

To:  
Committee Secretary  
Senate Standing Committee on Finance and Public Administration  
PO Box 6100,  
Parliament House  
CANBERRA ACT 2600

## **SUBMISSION TO THE SENATE INQUIRY INTO SUPERANNUATION REFORM**

Ladies and Gentlemen,

***Preamble:** This submission from me is from the perspective of the partner of a veteran who is obtaining a superannuation pension from DFRDB. It just sets out the facts of family life lived whilst the veteran was paying into the Super fund. I feel that my husband is not being suitably recompensed for his service of 21 years in the Army in accordance with what was promised when he enlisted.*

**Submission:** My husband paid into the Defence Force superannuation funds for twenty years, five as a single man and fifteen as a family man.

When he joined the Army in 1950, it was with the expectation that he would serve his country in Korea and remain a serviceman long enough to qualify for a pension at the end of it. We became a family of seven and with his final rank of Warrant Officer Class Two we should have been able to enjoy a reasonable lifestyle. During his 21 years in the Army he paid twenty-three and one third percent of his wages every fortnight into the superannuation fund. As his wages increased through promotion to higher rank and pay rises, so his contributions increased accordingly. With each increase in pay three things happened:

1. He had to “buy back” superannuation payments from his date of enlistment to enable him to retire with a pension equivalent to the rank he held;
2. Rental payments on Army housing rose as they were tied to a percentage of the wages;
3. Taxation rose

These rises meant that finally his take home pay became less than he had been getting before the rises!

The crunch came when service wages were based on equivalent civilian rates meaning he got a substantial pay rise. Then he received an account from the DFRB Board for \$1,800 to “buy back” to enable him to receive the full benefits of a retiring Warrant Officer Class 2. That may not seem a large amount today but think of when it was – the 1970s. He had to “freeze” his retirement benefits payments to a level we could afford.

This happened to many of his work colleagues also and officers, particularly, were hard hit.

During the period of large contributions it became my responsibility to ensure that we had enough food to eat, pay rent, educate our children and run a second hand car. To do this my

life became one of total frugality. I will list some of the means we used to keep our heads above water:

- We did not go on annual holidays
- We did not go to paid entertainments
- We bought no new household goods
- We never “ate out”
- I made all our own clothes – sewed, knitted, crocheted (including underwear)
- I did not purchase shoes or dresses for myself for eleven years in a row (a real sacrifice for any woman)
- I darned socks – even darned over the darns
- I patched towels, sheets and all clothing in worn spots and at times patched over the patches!!

Our other concern was the postings interstate which meant uprooting the children from schools necessitating new uniforms and books – another drain on our resources.

You may ask why I didn’t go out and get a job. I had a full time job being a wife and mother. Besides, there were no child care centres, there was no after-school care available, postings away meant we were not near family members who could help, and there very few part-time jobs that could fit in with family life. Another reason was the impossibility of keeping a family in tact and hold down a job at the same time when the man of the house was frequently away on exercises and schools and courses.

In 1971, just prior to his taking discharge, he had been offered a posting from Brisbane to Melbourne with a rise in rank to Warrant Officer Class 1. From this rank he would have been eligible to go to an officer’s training school and he would eventually retire with the expected rank of Captain. He had to forego these career opportunities because of the additional payments needed to keep his eventual super payout to be equivalent with his retiring rank.

Of course, then in the 70s the government of the day removed moneys from the fund set up for the future payment of pensions and used it for other purposes. If the fund had been left in tact, we would not have the problems being faced today about the level of increases.

My point to all this saga of deprivation (or, perhaps, a type of genteel poverty) is that we sacrificed much to enable his superannuation pension payments to really be of an amount that eventually would be of some benefit to us. And so it was in the beginning. Now we find that instead of the increases we expected to maintain the standard of living at the time of retirement, we are going backwards while Old Age pensions and politicians’ pensions are keeping up with rising costs by having their increases tied to Male Total Average Weekly Earnings while ours are tied to the lower Cost of Living increases. It seems to me to be inequitable that those who gave up their lives to the service of their country in the Defence Forces are not worth as much as an ordinary civilian or a politician.

I will add a rider to this submission by saying that three of our children have served or are presently serving in the Defence Force and one grandchild has also enlisted in the Army. We feel we have done our duty for Australia - we now hope Australia remembers us.

Yours sincerely