

Submission to

Inquiry into the Nation Building and Jobs Plan

Dear Senators

I ask you to consider using the opportunity of the Government's current series of proposed economic stimulus measures as an opportunity to right a long-recognized wrong, which is continuing to cause unfair and demoralizing delay among retired Australians.

You will be aware that retired defence personnel and public service retirees have their superannuation pensions indexed by the CPI, an indexation method abandoned as inadequate more than a decade ago by the Government for most Commonwealth funded income support payments such as the Service and Age Pensions.

In July 2008 the Government appointed Mr Trevor Matthews to review the issue, even though three separate Senate Committees had already recommended in favour of a fairer means of pension indexation.

I am sure that you will agree with me that there can be no reason why military and public service retirement payments should not immediately be indexed on the same basis as other Commonwealth payments (i.e. twice yearly by the most recent percentage increase in the Service/Age Pension) - without further delay.

Mr Matthew's report was provided to the Government early in January 2009, however, it now seems possible that its findings will only be considered in the context of the Government's wider review of taxation and retirement incomes; another eighteen months delay.

This is placing a continuing and unnecessary burden on older Australians - one of the groups of relatively disadvantaged people who are most likely to spend any additional resources made available to them. This would serve well the purposes of economic stimulus.

Senators, this is also an issue of fairness and equity: principles that are held high by the Rudd Government, which proclaims a strong belief in evidence-based policy and fairness, yet does not honour it in this case. The evidence is abundant: now many public service and defence retirees are waiting the fairness promised to them. The longer this takes, the more disillusioned senior Australian are likely to become with the people elected to serve them.

As the Defence Force Welfare Association says: 'we are tired of being treated as second class Australians. We want no more than to have our retirement pay indexed by the same percentage movements as applies to the Service/Age Pension and an end to repeated delays and the continued erosion of our standard of living'.

Action to resolve this issue now would contribute to achieving the objects of

economic stimulus. It could even restore the faith of so many Australians who deserve a 'fair go'.

Can the Committee suggest to Government that the current Nation Building and Jobs Plan include measures to sort this out without further delay?

Yours sincerely

H.P.M. Hoebee