

13th April 2011

Senate Finance and Public Administration Committees
PO Box 6100
Parliament House
CANBERRA ACT 2600

**SENATE INQUIRY INTO THE DEFENCE FORCE RETIREMENT AND
DEATH BENEFITS AMENDMENT (FAIR INDEXATION) BILL 2010**

Dear Senator,

Thank you for the opportunity to make an individual submission to the Inquiry.

I support the Bill.

The method used for indexation of DFRDB pensions should be amended because:

- Successive reviews have recorded that the CPI to be an inadequate indexation method.
- In 2001, the Australian Bureau of Statistics stated that the CPI did not reflect increases in the costs of living.
- In the 2007 Matthews Report, Mr. Matthews agreed that the purpose of indexing pensions was to keep up with the costs of living – the CPI is not an accurate measure of increased living costs.
- It is the right thing to do.

Sincerely,

Flight Sergeant Gerard Gough
ADF member