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### **Pensioners still losing ground**

Changes to pensioners' payments that come into effect this week will still leave them struggling to make ends meet let alone enjoy a modest quality of life.

"In parliament yesterday, the Prime Minister was upfront about the situation that pensioners are facing. Mr Rudd said that it was 'very tough out there given the cost of living pressures they are under'. I can assure Mr Rudd that those pressures are getting worse", said Dr Geoffrey Bird, Executive Director of the peak seniors' group COTA Over 50s.

"For years the ABS figures have consistently shown that the living costs of age pensioners have the highest rate of increase. Increasing the pension by 1.7%, or about \$4.50 a week, will barely put a couple of lamb chops on the table. Petrol has gone up over 7% the last quarter, so transport and bus fares have risen. Dental costs, rents and insurances are all up. On the food front, milk is up 5.6%, bread is up 2.7%, cheese up 4.9%, and poultry up 4.1%. These are the sorts of things that pensioners buy. They're not taking holidays and buying plasma televisions.

"We heard from a NATSEM report this morning the disturbing fact that people are taking more debt into retirement with more than twice as many people aged over 60 still paying off a mortgage compared to the same age group in 1995-96. Most of the calculations around the income needs of retirees assume that they own their own home outright. This development will add further to the range of cost pressures on pensioners.

"We have to make serious changes to the income support arrangements for older Australians. Despite an improved superannuation system in recent years, the pension will still have to provide the bulk of older people's income. The situation for older women looks particularly bleak, as they have not had the same opportunities as men to build up super."

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