. However, it is evident that assistance provided through the Commonwealth Rent Assistance scheme has failed to keep up with private rental prices (see Figure 4).

Figure 4: Increase in the maximum rate of Commonwealth Rent Assistance versus rents in Brisbane (using rent category of CPI), March 2008 to June 2017.



Concessions

The financial stresses experienced by our model households would be much worse if they did not benefit from several Queensland Government and Brisbane City Council concessions. Currently, age pensioners are eligible to receive concessions on electricity, gas, car registration, public transport, council rates, water charges, and the Emergency Management, Fire and Rescue Levy.

The value of these concessions is set by various means. The Queensland Government's Electricity Rebate is increased in line with changes in electricity costs for a 'typical' residential customer as determined by the Queensland Competition Authority each year. This year the rebate increased by 3.3 per cent in line with the rise in regional Queensland electricity prices on average from 1 July 2017.

However, the Queensland's Government's Pensioner Water Subsidy of \$120 per year has not increased since it was introduced, despite water and sewerage costs increasing by 34.2 per cent during the past six years.

A few concessions are percentage-based, and thus do not need to be indexed each year. For example, age pensioners receive a discount of 50 per cent off adult Public Transport fares, 40 per cent off rates from Brisbane City Council, and 20 per cent off the Emergency Management, Fire and Rescue Levy. Percentage based concessions are more effective in ensuring that the assistance provided adjusts as costs increases (or decreases) over time.

Figure 5 shows the impact of concessions on each of the four households' capacity to meet a basic standard of living. It is clear from this analysis that government and local council concessions play a significant role in supporting age pensioners to meet a basic standard of living. It is important to note that these concessions are based on the South East Queensland location of our model households. Some of these concessions are not available in regional areas, placing additional stress on households in these communities.

Figure 5: Amount above and below a basic standard of living for four example households, with concessions and without concessions, July 2017



Recommendations

It is clear that age pensioners, and especially those who rent, are battling to meet a basic standard of living.

With almost half of our renter households' budgets taken up with rental costs, urgent action is needed to address the significant problems facing the growing proportion of older Queenslanders who rent in the private rental market. QCOSS calls on the state and federal governments to support the following measures:

- Review the maximum rate and indexation of Commonwealth Rent Assistance (CRA) to ensure payments accurately reflect the cost of rent over time.
- Improve access to appropriate public and community housing for age pensioner households. This includes renewal of existing stock to ensure it is appropriate in size, accessible for older Australians with mobility issues, and located in areas of high connectivity for social inclusion and easy access to services^{xx}.
- Use incentives to encourage the development of appropriate housing stock through the private market. This could include a state based scheme similar to the National Rental Affordability Scheme which encourages the construction of low-cost housing and the use of other planning tools which encourage the construction of low-cost housing appropriate to the needs of older Queenslanders.
- Complement investment in affordable housing with targeted schemes that assist low income households into home ownership to decrease the number of households relying on the private rental market and social housing in their retirement.

QCOSS acknowledges that the Queensland Government assists age pensioners through the provision of a range of targeted concessions. While there is no doubt that these payments have a positive impact on age pensioners, QCOSS is concerned that some concessions are inadequate or not reaching those most in need. We therefore recommend the Queensland Government constitute an independent body to comprehensively review all existing concessions with a focus on:

- Ensuring concessions are adequate to provide an appropriate level of assistance as the cost of essentials change over time. This can be achieved by providing percentage-based concessions off the usage of essentials such as electricity and water where costs can fluctuate seasonally.
- Extending the Queensland Government Pensioner Water Subsidy to renters who pay their landlord for their water usage.
- Monitoring payments of concessions against the numbers of people eligible for those concessions to address gaps in awareness and uptake.
- Ensuring concessions are well-promoted with information accessible via communication channels and formats appropriate for older Queenslanders.

While this report provides a useful insight into cost of living pressures experienced by age pensioners, it is important to recognise there are a diversity of experiences and outcomes for age pensioners across the state depending on their individual experiences and circumstances. For example, while this report uses data from Brisbane, age pensioners living in rural, regional and remote parts of Queensland are likely to face very different cost of living pressures and may be in significantly worse budget positions as a result.

It is also important to consider not only the outcomes for age pensioners in broad terms, but the outcomes for those who may experience multiple disadvantage due to gender, isolation, impairment or life circumstance.

Age pensioners are clearly significantly affected by cost of living pressures and especially the rising cost of rent and other essentials. It is imperative that all levels of government work together to ensure age pensioners can afford a basic standard of living for a life with dignity.



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ⁱ Queensland Government Statistician's Office, 'Queensland Government population projections', 2015 edition, <http://www.qgso.qld.gov.au/products/reports/qld-govt-pop-proj/qld-govt-pop-proj-2015-edn.pdf>

ⁱⁱ Queensland Council of Social Services 2015. 'Cost of Living Report – Special Edition: The cost of living and age pensioner households', Issue 3 2015.

ⁱⁱⁱ All cost estimates rounded to nearest dollar. A year based on 26 fortnights, 52 weeks, or 365 days.

