



1 Mar 2010

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

SUBMISSION BY PETER SNOWDON
ON THE PROPOSED
GOVERNANCE OF AUSTRALIAN GOVERNMENT SUPERANNUATION
SCHEMES BILL 2010

Dear Committee Secretary

Introduction

I enlisted in the Australian Regular Army as an Army Apprentice Fitter and Turner on 4 Jan 1954. I was Commissioned on 9 Sep 1964. My service was in Australia, Papua New Guinea and South Vietnam and I retired after 35 years service on 6 Feb 1989 with the rank of Colonel. I am a DFRDB Superannuant and so I have a particular interest in this Bill. I have been a contributor to the DFRDB Scheme during all of my service, I contributed 5.5% of my salary to that fund and I now draw DFRDB superannuation, which is subject to taxation. I still pay tax on my superannuation, and I will continue to have to do so even though I am 72 years old. I receive the 10% rebate, but all other "pensioners" over 65 (with the exception of Commonwealth Public Servants) pay no tax at all.

Discussion

As a basic premise, I object to the combination of the 6 Superannuation Funds listed in the Outline to the Bill. To do so makes a mockery of the special nature of Military Service by combining them with civilian Funds. Military personnel are required to serve in the defence of this nation, often paying the supreme sacrifice in so doing, something which civilians are not required to do.

Having willingly put themselves in harm's way, it follows therefore that in doing so the risks to them of personal injury, or even death, are far greater than that of any other section of the community. Unfortunately, such risks affect not only those who serve, it affects families as well. The constant, sometimes dangerous, training requirements, the absences during training and on active service, all present hardships and anguish far beyond that expected from other

members of the community and their families. The heartache and anguish felt by families if a member pays the supreme sacrifice cannot be measured.

Many times Government Ministers have voiced their belief that there is no higher calling than Military Service. Either they were indulging in rhetoric (God forbid!) or there truly is a uniqueness about Military Service. That being so, then it behoves Government to protect all aspects of remuneration for service personnel, including their Superannuation. I do not believe that this Bill, by its very nature and intent, is capable of so doing.

The second aspect of the Bill which is of concern to me is the structure of the Board. Clause 10, subclause 10(1) and 10(2) requires an equal number of employer and employee directors (the Bill refers to as "employer representatives" and "member representatives", respectively). Essentially, this provides for Government membership of 5 including the Chair and 5 "others"; ACTU and Military. Rather than there being two, I contend that there are three: the Government; the civilians; and the unique Military. Hence, there is an imbalance between the "others", which should be three from each group, with a resulting reduction to four in the number of Government appointed members, three members and the Chair. The result of this will be three from each group with the Chair having the deciding vote. Balance.

Conclusion

I object most strongly to the proposal to merge all superannuation schemes as detailed in the Bill.

I object most strongly to the imbalance in the structure of the Board, particularly as it applies to the Military and Civilian members.

I object, most strongly of all, to the notion implicit in the very structure of the Bill that there is nothing special nor unique in the nature of Military Service. We are not Commonwealth Public Servants, nor are we Trade Unionists; never were, never will be.

Yours faithfully

Peter G. Snowdon
Colonel (Retd)
DFRDB Superannuant