

A 3 step plan for
boosting retiree living standards
and cutting pension costs

*Simon Cowan,
TARGET30 Program Director*



Limited possibility of more revenue

Revenue as a % GDP frequency 1974-74 to 2014-15

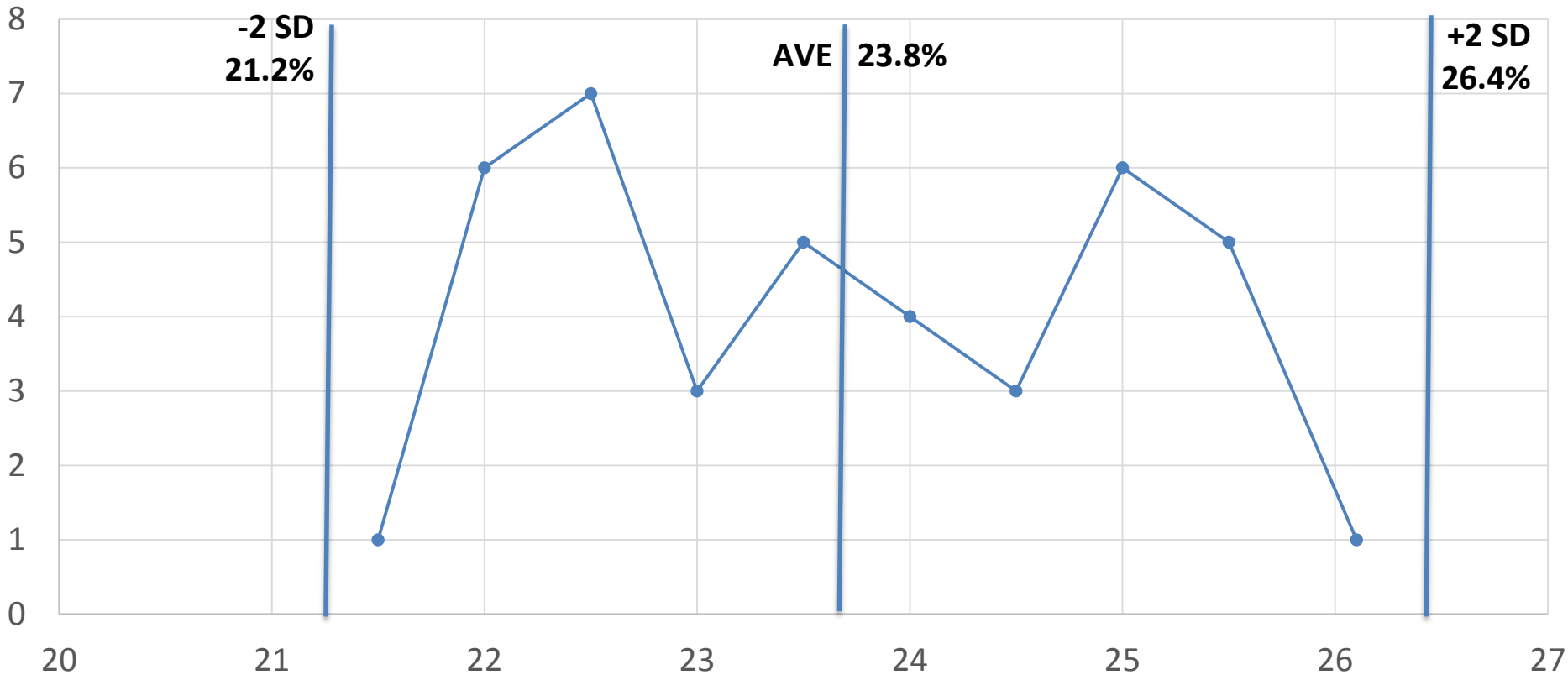
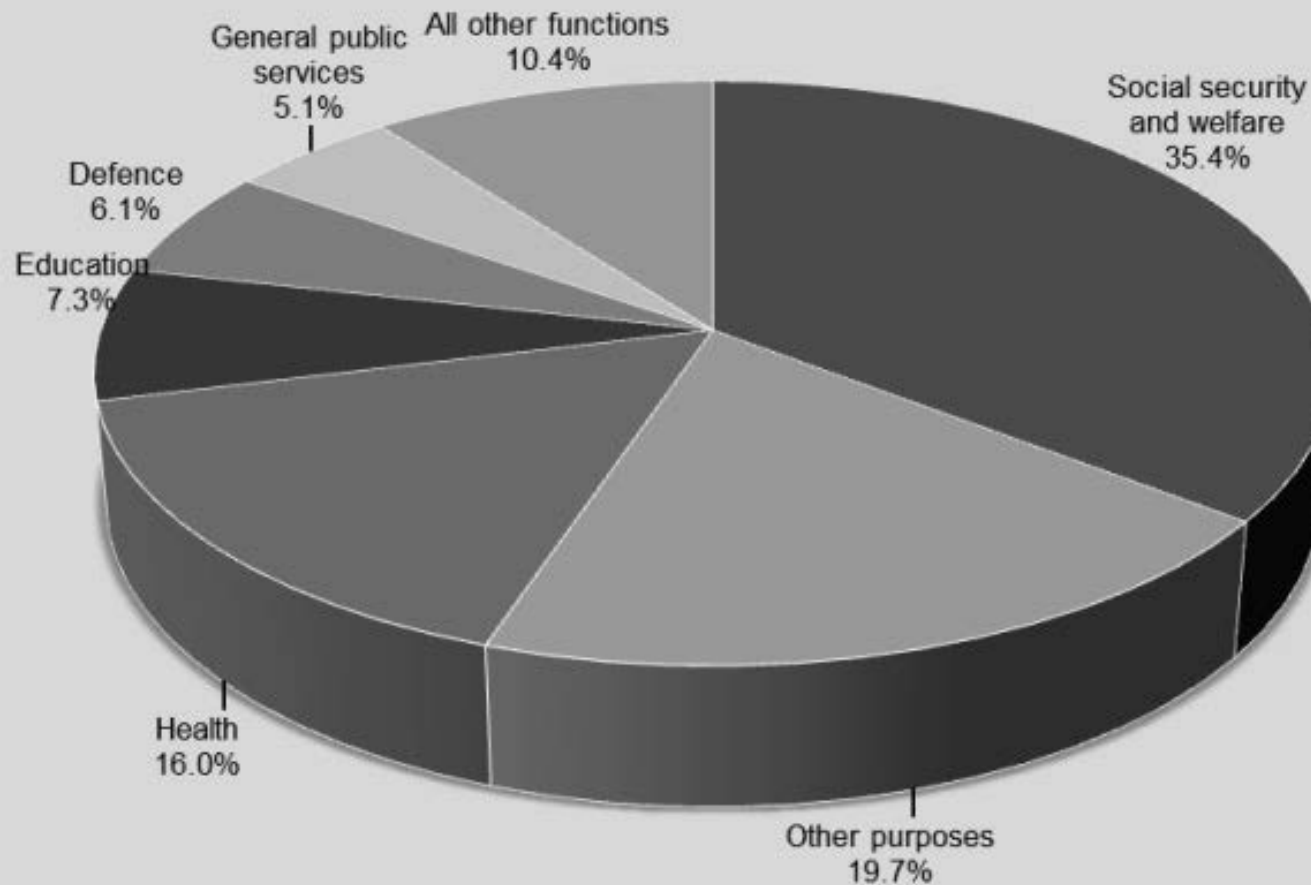
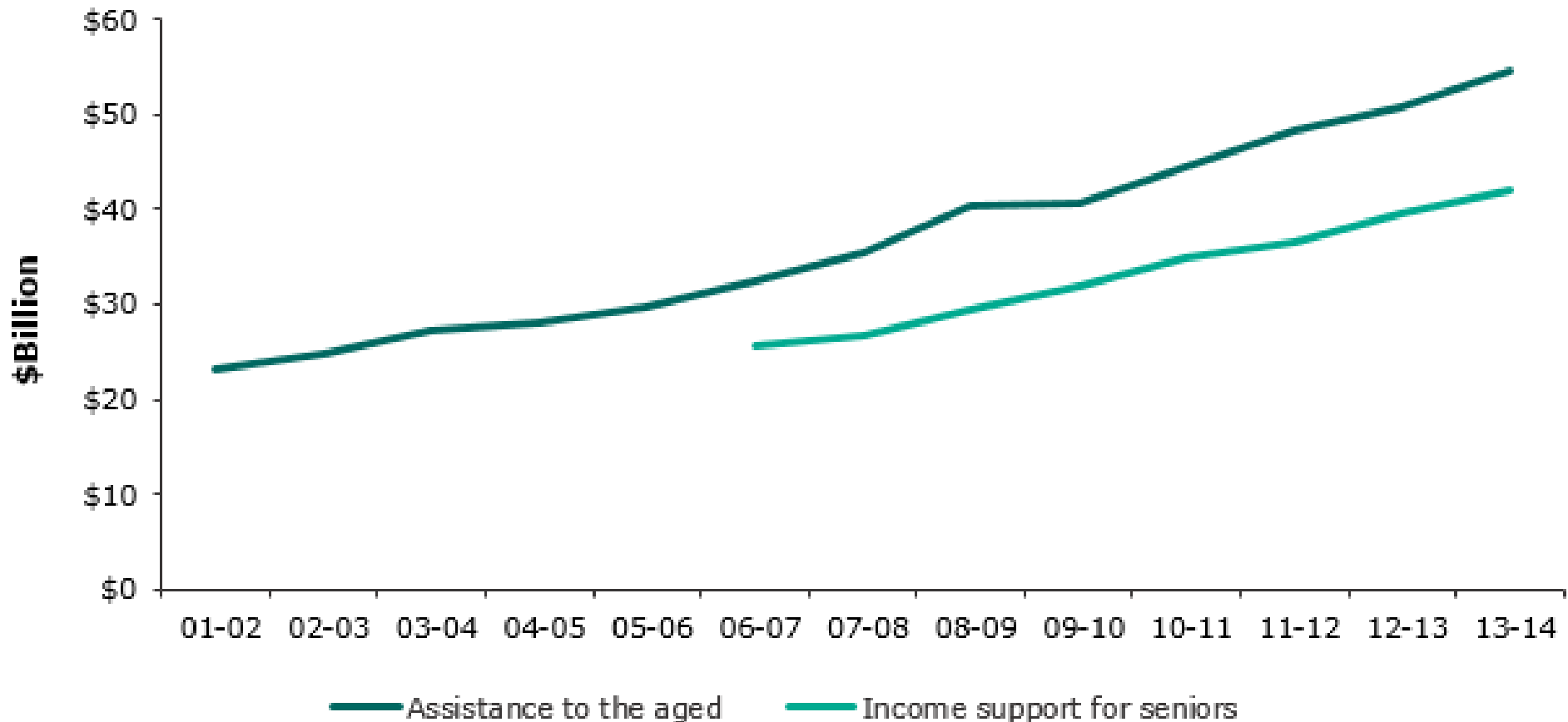


