

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

Dear Sir,

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'. I am an ex military having served 28 years as an officer in the Australian Army.

I believe there are two significant issues with the proposed Bill. Firstly, there are significant differences between the personnel (ex-military) supported under military superannuation schemes (DFDB, DFRDB and MSBS) and those supported under other schemes. The conditions under which military personnel worked and served the country (all governments seem to cite the unique service military personnel provide) is very different to the conditions others worked under. These differences need to be reflected fairly in any benefits including superannuation schemes. Combining military superannuation schemes with others will dilute the ability to do that.

Secondly, the propose structure of the Commonwealth Superannuation Corporation Board (three directors appointed by the President of the ACTU, two directors appointed by the CDF and five directors appointed by the Minister for Finance) is unbalanced. I don't understand why the ACTU should have any representation in determining changes to a military superannuation scheme, let alone more representation then Defence. With such a Board, any unique to military issues with superannuation can be easily sidelined without re-course. As an adjunct to this is the cost of establishing the CSC and Board. Such costs should be borne by the superannuation schemes.

I am concerned that this Bill, if approved, will eventually result in a reduction of benefits for ex-military personnel and their families. Over time there will be no difference between military superannuation and other superannuation. That will not be a good outcome and will erode further the so called uniqueness of military service.

Please keep the military superannuation schemes separate from others and do not support this proposed Bill.

Yours sincerely,
Michael Frazer