

MEDIA RELEASE

Tuesday 11 May 2021

**Older Australians to benefit from Budget's employment and super reforms;
consultation needed on support payments, retirement income**

**NOTE THAT COTA HAS PUBLISHED A SEPARATE EXTENSIVE MEDIA RELEASE ON THE
AGED CARE REFORM PACKAGE "RESPECT, CARE, DIGNITY"**

Older Australians will benefit from several measures in the Federal Budget aimed at increasing workforce participation and fixing retirement incomes, Council on the Ageing (COTA) Australia says, but support for vulnerable groups like renters is still missing and long-term solutions are needed to ensure vulnerable Australians are adequately supported.

Ian Yates, Chief Executive of COTA Australia, welcomed the expansion of superannuation payments to workers earning less than \$450 a month, saying the reforms will make the system more equitable and boost women's retirement savings.

Mr Yates also applauded the abolition of the work test, which applied only to Australians aged 67 to 74 and made it needlessly difficult for self-funded retirees to top up their super savings.

"Superannuation is the foundation of our retirement income system. It's fantastic to see the government taking action to preserve and grow Australians' super balances so they can enjoy a dignified retirement. This is especially true for women, who as a result of social and structural inequities retire with less super and suffer greater financial hardship," says Mr Yates.

"We also welcome the provision for the relatively small number of people trapped in legacy retirement products no longer fit for purpose to convert to more contemporary products, transferring the underlying capital.

"Lowering the age of the downsizer scheme to 60 will also help older Australians boost their savings by downsizing their home while freeing up housing stock for bigger households.

"But while this will benefit homeowners, support for renters is again missing from this Budget at a time when the housing crisis has reached new lows. The government must raise Commonwealth Rent Assistance as a matter of urgency to support families in rental stress and prevent many at risk of homelessness from falling through the cracks.

"We also need a better support model to respond to the escalating housing crisis, and the Morrison Government should begin consultations on this before the next Budget.

"People struggling to find work in the wake of the pandemic will benefit from a \$50 a week increase to the JobSeeker payment. COTA has called for an increase to unemployment benefit for many years. I note the government has finally responded and call on them to fix the indexation on the payment to ensure it will never force people to survive below the poverty line again.

"The government must also commit to begin work on a more sustainable retirement income system. I expect to see legislation introduced to implement the Retirement Income Covenant by July next year, no later than one year before its scheduled commencement.

“In employment we welcome the fact that the Career Transition Assistance Program will continue to support workers over 45 as soon as they lose their job, no longer forcing them to wait and draw on their life savings until they are eligible for a JobSeeker Payment.

“Finally, we warmly welcome the extension of the Pension Loan Scheme to provide for people to access small lump sum payments of up to \$12,000 for singles and \$18,000 for couples, which could be of significant assistance to age pensioners facing unexpected costs.

“Much remains to be done, but I commend the Government for the increased support for older Australians and remain committed to consulting closely on the important reforms ahead.”

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