

MSF 3360
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GUNNING NSW 2561



The Chairperson,
Senate Select Committee on
Information and Financial Services
Parliament House
Canberra 2600

Dear Sir,

As a retired former public servant I am writing to your Committee concerning the above current inquiry, particularly the indication of pension changes vis-a-vis changes in the Consumer Price Index (CPI).

Three points concern me as being relevant for your inquiry:

1) my pension changes once a year with the small change in the CPI

but the CPI is not an adequate or true measure of changes in my living standards as consumption patterns for retired people differ significantly from those in the workforce; this is so ~~blatant~~ obvious that even 'blind Freddie' could see this! I think it has been clearly shown that retirees spend a greater proportion of their 'income' on services rather than the typical spending patterns used by the Comstat in measuring the CPI changes. I'm sure any

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pension organization has the data to back up these claims.

2) federal politician's pensions are indeed to change in the growth of parliamentary salaries - my oh my, isn't this cosy! Surely it is an anomaly that politicians can experience higher relative increases (with the growth of parliamentary salaries) that exceed movements in the CPI. A graph showing the relative movements would highlight this disparity. Would you please show this in your report? The question to be asked is: Is this a level playing field? more generous for the 'pokies' but what about the retirees!

3) A more equitable measurement for changes in the pension rates (as well as for the 'pokies' pension) would be the average Weekly Ordinary Time earnings rather than the CPI price changes - this is a measure currently used by the Australian Taxation Office for superannuation purposes and does allow for some improvement in pensioners' living standards

Thanking you
B. Carter

(P. B. CARTER)
22.01.07