

1 March 2010

From: Wing Commander (ret) C.P. Ring. AM AFC

Committee Secretary

Senate Standing Committee on Finance and Public Administration

PO Box 6100, Parliament House

CANBERRA ACT 2600

Email: fpa.sen@aph.gov.au

Bob.Baldwin.MP@aph.gov.au

SUBMISSION BY Wing Commander (ret) C.P. Ring. AM AFC
ON THE PROPOSED
GOVERNANCE OF AUSTRALIAN GOVERNMENT SUPERANNUATION
SCHEMES BILL 2010

Dear Committee Secretary,

I am writing as a very concerned returned serviceman and retired member of the Armed Forces to object to the proposed changes being implemented by the Government to bring military superannuation under the same umbrella as other commonwealth employees, via the proposed *Government Superannuation Schemes Bill 2010*.

I served for 20 years and saw service in 3 Operational Theatres and a Peace Keeping Force. I spent months and years away from my family on postings where families were not permitted. I served diligently and effectively as indicated by my decorations of the Order of Australia and Air Force Cross. I feel now as if I am being treated like a second class citizen and that all the Government Praise over many years of Military service particularly in overseas theatres is forgotten.

To combine all retirement and superannuation schemes into the one Management Regime would undermine the unique status of those who have served wherever and whenever asked including war service. Military personnel, unlike their civilian counterparts, are required to take up arms and defend our country therefore putting their lives at risk which is far more than asked of those who enter into other government departments. Even the act of training for Service is far riskier than other occupations. Military Families suffer hardship especially the partners in relation to war services and the rigors of military life.

It is very easy for Government officials to remember these hardships and dangers at hearing of the death, the wounding or of a battle in progress on one of the fronts where

service personnel are sent: it may be very easy for politicians to forget when making judgments in the isolation of an office in Canberra. It may be very easy to think that military personnel are immune to the rigors of service but service people are like all other Australians and it lives with them forever.

Military service needs separate consideration. 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.

We do not riot, demonstrate or scream to get our way like many groups; instead we are the loyal but silent protectors of our Nation and freedoms. It sometimes seems that this fact is being taken advantage of by the very Government that should be looking after those whose conditions of service reduce their political voice.

Concerns

While I have no objections to the merger of the three military superannuation schemes (DFDB, DFRDB and MSBS) under a single authority or board, I have grave reservations regarding the merger of these three schemes with other superannuation schemes.

I am concerned that this proposed merger will incur unknown costs especially with the payment of the remuneration of the CSC Directors. There will also be other related expenses, travelling, accommodation, etc. If the military superannuation schemes have to contribute to these costs, this will further reduce the funds available to their members.

The composition of the CSC is unbalanced and certainly appears to place the ADF Directors in the minority.

Again, I am concerned regarding the establishment costs as these, too, appear to have to be met by the merging schemes. I do not believe that the Military superannuation schemes, being "unfunded" should have to bear these costs.

As the DFDB and DFRDB schemes have always been as Defined Benefit Schemes and, as such "unfunded", will they now be reclassified as "funded" schemes as investments will provide additional funds available for distribution?

I am concerned that this proposed Bill will eventually result in a diminution of benefits for Military superannuants and that, in time, there will be an aggregation of all schemes with the result that military superannuants will be treated exactly the same as other Commonwealth superannuants.

This, in turn, will be yet further erosion of the uniqueness of Military service. Our ex-service numbers are twofold as they include families. So we are many throughout

Australia. This new proposal will be resisted by all ex-servicemen and women along with their family members and by our Service organizations particularly where our power lies at the ballot box and with the press.

Conclusion

I wish to lodge my strong objection to merge all military superannuation schemes with other Commonwealth superannuation schemes. I also strongly object to the proposed composition of the CSC, where there will be three Trade Union Representatives, only two Defence Directors and five Directors appointed by the Minister for Finance.

This is yet another step in the Governments' efforts to devalue the proven fact that employment in the Defence Force is unique to all other Government employment conditions. Despite all guarantees and undertakings, history is full of examples where Governments change such arrangements for financial reasons and to the detriment of the recipient (in this case, the ex-service community). I am very concerned that if this Bill is passed by Parliament, military superannuants will be treated exactly the same as Commonwealth Public Servants and trade unionists.

For the reasons stated in this letter, Military superannuation schemes must remain separate from all other schemes, and be controlled by a separate governing body (Board of Directors).

Yours sincerely