

1 February 2019

Name of MHR or Senator

Parliament House
CANBERRA ACT 2600

Dear INSERT NAME

The enclosed issue of SuperTime is the last issue of SCOA's quarterly newsletter you will receive. There will be one more sent to our members in May but it will contain only information about the impending closure of the organisation by the end of June 2019.

Yes, SCOA Australia Incorporated is closing its doors, just four years short of its 100th birthday.

SCOA was established in 1923 to represent the interests of government employees in their retirement. Over the years we have pursued a variety of issues to achieve better living conditions in retirement for these people, the main one being fairer indexation of our pensions. We have approached successive governments in many different ways. We have lodged submissions to many Senate Committee and other hearings as well as new legislation and measures that impacted negatively on our members. We have participated in round table discussions, participated in the annual pre-Budget submission process; we have met and corresponded with ministers and their advisers and senior departmental officials.

Only to be ignored at every turn and/or told to be grateful for our lifelong pensions. One is tempted to think that it has been a tactic intentionally adopted by successive governments; stall and ignore them as long as you can and eventually most of them will give up and go away. Well, many of our members did give up after many years of a modest retirement, either moving into an age care facility or they simply died. As our members disappeared, so did SCOA's main source of income and we have no other choice than to wind up.

In the lead up to the 2013 federal election, then opposition leader, Tony Abbott, promised that if elected, his government would change the indexation method for some military pensioners. The Coalition government was elected and in 2014 the indexation method was changed for retired military personnel *but not for former civilian public servants*.

SCOA does not understand the rationale for this discrimination. Surely, former military personnel did put their lives at risk, in the traditional sense; they were in the trenches and on the battlefields although both trenches and battlefields look very different in 2019. But so did their civilian counterparts and often on a more regular basis. For example the police, firefighters and nurses as well as school teachers and even certain government agencies' front offices (like Centrelink) who are frequently visited upon by anguished, angry and aggressive clients who struggle to survive on the meagre age pension and other benefits provided by the government¹.

The following table shows income brackets for CSS, PSS, 1922 and PNG pensions². As the table clearly shows, just under 78% of these pensioners survive on incomes of under \$50,000 p.a.; the median pension is approximately \$32,000.

¹ A recent report published by ACOSS ("Poverty in Australia 2018) found that there are just over 3 million Australians living below the poverty line, defined as 50% of median income.

² Information valid as at December 2017; obtained through a FOI request, this is the latest information made available to SCOA by CSC.



SCOA Australia Incorporated
PO Box 107 Mawson ACT 2607
Pearce Community Centre, Building 3/8
Collett Place Pearce ACT 2607
ABN 20 315 946 727

Phone 02 6286 7977
Email scoaaustralia@scoa.asn.au
Website www.scoa.asn.au

GROSS ANNUAL PENSION	NUMBER OF PENSIONERS	% OF TOTAL	CUMULATIVE % OF TOTAL
0 - \$9,999	13,457	8.49	8.49
\$10,000 - \$19,999	27,824	17.56	26.05
\$20,000 - \$29,999	34,513	21.78	47.83
\$30,000 - \$39,999	27,473	17.34	65.17
\$40,000 - \$49,999	19,839	12.52	77.69
\$50,000 - \$59,999	13,867	8.75	86.44
\$60,000 - \$69,999	8,865	5.59	92.03
\$70,000 +	12,628	7.97	100.00
TOTAL	158,466		
MEDIAN PENSION	\$32,000		

This is hardly “fat cat territory”, a term that is frequently used to describe the presumed luxurious living standards of retired bureaucrats.

As an example, SCOA’s own research shows that someone who retired in January 1990 and now receives a gross fortnightly PSS or CSS pension of \$1,500, is *behind by \$719 each and every fortnight* due to the inadequacy of the CPI as an indexation method. This is no way to treat senior Australians, the government’s own former employees, in a nation that prides itself of the “fair go” mantra. It is also short-sighted and bad economy as retirees on higher incomes would not only not burden the government’s age pension budget but indeed contribute significantly to the economy in general.

As we have said many times, SCOA has never asked for special treatment. All we want for our members, former government employees, is that they are treated on equal terms with all other senior Australians.

SCOA Australia is an apolitical organisation. We are not aligned with any political party or any unions, and we do not advise or encourage our members to vote one way or the other at election time. However, there is no doubt that many of our remaining members, and many of the CSS and PSS pensioners in general, are extremely unhappy with the lack of interest shown by successive governments in the wellbeing and welfare of the government’s own former employees.

As the next federal election draws near, you may like to consider the issues I have raised in this letter and ponder what you might be able to do, should you be re-elected, for the thousands of government retirees to improve their living conditions in retirement. Statistics³ suggest that these people will be around for another 40 years or so.

They vote.

Thank you for your consideration.

Yours sincerely



Peter Illidge
PRESIDENT

³ Commonwealth Superannuation Corporation Annual Reports.