

Sub 62.

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Senator J Watson
Chairman
Senate Select Committee on Superannuation and Financial Services
Parliament House
Canberra ACT 2600

Tuesday 23 January 2001

Dear John

I wish to make a submission to your committee on the Indexation of Comsuper pensions. There are a number of facts agreed to by all parties in the present discussions. These are as follows:

- (1) The present system of the annual indexing of Comsuper pensions to CPI movements is unjust to Comsuper recipients for two reasons. Firstly the CPI movement is a very poor indicator of price rises experienced by Comsuper recipients and secondly price increases occur throughout the year not just on 1st of July. For at least the last ten years, retired public servants have experienced a falling standard of living in retirement.
- (2) Comsuper recipients are not the wealthy fat cats that the media has led us to believe. In fact 66% of retired Commonwealth Public Servants received less than \$20,000pa. I am sure you would agree this is not a generous pension scheme.
- (3) The vast majority of the people who receive Comsuper pensions were not the high-flyers of the public service but received a modest income and assumed that one of the compensations of working for the Australian Public Service would be an adequate pension in retirement. These people have been let down by successive Australian Governments and many now do not receive an adequate pension and survive by drastically reducing their lifestyle.

In the light of the above agreed facts one *could* ask why this situation has arisen, but a much more useful question to ask (and a simpler question to answer) is what could be done about it. There are a number of other indices which could be used and of these the AWOTE would seem the most appropriate as it is already used by the ATO for Superannuation tax purposes.

Yours sincerely

P F Crapper

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