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Dear member

I am seeking your assistance in our campaign for fair indexation of your superannuation pension. Prior to the last election Mr Rudd and his colleagues created great expectations of delivering the fairness recommended by three separate Senate Committee inquiries but Mr Rudd has failed to deliver on his promise of fairness for all Australians.

SCOA will continue to lobby the Government, the Opposition and other MPs. However it is essential that you play your part in this campaign for fairness. Governments rarely amend policies unless unhappy voters voice their discontent. SCOA is most unlikely to achieve change without your involvement; however I believe that together we can influence the Government to provide fair pension indexation, but we must be prepared to persevere.

BACKGROUND INFORMATION

Julia Gillard said in letters to Commonwealth superannuants before the 2007 election, ***“I understand your frustration as the Federal Liberal Government has flatly refused to review the current method of indexation even after the Senate review committee concluded that the current method of linking the Comsuper pension solely to the CPI was unfair.”***

Despite the Government’s initial acceptance of the recommendations of an actuary it appointed to review the matter in 2008, it has now acknowledged that the CPI is an inappropriate way to index pensions. The actuary recommended no change unless an index could be found that better reflected the purchasing patterns of Commonwealth superannuants.

Whilst the Government’s acknowledgement of the inappropriateness of the CPI is a welcome step, the Government, it continues to refuse you a fair, wage-based index that applies to other Government funded pensions. The Coalition, despite their long held position that the CPI is an appropriate pension indexation tool, have now also acknowledged it’s inappropriateness.

These are significant milestones in our battle to achieve what we know is only fair and proper. We still, nonetheless, have to continue the campaign to have the Government agree to index your pension fairly and stop the erosion of your standard of living. All we are seeking is the same percentage increase as the single rate Age Pension. That is the community standard for indexing Government funded pensions.

Recent Gains by SCOA

SCOA has been able to get expert actuarial advice that;

- strongly indicates that the Government’s cost estimates of a change are greatly exaggerated -that is because the actuarial assumptions that underpin the estimates are not evidence based
- the cost of fair indexation is likely exaggerated by as much as 80%

- the Future Fund which was established to pay for Commonwealth superannuation pensions could be used to pay for fair indexation without affecting the Government's desire to return the budget to surplus by 2012/13.

SCOA is now taking these arguments to the Government, the Australian Greens and the Independents. There has been considerable interest in this information shown by the Greens and some Independents.

SCOA's RESOLVE TO ACHIEVE FAIRNESS

SCOA is determined that you be treated fairly to stop your standard of living eroding further due to the outdated CPI pension indexation arrangements. Using the CPI to index your pension is a discriminatory policy and one that is very un-Australian. Together we must continue to remind the Government of this discrimination and have them honour the fundamental Labor principles of a fair go for all Australians, which they promised before the last two elections.

We both must play our parts in this campaign if we are to achieve fair pension indexation. Whilst we can never guarantee success, we can guarantee failure if each of us don't actively participate in the campaign. As a voter, you hold far greater power/influence than does SCOA.

Contact with your local MP and Senators

To have the greatest impact it is preferable that you write to your local member and to at least one of your Senators regardless of the party to which they belong. Senators' details are attached. Personal letters to MPs invariably receive more attention than a standard campaign letter such as those we have provided with this letter. If it might assist you, a copy of the attached letters is on our web site www.scoa.asn.au. If you write your own letter, copies of the graph, which we urge you to send with your letter, can be obtained from our web site or by contacting our Federal Office in Canberra; see below for contact details.

If you write your own letter I suggest that in addition to expressing your own feelings, that you make some of the following key points or at least the first three:

- i) The Government appointed actuary Trevor Matthews said that **the purpose of indexation is to maintain the purchasing power of pensions.**
- ii) The Australian Bureau of Statistics says that **the CPI is not a purchasing power or cost of living measure.**
- iii) The Labor Government has betrayed Commonwealth superannuants by not honouring the expectations of fairness it created prior to the 2007 election.
- iv) The CPI was discarded as the sole means of indexing most Government funded pensions, including MPs' pensions more than a decade ago.
- v) Three separate Senate Committee inquiries involving 29 Senators have all recommended fairer wage-based indexation for Commonwealth superannuants.
- vi) Many billions of dollars were found by the Government to stimulate the economy and the cost of fair pension indexation for you is tiny in comparison.

If you choose not to write your own letters then two are available below, one for your local member, the other for one of your Senators.

Please ensure that you:

- Include the MP's name in the opening to the letter.
- Sign and date the letter.
- Include your name and address **because the letter asks for a response.**

To obtain the name and/or address of your local member you could:

- visit the Australian Electoral Commission's web site at www.aec.gov.au or
- phone the Australian Electoral Commission on **132 326** or

- email indexationmanager@scoa.asn.au, or call 02 6286 7977. If your call is unanswered please leave a message **with your phone number** including the STD.

Meeting with your local MP and Senators, regardless of their party is also a very effective way of telling them you are tired of being treated unfairly and so **I strongly encourage you to do this**. You could either make an appointment to meet with your local MP and /or a Senator alone or with other Commonwealth superannuants. Alternatively you could phone or email them to express your discontent with the Government's decision. To assist you, see our Indexation Fact Sheet under "Indexation" on this web site, www.scoa.asn.au.

Yours sincerely



Annette Barbetti
Federal President