

**ROBERT J SHORTRIDGE**

24 July, 2007

The Secretary  
Senate Community Affairs Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Sir/Madam,

Having faithfully served Australia as a member of the Australian Defence Force, I am now a retired military superannuant, living on a modest pension for which I contributed during my time in service. During my time in the Service, I was given no option nor was I given any choice as to the pension scheme that I contributed to.

Despite the increasing wealth of the country and my many years of paying taxes and contributing to my superannuation, I find that unlike the majority of other Australians my standard of living is deteriorating. This is because my military pension is adjusted by the CPI, despite the fact that two Senate Committees have recommended a change to a wage-based index.

I think it is most unfair that this change has not occurred. CPI, despite what is claimed by the Minister for Finance, certainly does NOT reflect the changing cost of living nor does it allow me to share in the increasing wealth of the nation. ComSuper has recently advised me that my pension will not increase due to the negative movement in the CPI over the last six months. No one can seriously believe that my cost of living has remained static these past six months.

There is clear evidence of the annual decline in my pension's purchasing power and I therefore feel like a second-class Australian, facing a continuing decrease in my standard of living as I grow older, despite my years of loyal service to the nation. This is contrary to the Government's often claimed support to servicemen and women.

I understand that some Commonwealth and Defence superannuants will benefit from the tax changes to superannuation beginning on 1 July 2007, however the majority receive less than \$20,000 pa and therefore will derive little or no benefit from the 10% tax offset. They will, however, be disadvantaged compared to most Australian retirees because their superannuation income will be added to any other income they earn, and the total then will be taxed at the marginal rate.

In the past two years since June 2005, parliamentary salaries and hence parliamentary pensions have risen 14.4%. During this time the CPI and hence military pensions have risen 4.8%. Viewed over a longer and perhaps more meaningful period, since June 1997, when the Government changed the indexation of the Age and Service pensions from CPI

to the higher of CPI and MTAW (so that older Australians could share in the increasing wealth of the nation) the Age/Service pension has risen 51%, parliamentary pensions 55% and military pensions 30%. These figures reflect a shameful disregard for the well-being of the men and women who have loyally served their country in peace and war.

I have had active Service in East Timor, Iraq and Kyrgyzstan and I feel that I have been let down by my Government. All I am asking is that my pension be indexed using the same benchmark which your Government approved for the Age and Service Pensions in 1997, so that I also can maintain my standard of living. This is not, I believe, an unreasonable request.

Yours sincerely

Rob Shortridge