

Honorable Senators,

## **SUBMISSION TO SENATE INQUIRY**

by

**E. A. (Ted) Chitham MC OAM**

### **Re: The Proposal to Merge the Military Superannuation Boards Into One Commonwealth Superannuation Board**

I am a veteran and recipient of a DFRDB Superannuation payment.

For military persons whose careers are comparatively short compared to civilian ones, superannuation is a critical factor in planning for their retirement, so any proposed changes need to be considered carefully by them with full disclosure of the facts.

My concerns with the Government's proposal relate to four issues:

1. Its stated reasons
2. Its failure to recognize the unique nature of the military profession and its distinct separateness from commonwealth employees.
3. Its failure to state what benefits superannuates will receive
4. Its failure to release the Price Waterhouse Report.

#### **Merged Reasons**

The Government claims that the merger of the superannuation schemes will achieve "greater efficiency in trustee operations, increased scale of operations and more streamlined investment operations, higher levels of service and greater opportunities and options for investment of fund money, and a greater ability for the trustee to attract and retain quality board members and staff.", and cost savings. All good reasons in governance theory but where is the business case to support the need: presumably in the Price Waterhouse report?

#### **Failure to Recognise the Unique Nature of Military Service**

The Australian Parliament and governments have recognized the uniqueness of the military profession and its separateness from other employments in society. There are many Acts to prove that. This proposal would seek to subsume the

military superannuation schemes into civilian governance one and subordinate unique military requirements to broad civilian requirements, which I believe is contrary to Parliament's original intent.

By all means combine the military schemes for governance benefits but not as the fully merged proposal.

### **Failure to Identify the increased benefits to Superannuates**

What are the benefits to military superannuates? I have not seen any statement of them.

### **The Price Waterhouse Report**

This report is the basis of support to the Government's proposal yet it has not been made public: why not?

I believe that the Government's proposal should be deferred until the Defence community has seen the facts.

Yours Respectfully

E. A. Chitham MC OAM

A veteran

5<sup>th</sup> March 2010