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

Dear Secretary

Thank you for forwarding a copy of Terms of Reference for the Committee, although I lack access to recourses for a detailed submission, I can provide details of personal experiences which demonstrate the present relationship of indexation to cost of living is failing to preserve equity for former contributors now in receipt of pensions. In addition, I also submit that failure to adequately index will ultimately result in general impoverishment across the entire community.

This household comprises my wife, self, an adult son living at home and a grand daughter who attends university; the latter two are generally self supporting. My wife and I live quietly, we do not belong to a club and do not drink or smoke. The house in which we live was funded through a War Service Home loan and our principal luxury comprises an annual camping holiday on the South Coast of NSW.

I retired from the CPS in 1991 with 44.5 years of eligible service for pension (including 21 years in the RAAF as a contributor to DFRB). Prior to retirement I was classified as an Engineer 4 and the initial pension payments of \$990 met household requirements, including a hospital benefit subscription. At that time I received an assurance that payment was indexed to variation in the cost of living and I looked forward to a happy and moderately comfortable old age!

Sadly, inadequate indexation has reduced pension value, necessitated my cancelling our hospital benefit subscription and contributed to the annual holiday becoming an irregular event. In June 2000 my wife and I applied for a means test at Centrelink and qualified for a part pension. The combined initial payment was \$134.04; regular payment was later transferred to Department of Veterans Affairs and is now \$192.50 (including a disability component of \$67.10)

In revising indexation I suggest every effort be made toward identifying and implementing, reliable and enduring factors. One which not only delivers fairness to subscribers but also allows them to continue contributing their time and skill to society during their retirement years.

Many CPS retirees donate their time and skills in retirement toward endeavors which enrich personal and social lives in their communities. For example, a group of volunteers which conducts guided tours for visitors at old Parliament House comprises nearly one hundred retirees (most are former CPS officers and some spent working lives in that precinct); a second significant body of volunteer guides provides a similar service for tourists at the National War Memorial. In addition to volunteer guiding I have a personal interest in a community broadcasting station where I am a volunteer Director and Company Secretary; the station has a permanent community broadcasting license and operates 22 hours per day. CPS and DFRB retirees who are also active volunteers at the station fulfill the roles including General Manager, Treasurer and Administrator.

In order to operate as an active volunteer in contact with the general public requires retirees to maintain neat appearances and have access to personal transport. The associated costs are significant and failure to sustain equitable indexation of pension payments threatens the abilities of many to comply. Of the two criteria, transport is the more demanding but fortunately, I have skills to conduct basic maintenance on my ageing LPG powered sedan. Without the attribute my capacity to continue volunteering would be threatened as I cannot afford a more modern and reliable vehicle, or, pay for regular garage maintenance.

I submit these circumstances apply to a majority of my former CPS and DFRB pensioner colleagues who work in volunteer positions.

Yours sincerely



K. B. Flynn

22 Jan 2001