

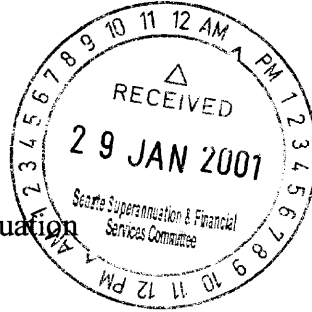
# **The Combined Council of Associations of State Retirees of Victoria**

(Incorporated A00322928z)

President: Ian Thomas  
Secretary: John Eltham  
Treasurer: Lindsay Whitrod

PO Box 0800  
Middle Camberwell  
Victoria 3124

Secretary  
Senate Select Committee on Superannuation  
And Financial Services



25<sup>th</sup> January 2001

Dear Ms. Morton,

I submit on behalf of the Combined Council of State Retirees of Victoria, the following opinion to the Senate Select Committee re the indexation of superannuation benefits. The Council is primarily concerned with superannuation schemes operating in the Victorian public section, however it is mindful that any significant changes made to the indexation of Commonwealth superannuation pensions may be taken up by the States in due course.

The objects and purposes of the Council as stated in its rules are as follows:-

2. The objects and purposes of the Council are to -
  - (a) develop a strong central organisation of affiliated State retiree organisations,
  - (b) develop its function to enable the Council to deal with matters such as superannuation, taxation, provision of Federal pensions and fringe benefits, and the like,
  - (c) further the interests of State retiree organisations by requesting representation on the Victorian Superannuation Board,
  - (d) publish newsletters for distribution to secretaries of affiliated organisations,
  - (e) the Council may affiliate with other bodies of similar interest but would exclude affiliating with organisations purporting to maintain political objectives.

It is believed that the indexation of superannuation is intended to PRESERVE the real value of the superannuation benefit in the community/social world of Australia. During the decade of the 90's such technological services as those provided by computers, internet access, mobile telephones, pay television, road tolling, etc. have become everyday throughout the community.

The indexation scheme used by the Government Superannuation Office of Victoria is the Consumer Price Index (CPI) for all Australian capital cities and will have often been referred to the Senators. This index changed from June 1995 to June 1999 by 5.2% and

reflects changes in costs to the consumer of a basket of services and goods considered as requirements of an average Australian citizen.

During almost the same period, ie May 1995 to May 1999, the average weekly earnings of Australians working only ordinary time increased by 16.1%. This increase is almost three times that of the Consumer Price Index and means that the relative financial position of the superannuant has not kept up with the general community. The Council believes this loss of relativity is not the intention of the indexation schemes applied to superannuation benefits.

Another index could be that of Household Disposable Income which uses a very wide basket of personal items. Unfortunately the Council has not got figure4s to assess this possible index, but is certain that the ~~Senate~~ committee could obtain figures if it inquired of its advisers.

The Council reiterates that other indices than the Consumer Price Index would be fairer to superannuants and that the Committee should propose such a change in its report to the full ~~Senate~~.

If invited, the Council would be prepared to present its opinion to the Committee in person.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Ian Thomas".

**Ian Thomas**  
**President**