

MEDIA RELEASE

UNFAIR PENSION INDEXATION – COMMONWEALTH SUPERANNUANTS

Dr Annette Barbetti, the Federal President of the Superannuated Commonwealth Officers' association said that she fully supports the Defence Force Welfare Association's President David Jamison's concern regarding the unfair CPI pension indexation for people who had proudly served their country as members of the Defence Force and those who might be intending to join the Defence Force.

This is a matter that has been before three separate Senate Inquiries, all of which recommended a fair wage-based index for the pensions of former members of the Defence Force and former Commonwealth/Territory public servants. Their standard of living has been significantly eroded by the continued use of CPI indexation. She said that the Australian Bureau of Statistics says that the CPI is not a purchasing power or cost of living measure. This issue adversely affects about 300,000 senior Australians who have proudly protected Australia and what it stands for.

Contrary to what many may think, the average Commonwealth superannuation pension is more than \$1,000 p.a. less than the combined couple rate of Age Pension and mostly supports both members of a couple, she said. All they want is to have their pensions increase by the same percentage as applies to the base rate single person Age Pension.

They're not asking for special or favoured treatment Dr Barbetti said, only the national standard for indexing pensions, which has been the case for most other Government funded pensions for more than a decade.

Dr Barbetti said that when in Opposition, both Labor and the Coalition have shown varying degrees of support for fixing this inequity but when in Government they have suddenly found reasons not to fix that inequity.

It is time Dr Barbetti said, that the minority Labor Government honoured the expectation it created prior to the 2007 election and introduced the fair, national standard for indexing the pensions of the Government's former employees and those who have proudly served this country as Defence Personnel. The cost is very small in budgetary terms Dr Barbetti said and there is ample money in the Future Fund to do this without affecting the budget bottom line. It simply needs the political will of the Government to end the unfairness.

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