



\$30 pay increase for pensioners

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SINGLE aged pensioners are in for a pay boost of about \$30 a week in the May budget as the Government prepares to accept the findings of a review that criticises the current payment as inadequate.

Community Services Minister Jenny Macklin told *The Sun-Herald* yesterday the Government was committed in the budget to addressing the adequacy of the pension.

"The Government gave a down payment to pensioners in December, when we paid the \$1400 for singles and \$2100 for couples, because we really do understand how difficult it is for pensioners.

"We're serious about fixing this."

The wide-ranging review conducted by Ms Macklin's departmental head, Jeff Harmer, will be delivered to the Government later this week.

It will not make firm recommendations, but it is expected to conclude that the single aged pension rate will only be adequate if it is raised to two-thirds of the married rate.

Singles now receive \$545 a fortnight. A two-thirds raise would mean an increase of \$35 a week, although the likely figure is \$30.

During negotiations over the \$42 billion stimulus package, Greens leader Bob Brown extracted a promise from the Government to lift the single pension by \$30 a week in return for help in passing the legislation.

Fulfilling its promise to pensioners will cost the Government about \$6 billion a year and could force the deferral of other spending initiatives as the Government grapples with plunging revenues and the global financial crisis.

The extra burden to the budget bottom line led the Liberals' Community Services spokesman, Tony Abbott, into hot water last week when he queried whether a pension lift could be afforded.

Ms Macklin retorted yesterday that, "unlike the Liberals", the Government was committed to helping pensioners.

Council on the Ageing NSW President Kath Brewster said she

hoped the Government would not react to the Harmer report with "reflex and short-term solutions".

The council will reject as inadequate any recommendation for just \$30 a week extra for single aged pensioners, and will instead push for a lift of about \$100 a week for singles. Anything less did not consider the multitude of research undertaken into the real cost of living in retirement, Ms Brewster said. "We should not allow the current financial crisis to deflect us from the reform agenda. The task is to design a viable system of adequate pension entitlements as a genuine pillar of Australia's retirement income system."

The Harmer review has also scrutinised the level of support payments for carers and those on disability pensions.

The review will set the benchmark for the Government's May budget deliberations on those payments as well as an integrated retirement income support system.