

To the Chairperson  
Senate Inquiry into the cost of living pressures on older Australians Parliament House  
Canberra ACT 2600

I am a former Commonwealth public servant, now in receipt of a superannuation pension which is indexed against the CPI.

The indexation method is unfair in that it doesn't take into account changes in the cost of living, being purely a measure of inflation. A better gauge of changes in cost of living increases is Male Takehome Average Weekly Earnings (MTAWE).

The present government has stated that all Australians will benefit from the increase in Australia's prosperity yet I, together with all recipients of the Commonwealth superannuation pension and those on armed forces pensions, am being disadvantaged because of the way that my pension is indexed.

Some years ago, the Government recognised that the CPI was not a just measure of changes in living costs by indexing the aged pension against the greater of MTAWE and CPI, meaning that those on the aged pension were better able to cope with increases. Other pensions have followed and now, together with those on armed forces pensions, commonwealth superannuants are being left out of the increase in Australia's prosperity.

Figures provided by the Superannuated Commonwealth Officers Association indicate that increases gained by commonwealth superannuants have lost well over 20% when compared to other government funded pensions.

I urge the committee to recommend a change from CPI to the greater of CPI and MTAWE.

Yours sincerely,

William L. Mudie