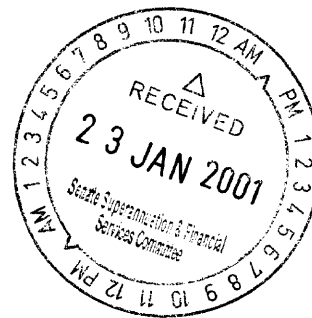


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January 18 2001

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

I wish to make the following Submission to the Committee's current inquiry on the benefit design of Commonwealth public sector and defence force unfunded superannuation funds and schemes, particularly with reference to (a) the method of indexation used to preserve the real value of fund members' preserved unfunded component of their employer benefit. My comments also bear on (c) regarding the benefit to members of using this method over other alternatives.

My submission deals with my experience as a member of the CSS. I joined the scheme when I began work with CSIRO in 1951 and retained my membership during my subsequent career in CSIRO, the Australian National University and the Department of Prime Minister and Cabinet, where I held the post of Chief Scientist. In that post I had the salary and other benefits of a Departmental Secretary.

I retired in August 1992 on a pension of \$60,575, a substantial sum in those days. My current pension is \$70,372. The increase over the intervening period of eight and a half years has therefore been of the order of 16%, or slightly less than 2% per year.

I submit that the method of indexation, which I understand is based on changes in the Consumer Price Index, does not preserve the real value of members' benefits.

I have discussed this matter with many other members of the CSS and find that all have had the same experience as myself. That is, that their pensions have rapidly declined in real value and continue to do so. It is my contention that the Consumer Price Index under-estimates the overall changes in prices, and in levels of remuneration for positions in both the private and public sector.

To maintain the value of members' benefits, I ask that the method of indexation be changed to better reflect these very real changes.

A handwritten signature in black ink, appearing to read 'R O Slatyer', written in a cursive style.

R O Slatyer