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Pension reform must be serious not superficial

Recent press reports of leaked aspects of the forthcoming Harmer review of pensions suggest that Dr Harmer is unlikely to present to the government the kind of report that will lead to fundamental reform of the pension system. If that is the case, a vital opportunity will have been squandered, and a grave disservice done to public policy and the interests of older Australians. It will also render the government's promises about fundamental pension reform largely vacuous.

'It is disturbing to read, from what appear to be well-placed and official sources, a report that highlights a \$35 dollar increase in the single pension, and statements that Dr Harmer will present findings but not draw conclusions,' said COTA Over 50s Executive Director, Dr Geoff Bird.

'The simple fact is, everyone from the Prime Minister down knows that pensions are inadequate, and a \$35 a week increase for singles is far from sufficient. Any number of inquiries, from Senate committees to national surveys, have already presented findings about the plight of pensioners. The task is to design a viable system of adequate pension entitlements as a genuine pillar of Australia's retirement income system.

'At the risk of prejudging Dr Harmer's report, the leaks send a cold shiver up my spine. We should not allow the current financial crisis to deflect us from the reform agenda. Ministers have repeatedly said that the Harmer and Henry reviews are all about getting it right for the long term. It is vital that Harmer gives the government solid advice on how to reform the pension system.'

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