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**MEDIA RELEASE**  
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**Pension proposal risks backlash**

Recent press reports of leaked aspects of the forthcoming Harmer review of pensions suggest that an increase of around \$35 may be offered to single pensioners – but there seems to be nothing for couples, and in any case, the amount is ludicrously inadequate.

‘I am staggered that National Seniors spokesman Michael O’Neill seems content with the proposal’, said COTA Over 50s Executive Director, Dr Geoffrey Bird. ‘Mr O’Neill told ABC Radio this morning that a \$35 a week increase means that the days of pensioners going without will cease. He must be the only person in Australia who thinks so.

‘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. Independent analysis has consistently shown that around \$100 a week increase is needed to deliver even a very modest standard of living.

‘Mr O’Neill seems to think that the current financial crisis prohibits a decent standard of living being delivered to pensioners. Ministers have repeatedly said that the Harmer and Henry reviews are all about getting it right for the long term. It is vital that we set the pension system on a solid footing now, rather than have the current sorry state of affairs plod on indefinitely with all the stress and heartache and poor health outcomes that flow from pensioners having to go without, especially as costs continue to rise.

‘The current financial crisis will see more and more self-funded retirees having to turn to the pension. I am sure that they will be very unhappy with the severe frugality that is in store for them.

‘The task is to design a viable system of adequate pension entitlements as a genuine pillar of Australia’s retirement income system. If Dr Harmer fails to present to the government the kind of report that will lead to fundamental reform of the pension system, a vital opportunity will have been squandered, and a grave disservice done to public policy and the interests of older Australians.’

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