

## MEDIA RELEASE

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### **Budget 2014: pensioners in the firing line**

Single pensioners will be at least \$80 a week worse off in ten years under the Federal Government's proposed changes to the indexing of the aged pension in the 2014 Budget.

Ian Yates, CE of leading seniors advocate COTA Australia said the changes to indexation, flagged to begin in three years time, would have a huge and damaging impact on the lives of over 1.5 million pensioners.

"This is an unprecedented attack on the quality of life of Australia's pensioners," Mr Yates said.

"The existing pension indexing arrangements were only introduced in 2009 and link pension rises to average weekly wages, ensuring the pension keeps up with cost of living pressures and allowing older people to keep their heads above water.

"The new arrangements, tied to CPI, will be a huge backward step and are likely to mean pensioners will again spiral into poverty.

"Pensioners fought hard to get the real value of the pension restored in 2009 and this effectively strips these gains away progressively from 2017.

"Despite current indexation, the age pension remains below the ASFA benchmark for a modest retirement income and cutting indexation will widen that gap.

"It is staggering that the Federal Government has gone further and faster in its changes to pensions that was even recommended by the Commission of Audit.

"Only pressure from COTA and other seniors groups has ensured the new indexing arrangements will not begin for three years.

"At least this will allow pensioners the opportunity to express their concerns directly to the Government before the next Federal election."

"There will also be major changes to asset and income tests including a huge change to the thresholds for deeming of savings, the impacts of which we are still assessing.

Mr Yates said the other major change to the pension confirmed in the Budget, raising of the pension age to 70 by 2035, is opposed by the overwhelming majority of Australians.

"Recent polls reveal 70% of people are opposed to raising the pension age to 70.

"Working until 70 will mean Australians will be forced to work longer than any others in the developed world.

"There needs to be a comprehensive review of the ageing population and retirement requirements which looks at pensions, superannuation and mature age employment in its entirety instead of making piecemeal decisions which at the moment seem to target those who can least afford it."

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