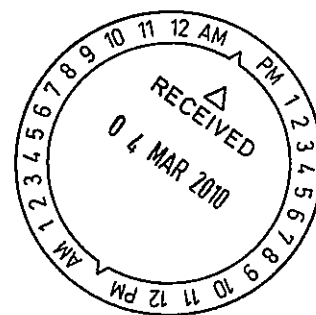


1 March 2010

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



SUBMISSION BY AIRCDRE IAN H WHISKER [RETD]
ON THE PROPOSED
GOVERNANCE OF AUSTRALIAN GOVERNMENT SUPERANNUATION SCHEMES
BILL 2010

Dear Committee Secretary,

I am writing to you because of my concerns with the proposed *Governance of Australian Government Superannuation Schemes Bill 2010* (the Bill). This Bill proposes to merge Defence Forces Retirement Benefits (DFDB) and the Defence Forces Retirement and Death Benefit Scheme (DFRDB), the Military Superannuation and Benefits Scheme (MSBS) with other superannuation schemes and that they will be managed by the Commonwealth Superannuation Corporation (CSC).

I am concerned that this Bill will reduce the already degraded benefits to Defence retirees and will in practice see military service as just another government job.

Military personnel, unlike their civilian counterparts, are required to take up arms and defend our nation and, in doing so, put their lives at risk. Throughout our peacetime training the risk of injury and death far exceeds that of any other Commonwealth public servant. The requirements of military service not only affect the service man or woman but it also has effects on their family. Because of the constant requirement to be ready for deployment on war service and the rigors of military life in general, there is a profound impact on their entire lifestyle and that of their families, who suffer hardships above and beyond that suffered by families of other Commonwealth Government employees.

Military service has to be considered separately and, as Australian governments have stated in the past, 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 by the Government of the day in defence of the national interests, and in turn, it is also the responsibility of Government to ensure that all Service personnel, past, present and future, are fairly recompensed in retirement, for the unique role they play in the security of our Nation.

The Outline to "The Bill" states that the Commonwealth Superannuation Corporation (CSC) will comprise:

- Three directors nominated by the President of the ACTU,
- Two directors nominated by the Chief of the Defence Force (CDF), and
- Five directors chosen by the Minister for Finance.

This does not appear to provide fair representation to the members or future members of the military superannuation schemes.

I enlisted in the Royal Australian Air Force in 1958 and served for more than thirty seven years before compulsory retirement at age 55. In those 37 years I was transferred from one Australian state or Territory to another, or moved overseas, on 20 occasions, each time having my furniture and effects moved with me or into storage. This does not include exercises and detachments for weeks or months at a time. I was sent by the government of the day to serve in the war in Vietnam and spent 10 months in the combat zone flying 120 combat missions in United States Air Force F4D Phantom aircraft. Very few Commonwealth public servants move interstate or overseas and those that do invariably do so at their own choosing and for a promotion they have sought.

Throughout my 37 years of service, I had to rely on my Defence Force superiors and my Government to control my conditions of service, benefits and remuneration. As a senior officer I had to be fair in controlling the working conditions and discipline of the service men and women who worked with me and for me. Neither the President of the ACTU or any union officer ever did anything to improve the conditions of service of my compatriots or I while we served the nation, so why are they being involved in our pensions when we are retired? One also has to ask why the President of the ACTU is permitted to nominate three directors while the CDF can only nominate two.

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. The composition of the CSC is unbalanced and certainly places the ADF nominated directors in the minority.

There is a great deal of scepticism in the veteran and ex-ADF community about this proposed Bill. Many see it, as I do, as yet another step to do away with that concept of the uniqueness of military service. I believe 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 retired defence personnel will be treated exactly the same as other Commonwealth superannuants.

Yours sincerely,