

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



Re - The benefit design of commonwealth public sector and defence force unfunded superannuation funds and schemes.

I wish to address the Terms of reference point (a).

In April 1997 I took a voluntary redundancy. At the time I was what is now a SPO-C. As I elected to take an early pension, the amount I received was \$16618.98 in July 1997. My current gross annual benefit at July 2000 is \$17272.24, an increase of 3.93% for some three and a half years. In the same three and a half years the movements in (AWOTE) average weekly earnings were 3.5%, 4.3%, 3.2% and 4.4%. If these AWOTE increases are applied to a base of \$100 it would now be \$116.30. In other words 16.3% increase in the same time my pension went up 3.93%!

When I took the redundancy my pension was about 31% of my then annual salary. A 70% reduction in income has been difficult enough but to see it being eroded so quickly relative to AWOTE is disturbing. In fact so serious is my income reduction relative to the cost of living that I have had to rejoin the workforce.

I worked in the public service for 33 years and expect a fair and reasonable pension. Whatever

logic applied to bringing politicians superannuation
indexation from CPI to the movement in AWOTE must
surely apply to public servants superannuation?
As far as I know we all shop in the same
places and last time I shopped I did not
get any discount or concession for being a
retired public servant.

A fair go is all that is asked for, the
answer is obvious, the current method of indexation
to preserve the real value of public servant pensions
is inadequate. A change is needed now, with
a catch up facility to address the decline in
real terms over the last few years.

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