



## MEDIA RELEASE

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### Call for stimulus payment for pensioners after indexation goes backwards

Council on the Ageing (COTA) Australia has today urged the Federal Government to provide an additional \$750 stimulus payment to pensioners in consideration of the increased costs incurred due to COVID-19, after it was revealed pension payments would not rise in September as a result of the indexation formula actually going down.

COTA Chief Executive, Ian Yates, wrote to Anne Ruston, Minister for Families and Community Services, acknowledging that the plateauing of the pension rate was not a government decision, but warning that age and disability pensioners nevertheless require additional fiscal support.

“Australia’s world class pension indexation gives pensioners regular increases by the **higher** of the Consumer Price Index (CPI), Pensioner and Beneficiary Living Cost Index (PBLCI) and 25% of Male Total Average Weekly Earnings (for couple pension, effectively 27.7% for singles). The fourth protection is that if the outcome of these three indices is negative – a fall in value, the pension does not fall, it stays the same. COTA accepts this and strongly supports the indexation formula which has served us well”

“However, during the COVID-19 pandemic period prices affecting pensioners have fluctuated for a variety of reasons,” Mr Yates wrote.

“The impact of increased costs has been compounded by a reduced number of “specials” or “discounts” to the ticket price for many food items, and reduced access to “specials” by cost conscious pensioners when they are following government advice to stay at home and shop from home.

“In doing so they have also incurred the additional costs of home delivery. While the CPI has gone down because of the impact of items like childcare this does not help age pensioners.

“There are range of other pressures on low income people in this pandemic, such as transport costs when it’s not safe to travel on public transport. Pensioners live very close to the poverty line, and in private rental, below it.

“And while the two previous \$750 payments have been very welcome, pensioners have ended up with less income in this period than people on the increased level of Jobseeker.

“Accordingly, we urge the Government to provide an additional \$750 stimulus payment as part of your economic stimulus measures, for the benefit of both pensioners and the economy.”

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