

**Senate Select Committee on  
Superannuation and Financial Services**

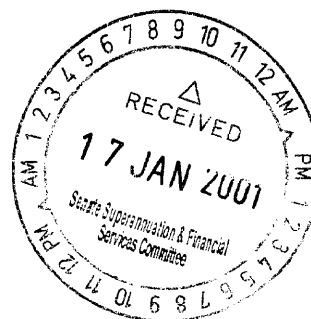
**The benefit design of Commonwealth public  
sector and defence force unfunded  
superannuation funds and schemes**

**Submission No. 23**

**Submittor:** Mr & Mrs David & Elizabeth Wilson  
8 Buchanan Street  
NARRABUNDAH ACT 2604

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The Secretary  
Senate Select Committee on Superannuation  
and Financial Services  
Parliament House  
CANBERRA ACT 2600



Dear Sir/Madam

We enclose this submission in response to the inquiry relating to the benefit design of Commonwealth public sector unfunded superannuation funds. We note that reference to the inquiry has only appeared in The Australian and Financial Review and on the Parliamentary House web site. Despite the high number of Australian and ACT government public servants and former public servants living in the ACT, no advertisements have been placed in The Canberra Times. In view of this and many would-be submitters to the inquiry being on holidays during January, we suggest that the closing date for submissions should be extended from 29 January to 19 February. This would allow time for submissions to be received from Canberra Times readers after you place advertisements immediately with that newspaper.

Comsuper retirees have fared considerably worse than retirees from some State public services, the judiciary, and Federal and State parliaments in how their pensions are calculated. This is largely because Comsuper pensions are based on the consumer price index, a poor index for retirees compared with other retirement indices, such as ASSIRT and Macquarie Bank, that are invariably higher than the CPI. In this context we note that retired parliamentarians have their pensions indexed according to growth in parliamentary salaries rather than prices. In addition, some years ago the present Government redefined the CPI and this has had a marked negative effect on measured inflation. The CPI is, of course, the index used to measure inflation.

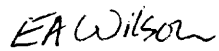
In short, we propose that the fairest solution is to have Comsuper pensions, like those of politicians, based on wages rather than prices. This change in how Comsuper pensions are calculated would, in particular, result in an improvement on the low standard of living currently experienced by many retired public servants receiving little more income than aged pensioners, taking into account the former's

ineligibility for the considerable benefits attached to the old age pension. Even with the proposed change in calculating Comsuper pensions, these will still pale into insignificance compared with the inordinate generosity of parliamentary superannuation pensions.

Yours faithfully



David Wilson



Elizabeth Wilson  
16 January 2001