



25 January 2001

**QUEENSLAND**

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

Dear Sir or Madam,

**Re: The benefit design of Commonwealth public sector and defence force unfunded superannuation funds and schemes**

National Seniors Association (NSA) is the largest organisation representing Australians aged 50 and over. Many of our members are stakeholders in the Commonwealth public sector and defence force unfunded superannuation funds and schemes.

NSA recommends the Federal Government adopt an alternative method for indexation of Commonwealth Superannuation Pensions.

Using the Consumer Price Index (CPI) once a year, to adjust the Commonwealth Superannuation Pension, does not adequately reflect rising costs of living, and is inconsistent with indexation methods used for other benefits.

For example, social security payments are indexed twice a year, and a wages linked mechanism, rather than the CPI, acts as an index for the Commonwealth Parliamentary Superannuation Scheme.

Feedback from NSA members suggests that by eroding the real value of the unfunded component of employer benefits, the current method of indexation negatively impacts on their standards of living.

Yours faithfully,



David R Deans  
Chief Executive



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