



**The Hon Jenny Macklin MP  
Minister for Families, Housing, Community Services  
and Indigenous Affairs**

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Mrs Julia Irwin MP  
Chair  
Standing Committee on Petitions  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Mrs Irwin *Julia*

Thank you for your letter of 5 December 2008 enclosing a copy of the petition submitted by "certain citizens of Australia" that was presented to the Standing Committee on Petitions on 22 September, 10 November, 14 November and 1 December 2008, with a different number of signatories on each occasion.

The petition called for an increase to the Age Pension to guarantee a decent standard of living for older Australians.

The Government is reforming the pension system to prepare Australia for the challenges of the future and is committed to getting it right for the long term.

In May 2008 the Australian Government commissioned the Pension Review to investigate measures to strengthen the financial security of seniors, carers and people with disability. The Pension Review is being headed by Dr Jeff Harmer, Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs. Dr Harmer is supported by a Reference Group comprising representatives of pensioner, carer and disability groups, as well as academics and experts.

The Pension Review is investigating the appropriate levels of income support and allowances, the frequency of payments, and the structure and payment of concessions or other entitlements. The Review will be completed by the end of February 2009.

The Government will respond to the report by delivering long term pension reform in the 2009/10 Budget.

As a down payment on pension reform, the Government made payments to pensioners, carers and people with disability in December as part of the \$10.4 billion Economic Security Strategy.

The December payments were also made to give immediate support to pensioners and to strengthen the economy in the face of the global financial crisis.

The \$4.8 billion down payment on pension reform was made available through a payment of \$1,400 to single pensioners and \$2,100 to couples. Payments were made in the fortnight beginning 8 December 2008 to those receiving the Age Pension on 14 October 2008. Where only one member of a couple was eligible, the person received half of the couple rate.

December's Economic Security Strategy payments went to four out of every five Australians aged over 65, benefiting around 2.8 million older Australians.

These payments build on the \$7.5 billion in support provided in the Government's first Budget, bringing new spending since the election on pensioners, seniors and carers to \$12.3 billion.

In total, excluding normal indexation, the Government has provided an additional \$2,337 to single pensioners and \$3,537 to pensioner couples since coming to office.

Pensioners will also benefit from the Government's \$42 billion Nation Building and Jobs plan announced on 3 February 2009.

A pensioner who paid even one dollar of tax in the 2008/09 financial year will be eligible for a \$900 tax bonus. In addition, many of the 20,000 new social housing dwellings will help pensioners who are facing severe stress in the private rental market.

Thank you again for referring a copy of the submission to me.

Yours sincerely

**JENNY MACKLIN MP**