



PRIME MINISTER

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ELECTORATE TALK

The Federal Government this week announced that the two and a quarter million Australians who receive pensions or benefits will receive increased payments in May. Single pensioners will receive a \$3.60 a week rise and a pensioner married couple will receive a \$6.00 a week increase. This means that the maximum standard pension rate becomes \$47.10 a week, while the maximum married rate becomes \$78.50 a week. Repatriation pensions in all categories also will be increased by the same rate.

The decision honours our often stated commitment that increases in the Consumer Price Index will be automatically passed on to pensioners. The increases that come into effect from May represent the full percentage flow-on from the last two Consumer Price Index increases.

In my Policy Speech prior to the Election, I said that "the real value of pensions will be preserved." Clearly, we have done just that. Since we took office, the total increase in the standard pension has been \$8.35 a week - an increase of 21.5%. The total increase in the combined married pension has been \$12 a week.

We are committed to protect pensioners' pensions against inflation. We are committed to take politics out of pension increases by giving automatic increases in line with price rises twice each year. Our actions have firmly demonstrated that we are honouring that commitment.

The Department of Social Security carries out vital programmes - the extent and significance of which are often missed. The budget allocation for this financial year for the payments of social security pensions is 32% more than actual expenditure in 1975/76. In 1976 there were an estimated 1.9 million pensioners and beneficiaries receiving assistance through the Department of Social Security. There are 1.7 million pension and benefit cheques issued each fortnight. The estimated expenditure each fortnight on pensions and benefits is \$140 million. Over a full year the Department issues more than 66 million cheques. For this financial year the estimated total expenditure by the Department is \$5,580 million - that represents almost half of income tax receipts from individuals.

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In view of our expenditure commitment in this vital area, the Government is paying attention to making sure that the community gets the best possible value from outlay. We are determined that our welfare programmes are directed to people in real need. We are determined to make sure that the social security administration is both efficient and sensitive to the needs of individuals.

The Government also moved last year to make many more people eligible for the pension. The Government gave an undertaking that it would move towards replacing means tests with an income test, so that those who had saved would not be penalised. The Government saw this as an opportunity to eliminate much administrative complexity.

Effective from 11 November 1976 the Government abolished the separate property component in the means test for pensioners. The Government's decision followed the lines adopted by Professor Henderson in his first main report on poverty in which he said: "The existing means test which determines eligibility includes a treatment of assets which is a relic of far less generous days." He recommended that the treatment of asset incomes for pension purposes should be no different from other incomes. We agreed, and acted accordingly.

These measures - along with the Government's three year programme for aged or disabled persons accommodation and senior citizen centres - are the clearest possible demonstration of this Government's desire to assist those in need. Our social welfare policy seeks to enhance the security, dignity, self-reliance and well-being of Australians. We have put these words into positive action for the benefit of millions of Australians.
