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The Secretary,  
Senate Select Committee on Superannuation & Financial Services,  
Dept. of the Senate,  
Parliament House,  
Canberra. ACT. 2600.

Dear Sir/Madam,

I wish to place the following factual information before you regarding indexation of Commonwealth Superannuation Pension schemes. I am sure it will be different from most other submissions you receive.

During 1970, I was a member of a committee which examined various aspects of the Commonwealth Public Service pension scheme (CSS).

Frankly, the CSS is probably the most generous scheme in Australia. It is in reality a free scheme. This is because all contributions plus interest (average 8.1%) are returned to the contributor as a lump sum. Then the retiree can receive an indexed pension up to fifty percent of a final salary.

Surely this amounts to a very generous social security pension. Many old age pensioners who rely upon social security for any pension at all would be very pleased if anything like the Commonwealth scheme applied to them. I reiterate the Commonwealth CSS in particular is very generous indeed with contributions paid out of their salary being returned with interest of about 8.1%.

I remember in the 1980's when inflation was very high with interest rates the highest on record, Commonwealth retirees were very happy indeed. Now that fortunately for Australia inflation is much lower and productivity higher Commonwealth retirees are unhappy with cpi increases. The cpi is what most pension funds rely on for indexation. The justification for this is simply that retirees are big consumers of items contained in the cpi. Why should 'free' Commonwealth public servants be any different to Social Security pensioners in this respect.

Another ridiculous comment which I often read in the press is to compare themselves with parliamentary pensions. Members of Parliament for one thing do not have the tenure of public servants. A parliamentary member can easily lose pre selection for their seat at the whim of a branch or a redistribution by the Electoral Commission.

The fact that the Commonwealth scheme is unfunded is another matter. Yes - since 1922 it should have been a funded scheme. Not only retired Commonwealth public servants have had to bear that.

I submit the above for your consideration. By any account, the now defunct CSS and even the new PSS are very generous for the average worker especially when compared to the rest of the community.

Yours faithfully,

  
Edward J. Burke