



**JENNY MACKLIN MP
SHADOW MINISTER FOR FAMILIES & PAYMENTS
SHADOW MINISTER FOR DISABILITY REFORM
MEMBER FOR JAGAJAGA**

MEDIA RELEASE

MORRISON IN DENIAL ON PENSION INDEXATION CUTS

Social Services Minister Scott Morrison is in complete denial about his \$23 billion cuts to the indexation of the Age Pension.

Mr Morrison continues to perpetuate the myth that pensioners won't be worse off as a result of the Abbott Government's cuts to pension indexation.

This is completely untrue.

If indexing pensions to CPI only won't leave pensioners worse off, why is he banking on \$23 billion in savings over the next ten years?

If indexing pensions to CPI only won't leave pensioners worse off, why do pensioners face an \$80 a week cut to the pension over the next decade according to the Australian Council for Social Service (ACOSS)?

If indexing pensions to CPI only won't leave pensioners worse off, why will the pension drop from 28 per cent of average weekly earnings today to just 16 per cent by 2055?

If indexing pensions to wages is such a bad idea why did John Howard link pensions to Male Total Average Weekly Earnings (MTAWE), a benchmark that Labor then improved on as part of the historic pension reforms of 2009?

Scott Morrison should be honest with Australian pensioners and acknowledge that this Government will see the value of the pension reduced dramatically, pushing many pensioners into poverty and hardship.

Scott Morrison is completely ignoring the facts and deceiving Australian pensioners.

The best way for Tony Abbott and Scott Morrison to ensure the sustainability of the pension is to immediately restore Labor's planned increase to the superannuation guarantee to 12 per cent.

The Government's own Intergenerational Report indicates that the sustainability of the pension will become less of an issue as Australia's superannuation system matures as "the proportion of part-rate pensioners relative to full-rate pensioners is expected to increase".

Yet the Government is reducing contributions to the superannuation system.

Scott Morrison must face facts - his cuts to pension indexation will leave Australian pensioners worse off.

Labor will continue to fight Scott Morrison's unfair cuts to pension indexation.

FRIDAY, 20 MARCH 2015