

SUBMISSION

We are writing to express our utter dismay and complain in the strongest possible terms about the proposed changes in the Draft IPART Report into the Opal Fare Structure and in particular to the changes proposed to Gold Opal Card Fare Structure contained within the draft report. The proposed changes are mean-spirited and represent a direct attack on the elderly and with particular emphasis on self-funded retirees. They are blatantly unfair, biased, harsh and discriminatory and are premised on the myth that the majority of self-funded retirees are rich multi-million dollar retirees with income levels to match. Nothing could be further from the truth in relation to the vast majority of self-funded retirees. That miniscule and tiny percentage of people who fall into that category by and large do not avail themselves of public transport and the authors of that report obviously have done very little in-depth research into the travel patterns as well as the income levels and wealth of the vast majority of self-funded retirees, who are the target of these half-baked and ill-considered proposals. There has been no income profiling of seniors, be they self-funded retirees or pensioners. Rather, the authors of the report have made assumptions without any empirically based evidence and based upon popular misconceptions of self-funded retirees. Accordingly, the assumptions underlying the report are flawed and are without credibility.

My partner and I have saved all our working lives to put away money into superannuation so that we would not be a burden on the taxpayer. We have always paid our rightful share of tax and have not accessed the social security system during our working lives. We are unable to work now due to poor health and medical issues. The amount of money we have put aside is very modest and due to a tightening of the assets/income eligibility test, we will in all likelihood be unable to access the Commonwealth aged pension system. We are **not** "leaners" as the former Commonwealth Treasurer, Joe Hockey, offensively liked to categorise those now retired and not in employment. We have worked our entire working lives. Apart from the transport concession currently available in New South Wales to seniors, we do not enjoy any rebate in relation to council rates, health, utilities, car registration etc. The amount of income which we currently get is modest from the equally very modest amount we have put aside to fund our retirement and this, we would submit, is the case of the vast majority of self-funded retirees. Our retirement savings are also subject to the vagaries of the stock market and as you are no doubt aware people like us have suffered enormous falls in the value of our savings due to the global economic crisis daily. Our income is fixed and is not indexed to account for cost of living rises. The transport concession is the only concession we have which we will lose under the proposed changes to be replaced by a 260% increase in cost. This is a monstrously callous proposal which will cause enormous hardship to seniors/self-funded retirees. Under the proposed changes, if one used the Gold Opal Card for 7 days at a cap of \$9.00 as proposed, the cost would be a staggering \$63.00 for seniors. This is an outrageous and preposterous proposal and targets a group which is vulnerable, elderly and in most cases unable to absorb such an increase without considerable hardship. How this can be justified beggars belief. If this were to occur in private enterprise, it would lead to calls for government intervention! It is frankly tantamount to extortion and represents a direct attack on the lifestyle of seniors and their ability to enjoy what little time is left of their lives. It penalises those who have attempted to provide for their own retirement. All we are asking for after having paid our rightful taxes for our entire working lives is to be able to access this small concession as elderly Australians having contributed to the economy of this country

and State for our entire working lives. Surely this is not too much to ask of society and the government.

By way of comparison, the cut off point for the asset test for the aged pension for a couple owning their own home is \$823,000. If one calculates what one can reasonably get in income for this amount (presently 2.5% with the major banks if one does not withdraw any money and even less if you have any income stream from this money) is approximately \$20,575 per annum for a couple. This compares with a pension of \$34,923.00 with assets less than \$300,000. This amount does not factor in any rebates an aged pensioner gets in relation to council rates, health, utilities, car registration etc which are of enormous financial benefit to pensioners meeting the costs associated with day to day living on a fixed income. It pays an elderly couple to spend their money down to the asset limit in order to get a pension of \$34,923. If one calculates the interest on \$523,000 i.e. (\$823,000- \$300,000) at 2.5% as noted above, this is only \$13,125.00 compared to the loss of \$34,923.00. These figures are based on 2017 figures when we would theoretically be entitled to an aged pension. I draw your attention to an article by Daryl Dixon in the Sydney Morning Herald on the 13th December 2015 which draws attention to the plight affecting self-funded retirees and the cost pressures they now face. <http://www.smh.com.au/money/investing/challenging-investment-times-ahead-20151209-glj73r.html>

The proposed changes not only will discourage seniors and for that matter pensioners in general from using public transport because of cost which would appear to be at odds with and make a mockery of the State Government's policy of promoting and encouraging public transport usage and removing cars from congested roads. It also appears to be a breach of trust in relation to the pledge by the State Government at the last state election not to change the Opal structure in relation to pensioner/senior tickets. The State Government recently embarked on a very public media campaign to encourage seniors to switch from paper tickets to the Gold Opal Card. We were told at the last election that the \$2.50 cap would remain and there was no mention of changing eligibility rules to exclude seniors from the Gold Card. To now change the rules and to adopt these harsh, mean-spirited and unconscionable proposals represents a complete breach of trust by the Government with the elderly who voted for it. We, as a group, rarely use public transport in peak periods. We use it in off-peak periods and therefore it represents efficient and good utilisation of public transport quite apart from removing private motor vehicles from our congested roads.

Be under no illusion that these proposals, if adopted, will have an impact on the popularity of the State Government. Most of our contemporaries and friends we have spoken to are aghast at what is proposed. There is no mandate for such changes. They are seen as unfair, harsh and targeting elderly people and their ability to enjoy the twilight years of their life. The distinction between senior and pensioner is artificial, and is based on the urban myth that self-funded retirees are somehow extremely wealthy. No other State Government to our knowledge makes such a distinction penalises seniors who are not in receipt of the Aged Pension. These proposals, if adopted, would make New South Wales the most costly State in the Commonwealth in relation to public transport fares for seniors and for that matter pensioners and have the dubious honour of being the only State in the Commonwealth to penalise and discriminate against those senior citizens not in receipt of the Aged Pension or War Widow's Pension. What a wonderful reputation to have!

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