

2 March 2010

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

**SUBMISSION BY AIR COMMODORE (RETIRED) H.F.FREEMAN**  
**ON THE PROPOSED**  
**GOVERNANCE OF AUSTRALIAN GOVERNMENT SUPERANNUATION SCHEMES BILL**  
**2010**

Dear Committee Secretary,

I retired from the RAAF in 1990 after 35 years service in the General Duties Branch. During my service, like all servicemen, I served in most States of Australia as well as doing several tours overseas. There were very frequent separations from my family, and exposure to hazardous situations, both in operational training and operations in hostile environments. I have qualifying service for a part disability pension and I continue to pay tax on my DFRDB.

The proposed *Governance of Australian Government Superannuation Schemes Bill 2010* proposes to merge the DFDB, the DFRDB, the Military Superannuation and Benefits Scheme (MSBS) with other superannuation schemes. There are some aspects of this merger (which seems to be based on the “one size fits all” principle) which cause me great concern, mainly because of omissions to correct past inadequacies.

I believe the bill would be strengthened if it included the following:

- Unequivocal recognition of the uniqueness of military service to ensure that all Service personnel, past, present and future are **fairly** recompensed in retirement, for the unique role they play in the security of our Nation.
- Having more than two directors appointed by CDF to guarantee due consideration of this uniqueness,
- Increasing military superannuation pensions twice annually by the greatest of CPI, PBLCI or MTAWE, the same method used for the Age pension. (this does not seek special indexation treatment despite the unique nature of military service and despite compulsory contributions of 5.5% of pre-tax pay while in uniform). This will stop further erosion of military pension purchasing power.
- Bringing the currently used 1962/63 life expectancy tables into line with current practice elsewhere in society