

## **Increase the Age Pension by \$10 per day to address cost-of-living pressures.**

### **Overview**

- Cost-of-living pressures remain high, even as headline inflation declines. These pressures are felt most by those with limited means who struggle most with cost-of-living increases.
- The Organization for Economic Cooperation and Development (OECD) estimates that 19.7% of people aged 66-75 and 27% of people aged over 75 in Australia live in relative income poverty.
- While the Grattan Institute has claimed the proportion of pensioners in poverty is lower, due to high levels of home ownership in Australia, home ownership rates are declining with the prospect of an entrenched two-tenure system in the future, in which greater numbers of older people will never afford their own home.
- Evidence from NSA's own research suggests that even homeowners believe the pension is inadequate for a basic lifestyle in retirement, with the median amount required to achieve a basic lifestyle estimated at:
  - \$10,000 per year more than the current Age Pension rate for a single person
  - \$15,000 per year more than the current Age Pension rate for a couple.

### **WHAT ARE WE CALLING FOR?**

- The Federal Government should provide a one-off increase to the base rate of the Age Pension of:
  - \$10 per day for a single pensioner
  - \$15 per day for a pensioner couple.

### **Budget impact**

- An increase to the base rate of \$10 / day (single) and \$15 / day (couple), would cost an estimated \$7.5billion (this is based on the Age Pension rate as at 1 January 2025):
  - A \$70 / week increase for a single pensioner would equal \$593.55 / week
  - A \$105 / week increase in a couple's weekly pension would equal \$894.30 / week.

