

With your indulgence, I wish to make a submission to the above named inquiry.

The issue of military superannuation is a long and rocky road with many deviations and misinterpretation along the way, leading, ultimately, to a total corruption of the system.

The military, for a long time, had the most innovative and forward looking reward for loyalty systems of any government system in the country. The system, known as the DFR & DB, was originally introduced as a gratuity system to reward those members of the services that completed 20 years continuous service. Each member contributed 5.5% of their salary to the pool and on completion of 20 years service they received 35% of their final salary as a pension.

This system up until the early 1970's was self supporting and had a considerable amount in reserves. It contributed to a strong sense of wellbeing among members and was recognised as fair reward for many years of service that did not accept a 9 to 5 regime. In the same fashion that we have in the services today.

The Whitlam government decided, in their wisdom, to transfer the millions of dollars in the DFR & DB reserves into consolidated revenue and underwrote the liabilities of the fund from consolidated revenue. This, in my view, took away the one source of funding that members of the armed forces had should they decide to leave their employ after 20 years service to their country. This action by the Whitlam government sowed the seeds of the DFR & DB's destruction.

Then it was changed to a superannuation scheme, a role it was never intended to fulfill. The DFR & DB should never have been demolished and replaced by Military Superannuation because Superannuation does not fit the requirements of the Military. The uniqueness of the military role and the serviceman's life after service is so different from the continual employment of the civilian. Only somebody who has never served in the services would think there is no difference.

The Armed Services should have their own superannuation scheme with their own representatives on the management board. There should be three officers and three non-commissioned officers with an independent chairperson. They should also be able to introduce special rules as to access and payment of pensions that are unique to the armed forces.

If the Senate really wants to involve itself in an inquiry that will provide a service to the country, conduct an inquiry into the unfunded liabilities of the commonwealth and the states. That would be a service to the nation.

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