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BRINGING HENRY REVIEW FORWARD A SMART MOVE

Peak policy body COTA Over 50s has welcomed the announcement that Treasury Secretary Ken Henry will report on the retirement income system as early as March next year. His report will complement the advice on pensions coming from the Harmer review.

"When we pressed the former Coalition government for a proper review of pensions it fell on deaf ears", said Executive Director, Dr Geoff Bird. "The Rudd government has taken the matter seriously, and we now have the outcomes of comprehensive policy reviews about to be presented. We will be scrutinising those outcomes closely, but we have high hopes that they will deliver what is needed.

"COTA Over 50s has lobbied hard for the bonuses that are flowing to pensioners this week. They are very necessary to tide pensioners over until full reforms are implemented. Suggestions by some politicians that the money will go on beer and pokies are offensive and reflect an abject failure to appreciate what many older Australians are up against.

"While the money will certainly support the government's stimulus strategy, the bonus is totally justified in its own right as a response to genuine hardship. I hope that pensioners will be able to earmark some funds for Christmas cheer, but for the most part, the money will be budgeted carefully across the next few months. That's the way it is when you are on a pension.

"COTA Over 50s has stressed in its submissions to government that the whole retirement incomes system needs an overhaul, not just taxpayer-funded pensions. We are pleased that the government is focused on the three pillars of pensions, superannuation and savings. If any one of those pillars fails, the system collapses."

"COTA Over 50s has long advocated a retirement incomes system based on the actual cost of living in modest circumstances commensurate with contemporary Australian standards. A pension of 35% of male total average weekly earnings seems a good place to start. Older Australians have contributed throughout their lives, and still have much to offer in their senior years. A decent level of retirement income will strengthen their capacity to age well and remain productive citizens."

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