Chart 2: Expenses by function in 2015-16

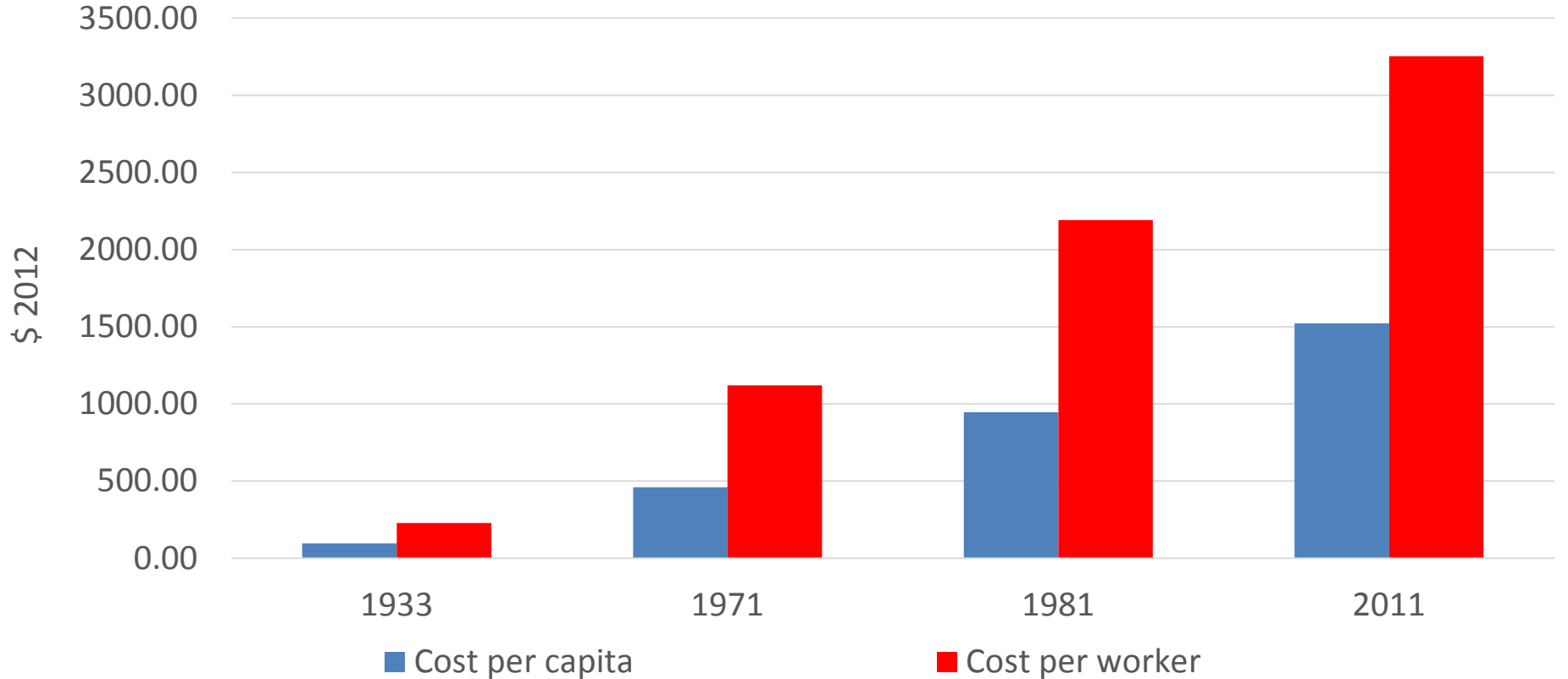


**Welfare
dominates
the budget**

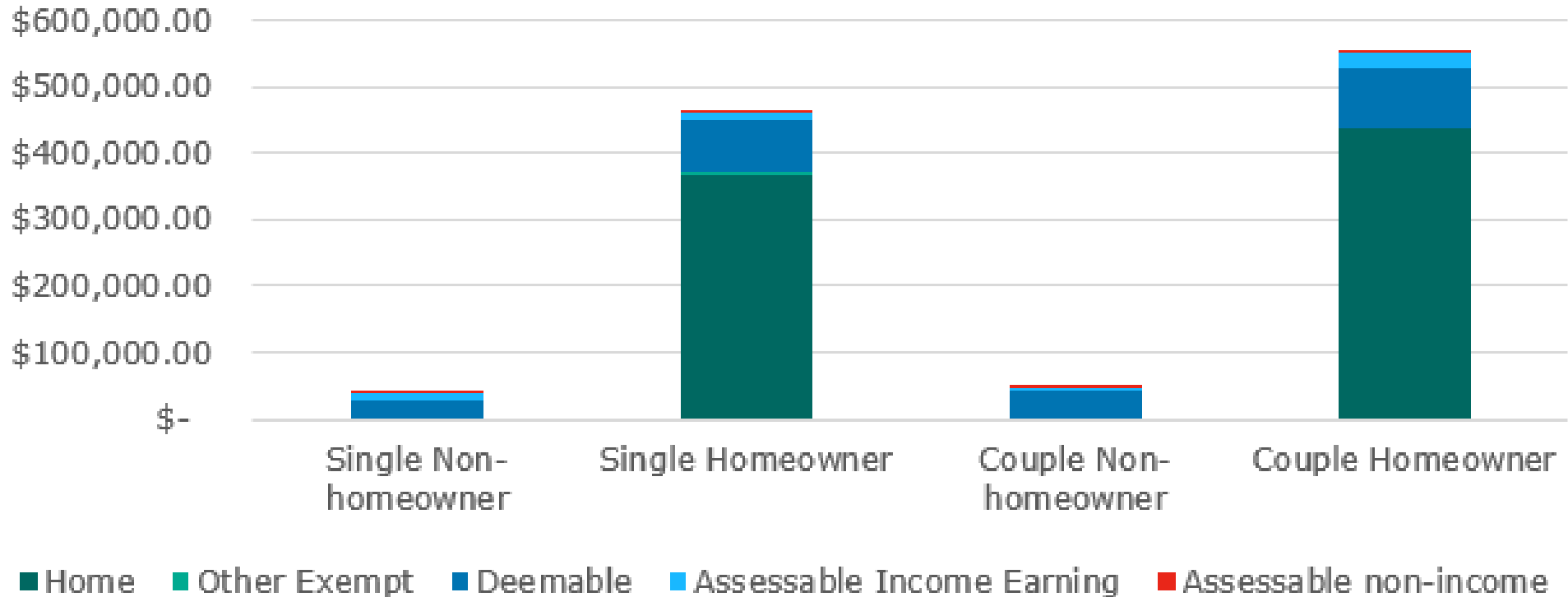
Budget spend on Assistance to the Aged



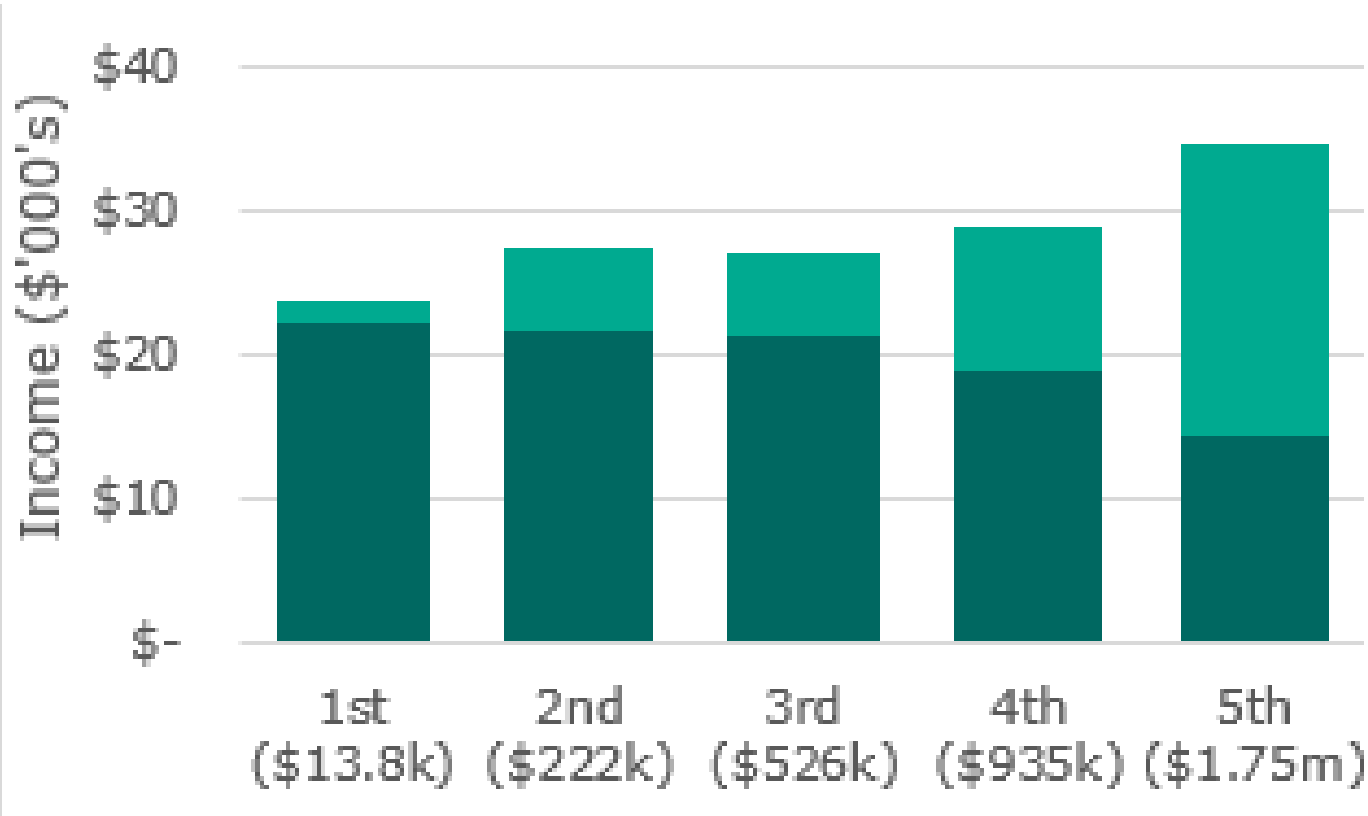
Real increase in pension costs




Full rate pensioner wealth



