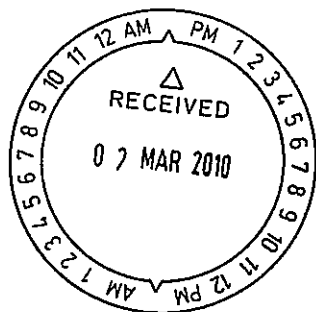


From: John Long



28 February 2010

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

Dear Sir or Madam,

RE: SENATE ENQUIRY INTO SUPERANNUATION REFORM - GOVERNANCE OF AUSTRALIAN GOVERNMENT SUPERANNUATION SCHEMES BILL 2010

I understand that the Committee is meeting to consider a proposal to bring all Commonwealth Superannuation Schemes, including the various Defence Schemes, under a single administrative authority while maintaining the benefits under each scheme, at least for the time being. I respectfully wish to object to the proposal in the strongest terms. Bitter experience leads me to believe that in the long run this will lead to "administrative efficiencies" being used to champion a gradual merger of the various schemes with all members being treated "equally" in spite of the substantial differences in conditions under which they work.

I am a retired Army officer. I spent 21 years in the Army, including active service in South Vietnam for 12 months. I retired from the Army having had something like 16 homes, so that I could give my children some stability in their lives and a better chance for a settled education than I had had as the son of an army officer. During my school years I attended something like 13 different schools in three different countries, including Australia where I attended schools in three of the States and one Territory on and off for various periods.

My objection is based on the fact that military personnel, unlike their civilian counterparts, can be and often are required to take up arms and defend their country. In addition, they are required to serve wherever they are sent, often at short notice and certainly without consultation. As a result, they and their families suffer frequent dislocation, with changes of children's schools and spouses' loss of income, and periods of separation. And they are subject to both military and civil law and required to adhere to higher behavioural standards, in spite of the impression some hold when the odd aberration is enthusiastically reported by our Press. Even in their training and service in Australia they are often exposed to difficult and sometimes dangerous conditions. Finally, because of the nature of their calling many retire earlier than their civilian counterparts for a variety of what are in reality service related reasons.

During my time in the Army my superannuation arrangements were varied on two or three occasions always without consultation or agreement and, in my opinion, never to my benefit. I believe that the proposed Bill would, once again, show disregard for the trust placed by past and present members of the Australian Defence Force in their Government which is, after all, also their employer. I doubt that the members of this Government would allow any other employer in this country to treat their workers in such a fashion.

Even if my worst fears are not realized and the various schemes remain separate, there is still an issue of governance with the proposed Board not having adequate uniformed representatives to ensure that the interests of Defence personnel are adequately understood and represented when future changes to the various Defence Schemes are proposed, as they undoubtedly will be. I think that the expression is that this change appears to be "the thin edge of the wedge". As I read the Bill it proposes a Board of eleven, a Chair and five members appointed by the Finance Minister, three nominated by the President of the ACTU, and two nominated by the Chief of the Defence Force. I think that the numbers speak for themselves.

I may have missed something in my reading of the documents involved with this Bill but am I to assume that the Parliamentary Scheme is also covered by it? If that is not the case then the question that comes to mind is if this change in governance is such a good idea why is it not included?

Service personnel are, by their nature, not inclined to complain. However, this proposal on top of the unfair and discriminatory treatment meted out to them in the way military superannuation payments are indexed is finally causing many to speak out. I wish to add my name to the list and I am sure that I will be joined by many others.

I recently heard the Minister for Finance and Deregulation state that the indexation of military pensions (using an index such as the one enjoyed by parliamentarians) would result in an increase in costs and that the country could not afford it or words to that effect. Is this Bill nothing but another cost cutting measure in disguise? Will it really bring benefits to Defence Personnel? Since when are issues decided on cost and not conscience and principle?

I urge the Committee to reject the Bill in its present form, to recognize the unique nature of military service and the need for this to be reflected in the way in which Service Personnel are recompensed during and after their service, to maintain the integrity of the Defence Superannuation Schemes, and to ensure that any changes to military superannuation are to the benefit of past, present and future military members.

Yours faithfully,