

28 February 2010

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

Email: fpa.sen@aph.gov.au

**RE: GOVERNANCE OF AUSTRALIAN GOVERNMENT
SUPERANNUATION SCHEMES BILL 2010 – SENATE ENQUIRY**

I am writing to object to the proposed changes being implemented next year by the Government to bring military superannuation under the same umbrella as other commonwealth employees, via the proposed **Government Superannuation Schemes Bill 2010**.

The Hon Peter Lindsay MP stated, "I call on my colleagues on both sides of the Parliament to join with me to accept that military service is a **special service** to our Nation and to push the government to modernise the indexation rules for military pensions. It is inequitable to have our DFRDB recipients, who contributed 5.5% of their salary to the DFRDB scheme, receiving less than our Old Aged Pensioners and that their meagre income is indexed against the CPI, while the Old Aged Pensioners' income (to which they made no contribution) is indexed against the CPI or the MTAW, whichever is the greater." *Hon. Peter Lindsay, MP.*

You will note that The Hon Peter Lindsay refers to the term, "Special Service".

To combine all retirement and superannuation schemes into the one basket would undermine the unique status of those who enlist in the Services of those who sign away their basic rights to the Nation. Moreover it does not take into account the, "**UNIQUE NATURE OF MILITARY SERVICE**", which all Terms Of Reference have looked at and agreed that the Nature of Military Service is Unique and hence warrants pay and benefits accordingly. To match Military Service with that of the Private and Government Sectors shows scant regard for the Anzacs past, present and future.

Military personnel, unlike their civilian counterparts, are required to take up arms and defend our country therefore putting their lives at risk more so than those who enter into other government departments. They face danger every day whilst in training and on deployment. Whilst on deployment to one of the belligerent battlefields they are under stress from day one to day zero. They remain on high alert day and night whether beyond or within the wire.

The unique requirements of military service bring greater risk of personal injury to Service personnel that impacts on their entire life and their family who

suffer hardships alongside their partners related war services and the rigors of military life.

This discrepancy and intermarriage of benefits is entirely out of proportion to those who do not have to place themselves in harm's way. Therefore to reiterate, it is an unfair proposal that would disadvantage those past members and future military enlistees who elect to serve in our military.

Why should a young person enlist into military services that place their lives at risk when they could stay home, hold down a government job and receive the same benefits? It would be just as equitable to ask a Public Servant to "pick up a weapon, and stand a post", to quote Jack Nicholson.

Military service needs separate considerations from all aspects including, clothing, training, weapons handling, identification friend or foe and the right to have Super pay and benefits befitting that service and Uniqueness.

And, as you once stated, Military service is of the highest calling our country can ask of its citizens. It is the Government's responsibility to ensure that our country employs and properly trains the right people to do what is asked of them (including the ultimate sacrifice) and then it is also the responsibility of governments to ensure these men and women are treated fairly during their engagement and well after the call to duty is done. This comes about through pay and benefits and access to a caring Veterans Affairs system.

This new proposal will be resisted by all ex-servicemen and women along with their family members within our organizations, particularly where the Board is stacked with 3 ACTU members to 2 Service members who would easily be out voted on matters addressing Service related issues. In my humble view this could, yet, be another step in the diminution of the traditionally accepted "uniqueness of military service". We do not have the luxury of a Union, so why are we being subjected to the Power of the Union vote (3 ACTU Members)

Despite all guarantees and undertakings, history is replete with examples where Governments, for whatever reasons, change such arrangements for financial reasons. I am very concerned that, one day, military superannuants will be treated exactly the same as Commonwealth Public Servants and trade unionists. Military Superannuants deserve better, after all they lay down their lives, each and every day, somewhere in the world. Who sends them the Government, why to project power and sway over those belligerents that choose to try and take away those freedoms earned by the Anzacs of the past?

Our ex-service numbers are twofold as they include families so we are many throughout Australia and whereas we do not riot, demonstrate or scream to get our way like most minority groups; instead we are the loyal but silent protectors of our Nation and freedoms.

On another issue related to Military and Commonwealth Superannuation, the Bill states interalia,

“The ability for the trustee to consolidate funds under management will, in particular, provide opportunities for increased scale of operation and more effective and streamlined investment operations. Increased scale should also assist to attract and retain quality board members and staff and provide access to higher service levels and better investment opportunities”.

Firstly, the funds are already consolidated in the future fund, with an Act of Parliament providing the Governance for its management. So why therefore do we need to consolidate all of the Super Funds when the budgetary provisions are being met by an already consolidated fund whose balances are expected to grow expeditiously over the coming years; and

Secondly the ability to attract and retain Board members should be apparent, when there are Billions of dollars under management.

In summary I wish to lodge my objections to this Bill as follows:

- I object to the merge of all military superannuation schemes with other superannuation schemes.
- I also strongly object to the proposed composition of the Board of Directors, in that there will be three ACTU Directors, only two Defence Directors and five Directors appointed by the Minister for Finance. Military superannuation schemes should, nay must, remain separate from all other schemes, and be controlled by a separate governing body (Board of Directors), that has an understanding of, “The Uniqueness of Military Service”.

Respectfully Yours,

JOHN W PRITCHARD
Lieutenant Colonel
Royal Australian Engineers (Retd)
(Tunnel Rat)