Emergency savings. Assumed to be \$500 per year/\$10.00 per week for a household. **Rent.** Assumption about dwelling type - 3BR house for home owners, 2BR apartment for couple renters and 1BR apartment for single renter. **Electricity.** Standing Offer prices from Origin Energy for 2017/18. All households receive electricity rebate. Use average household use in Queensland of 4,053 kwh/day. Assume single renter uses 70 per cent of average consumption, single home owner uses 75 per cent of average consumption and couple renter and home owners use 80 per cent of average. **Transport.** Assume single and couple renters rely solely on public transport – one round trip over two zones and three round trips over one zone per person per week all with concession and in off peak. Assume that single and couple home owners rely on a private vehicle. Private motor vehicle and fuel costs are based on HES figures and indexed based on CPI data. Assume single homeowner travels 5,000 km/year and couple home owners 7,000 km/year and both are eligible for 50 per cent rebate on registration costs. **Rates** Use Average Rateable Value (ARV) for Brisbane from Valuer General and 2017-18 Brisbane City Council rates charges. Assume eligibility for pensioner remission for rates charges from both state and local government and pensioner subsidy for Emergency Management, Fire and Rescue Levy. **Water and Sewerage** Water use from National Water Commission. Assume pensioner usage at 75 per cent of Brisbane average. Water and sewerage based on charges for Brisbane in 2017-18 from Queensland Urban Utilities. Assume eligibility for state government rebate subsidy. **Other estimates.** Food, alcohol and clothing, based on spending by the second income quintile of the 2015/16 HES survey. Recreation and annual holiday based on spending by the second income quintile of the 2009/10 HES survey (as relevant data not available from 2015-16 HES data at time of publishing). Health, household contents and services and phone/internet based on spending of people receiving age pension from the 2009/10 HES survey. House and contents insurance based on spending in Brisbane from the 2009/10 HES survey. Queensland data is used where possible (QLD), but Australia-wide data is used for disaggregated items (AUS). The \$ amount from the HES is adjusted by the relevant CPI component inflator for Brisbane, using the index values for June 2010 (the base year for the 2009/10 HES survey) and June 2017. **Income.** The Centrelink Online Estimator was used to estimate government support payments as at July 2017. The main inputs were rent (see cost estimates) and age. For further details of this method please refer to Queensland Council of Social Service 2011. *Cost of Living Report*. Issue 1, June 2011 <http://www.qcross.org.au/content/cost-living-report-issue-1-may-2011>

^{iv} Productivity Commission 2011. *Caring for Older Australians*. Productivity Commission Inquiry Report Overview No. 53, 28 June 2011 http://www.pc.gov.au/data/assets/pdf_file/0016/110932/aged-care-overview-booklet.pdf

^v For example, our home owner households have additional expenses associated with council rates and charges and household maintenance and repairs but do not have significant ongoing housing costs, such as those associated with renting a property, and are therefore ineligible for Commonwealth Rent Assistance.

^{vi} Note: Concessions and subsidies that relate to specific expenditures have been incorporated into the expenditure figures.

^{vii} The historic overall budget positions for our home owner households have been updated in this edition with amendments as per endnote 11.

^{viii} Australian Bureau of Statistics 2016, 'Housing tenure Queensland', TableBuilder. Findings based on use of ABS TableBuilder data.

^{ix} AEMC, 2015, Final Report, 2015 Retail Competition Review. p57. <http://www.aemc.gov.au/Markets-Reviews-Advice/2015-retail-competition-review/Final/AEMC-Documents/Final-Report.aspx>

^x TransLink, 2017, 'Fares', <https://translink.com.au/tickets-and-fares/fares-and-zones/current-fares>

^{xi} Vlasic, K. 29 July 2016. The Cairns Post. Cairns Motorists urged to have their say on fuel prices. <http://www.cairnspost.com.au/business/cars/cairns-motorists-urged-to-have-their-say-on-fuel-prices/news-story/2de76ce45e0a2277804649542a0b3b13>

^{xii} Australian Government Department of Infrastructure and Regional Development, 2015. Australia's commuting distance: cities and regions. https://bitre.gov.au/publications/2015/files/is_073.pdf

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- ^{xiii} Australian Bureau of Statistics 2015 6401.0 - Consumer Price Index, Australia, Jun 2015
<http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/6401.0Main%20Features2Jun%202015?open=document&tabname=Summary&prodno=6401.0&issue=Jun%202015&num=&view=>
- ^{xiv} Queensland Government, 2017, 'Travel assistance: Patient Travel Subsidy Scheme',
<https://www.qld.gov.au/health/services/travel/subsidies>
- ^{xv} Unfortunately, households that rent are generally on lower incomes than those that own their homes resulting in lower superannuation balances Source: CPA Australia 2012. *Household savings and retirement: Where has all my super gone?* Oct 2012
<https://www.cpaaustralia.com.au/~media/corporate/allfiles/document/professional-resources/superannuation/household-savings-retirement.pdf?la=en>
- ^{xvi} As recent research has shown some households are using their superannuation to pay off mortgages after living beyond their means in the period before retirement, leaving them to become solely reliant on the age pension for their retirement income. Source: CPA Australia 2012. *Household savings and retirement: Where has all my super gone?* Oct 2012 Ibid ^.
- ^{xvii} Marie Coleman AO PSM and Helen Hodgson; '*WOMEN'S VOICES: Report from consultations on factors influencing women's decisions on work-force attachment, including tax and transfers Including technical analysis and recommendations*'; September 2011.
<http://www.actu.org.au/media/349567/national-foundtion-for-australian-women-womens-voices.pdf>
- ^{xviii} Australian Bureau of Statistics, Retirement and Retirement Intentions, cat. No 6238.0 (2013)
<http://www.abs.gov.au/ausstats/abs@.nsf/cat/6238.0>
- ^{xix} Parliament of Australia 2014. 'Pension indexation: a brief history'.
http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2014/April/Pension-indexation
- ^{xx} Queensland Shelter 2009. Positively ageless: Developing a Queensland seniors' strategy.
<http://www.gshelter.asn.au/files/Seniors%20Submission%2016%20Dec%202009.pdf>



