



MEDIA Release

(Friday, December 21, 2007)

More pain for pensioners

The latest Westpac ASFA report on retirees' living costs has confirmed that the cost of living for older Australians continues to rise. It strengthens the argument of national lobby group COTA Over 50s that older Australians on fixed incomes are struggling to cover the basics, and that urgent action is needed to raise pensions. The figures for the September quarter show that retired couples now need \$505 a week in order to live modestly and that assumes they do not have a mortgage or pay rent. The report describes a modest lifestyle as 'better than the Age Pension, but still only able to afford fairly basic activities'.

“Older Australians are very vulnerable to cost of living pressures”, said Dr Geoffrey Bird, Executive Director of the national lobby group COTA Over 50s. “People older than 65 have the lowest average incomes in Australia, and any rise in living costs places a disproportionate burden on them. If you are an Age Pensioner the difficulties can quickly become acute.”

“We've consistently argued that \$269 per week is totally inadequate to provide a modest lifestyle for a single pensioner. The Westpac figures have proved us right, telling us that a single person needs \$359 per week. That's a shortfall of nearly \$100 per week on what a single pensioner actually needs. What's being called modest here would be considered very meager by most Australians.”

This week's COAG meeting had health and ageing issues at the top of the agenda, and the signs are encouraging that the state and federal governments are serious about closer cooperation on health and human services. This can only benefit older Australians for whom such services can make a world of difference.

“We're pleased that the Prime Minister, Mr. Rudd, has given his endorsement to the current Senate inquiry into the cost of living pressures on older Australians,” said Dr

COTA Over 50s Ltd

ACN 118 911 541

National Policy Secretariat
PO Box 3508
MANUKA ACT 2603

Telephone: (02) 6295 1844
Facsimile: (02) 6295 1807
Email: info@cotaover50s.org.au
Web: www.cotaover50s.org.au

Bird. “We look forward to the outcomes of that inquiry, and we're confident that the government will take its recommendations seriously.”

The Westpac ASFA Report benchmarks the annual budget needed by Australians to meet their living costs in the post-employment years. During the September quarter, food prices rose 1.9%, with fresh fruit and vegetables going up by 9.6% and 7.9% respectively. Electricity went up 4.3% and water and sewerage charges rose 5.5%.

Retirees have little choice but to pay these increased utilities charges, and reducing their fresh food intake will do nothing for their general health. The gap between their weekly expenditure and income is growing wider by the month, and things will not get any easier over the Christmas period and into the New Year. While the Senate inquiry into cost of living pressures is a timely intervention, quite a few older Australians will slide into poverty well before any of its recommendations get acted upon.

Media Contact: Dr Geoffrey Bird, Executive Director, COTA Over 50s
Mobile: 0409 705 951

COTA Over 50s Ltd

ACN 118 911 541

National Policy Secretariat
PO Box 3508
MANUKA ACT 2603

Telephone: (02) 6295 1844
Facsimile: (02) 6295 1807
Email: info@cotaover50s.org.au
Web: www.cotaover50s.org.au