



the voice of older Australians

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MEDIA RELEASE

20 March 2008

Older Australians need action, not talk, on cost-of-living pressures

The Senate report on cost of living pressures on older Australians released today confirms what seniors on low incomes already know from daily experience. It is very tough trying to make ends meet. The report acknowledges that the number of older Australians struggling to meet living costs will continue to grow.

"We need to get serious about enabling older Australians to live with some dignity and comfort instead of the constant worry of paying bills and being excluded from participation in the sorts of activities that the rest of us take for granted," said Dr Geoffrey Bird, Executive Director of the national seniors' organisation COTA Over 50s. "The report canvasses the issues well, but we would like to have seen much more robust recommendations flowing from its analysis."

"In its submission, COTA Over 50s argued strongly for an increase in the single age pension from 60 per cent to two-thirds of the pension rate for couples. We also made the case for establishing a taskforce to develop sustainable strategies, and report to parliament, on ways of ensuring all older Australians could achieve an income that would provide for at least a modest quality of life in their senior years."

"We are pleased that the Committee's first recommendation calls for the setting of pension levels to be informed by thorough economic analyses of the amounts needed for a modest standard of living. There is already a lot of research pointing to an income of \$19,000 per year for a modest lifestyle.

"The Committee has highlighted the plight of low-income single pensioners, especially women, but has fallen short of recommending, as a minimum, the increase we sought in the percentage rate for singles compared to couples. The recent pension increase of \$9.40 a fortnight

based on the CPI is a nonsense, because the expenditure patterns of seniors diverge significantly from the average basket of goods and services measured for CPI purposes.

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"I am a bit disturbed by the view that the age pension is simply about alleviating poverty," said Dr Bird. "The Committee itself says that the contributions of older Australians have been instrumental in helping to build the country's current prosperity and high standard of living, and that they continue to shoulder a substantial burden of volunteer and unpaid caring responsibilities. On that basis, older Australians have earned the right to a healthy and dignified retirement.

"For current cohorts of retired Australian taxpayers a modest retirement would require an increase in the age pension as most people in that group have not had the benefit of the current superannuation system. Most have spent what they earned bringing up families and paying mortgages, often on average incomes or less."

"The Committee's recommendation on dental care is very weak. Everyone knows the dire plight of many people, especially seniors, when it comes to dental health. COTA Over 50s commissioned and presented to government in 2007 a sophisticated economic analysis demonstrating that preventive oral health care for people over 65 would deliver a net gain of \$42 million through savings on serious illnesses arising from poor dental hygiene. Action, not words, are needed."

COTA Over 50s will carefully monitor the government's response to the Committee's recommendations, and will work closely with policymakers to ensure that older Australians can achieve an adequate level of income to support a modest quality of life and to help them age well in the community.

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