Pension payments by quintile



3 key reforms



1. Include family home in assets test

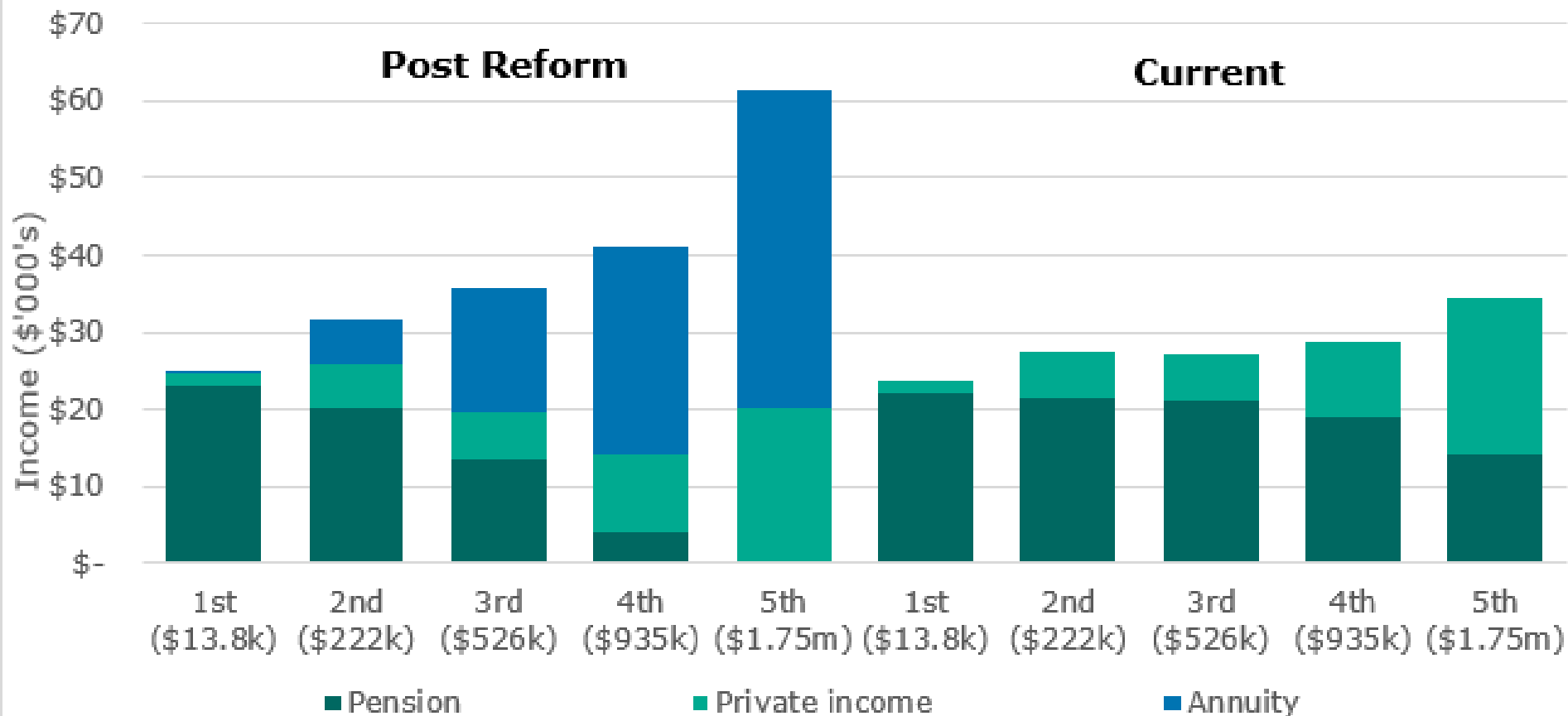
2. Help pensioners access reverse mortgages

3. Include reverse mortgage payment in income test

Results of our modelling

⌘	Winners⌘	Losers⌘	Total⌘
Ave change in income⌘	\$5,924⌘	-\$864⌘	\$5,777⌘
% of pensioners⌘	97.8%⌘	2.2%⌘	100⌘
Number of pensioners⌘	2,371,382⌘	52,460⌘	2,423,842 ^{4%} ⌘

Post reform income by quintile



THE CENTRE FOR
INDEPENDENT
STUDIES



@CISOZ



The Centre for Independent Studies



cis.org.au



youtube.com/CISAus