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The Secretary, Schate Select Committee on Superannuation and Financial Services, Parliament House, Canberra .2600.

Dear Sir/Madam,

I am a former Commonwealth Public Servant who was medically retired on 2 November 1983 after 41 years service. I receive a medical pension under the CSS Scheme and am under continuing medical supervision. My CSS number is S21780704.

I joined the Commonwealth Public Service under the old CSS Scheme with a pension entitlement of 67% of final salary for normal retirement or 70% of final salary for medical retirement. When I was medically retired I received only 52 & 1/2 % of final salary. A substantial reduction on the amount applying when I joined.

In the 17 years since retirement I have received, as have other retirees, a CPI adjustment on the first of July each year. The adjustment is based on the CPI variations over the previous twelve month period 1 April to 30 March and is paid three months later on the !st of July.

The effect is that by the time the CPI increase is received its purchasing power has been eroded by the increases in costs which have taken place over the 15 months despite the fact the CPI is intended to compensate for some of those basic cost increases. There are many items not included in the CPI which are subject to creeping cost increases and the add on effect of the GST. The retrospective CPI adjustment to the CPS pension does not help.

I submit that the present arrangement for CPI adjustment to the CSS pension scheme is inequitable, unfair and discriminatory and should be adjusted on a quarterly basis as are other Commonwealth pension payments.

