

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



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Dear Secretary,

I wish to comment on what I believe is an unfair treatment, by which my COMSUPER Superannuation Pension has been indexed over 7 years (since I was retrenched from Defence Science and Technology Organization (DSTO)), when compared to recipients of pensions from several other schemes (which have been much fairer in maintaining the relative purchasing power of their indexed pensions).

After 11 March '94, I began receiving an annual pension of \$22477.44, which was 46% of my final salary on that date. This salary was the top level of the Senior Professional Officer Grade C, at which I had been 'capped' for several years. SPOC and Engineer Class 3 were jointly recognised as equivalent by APS and the Institution of Engineers Australia (IE Aust). For many years the APS pay scales for this grade were recognised as below the median rate calculated by / from IE Aust Salary Surveys as appropriate for the skills, experience, responsibility and professionalism and as more generally adopted and paid in Australian Industry for this level. The Association of Professional Engineers Australia (later APESMA) of which I was a member, found a similar shortfall situation and during the years '94-'99, their efforts, in conjunction with IE Aust, to determine higher fairer pay rates bore fruit (but just too late to adjust my APS final salary to the levels reached shortly afterwards). My former job level has subsequently been renamed Executive Level 1 with a ceiling of \$63,898.

If the salary indexation by COMSUPER had maintained my Base Equivalence of the work value at the revalued/corrected grade, that \$63,898 x the 1994 46% would have fixed my present pension at \$29,393.08, compared to the amount I am currently paid \$25,616.31 per annum - a shortfall of \$3,776.77pa. or \$72.63 per week.

In the 7 years since retrenchment - an additional loss of around \$26,400.

I was also seriously disadvantaged by losing nearly 4 years of top salary and the opportunity to considerably increase my super contribution (in order to provide a retirement income nearer to my 40+ years professional star when Defence Dept decided, in 1992, to completely close the Weapon Systems Research Laboratory at Salisbury, where I was Head of Technical Support; (please see my attached position description from the DSTO WSRL Information handbook)

In 1989, I had been "headhunted" from my previous <sup>(SP03)/</sup> Engineer Cl 3 position in NAVY OFFICE Canberra and persuaded to apply for the Salisbury DSTO position with promises of career improvement opportunities and more scope to use my very extensive private and public sector engineering experience (in professional and practical areas of several countries), plus foreign languages, my project experience and lateral thinking aptitudes.

In 1988, I had <sup>already</sup> been on the top level of salary for a while and unable to advance due to the dearth of senior professional/executive positions in the APS, so a level move to DSTO in SA had seemed a sensible move. I was in an "age and super trap" position, too late to return to the private sector, and the '92-'96 years were very lean years for new projects and almost anyone over 35 years old. My health, which had suffered a duodenal ulcer from stress and perceived unfairness of my under utilization in NAVY OFFICE '85/'88, improved <sup>briefly</sup> in DSTO and <sup>then more</sup> after retrenchment, despite nil opportunities anywhere for professional work. A "Fitness Leader" Job retraining course and other self improvement (physical & mental) plus relocations to Gold Coast and then Canberra failed to produce any permanent job prospects.

I have seen no drop in living costs since GST and my ability to help my family through high unemployment years is much less than when employed. One of my daughters (now 28) is permanently disabled, unable to get permanent work or a viable Govt Support pension and the \$20,000\* I lent her to invest for an income, disappeared when Watke went bankrupt. She would have loved to receive the \$72 per week <sup>as</sup> <sup>a further</sup> shortfall help out from me.

\* Part of my retirement retrenchment package/stratagem

When I joined the APS in 1973, I was confident that my 20 years of valuable private sector experience would benefit Australia and enable me to live a sound, rewarding, secure career in an organization (APS) which, by reputation, looked after its staff, even though it paid below market rates. I have "missed out at both ends" and gone from a <sup>supposedly secure,</sup> reasonably well paid professional to little more than a subsistence paid pensioner but without Age Pension, (and its more realistic indexation), Health Card and several other Pensioner concessions. And no surplus to help out my family.

Nevertheless, I am grateful for the establishment of this committee and will be glad to offer help in any area which might rectify the depressing annual reduction in living standards of former APS conscientious professionals.

I note that publication is dependent on a decision by the committee so I declare it will be my intention to provide a copy <sup>of this submission</sup> in due course, to APESMA and to the National Services Association, both of whom encourage their members to help in lobbying for appropriate reforms.

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