
Australian Council of Public Sector
Retiree Organisations Inc.

ABN 74 202 015 642



Combined organisations representing Commonwealth, State, Territory and other public sector retirees.

PO Box 372 Hawker ACT 2614

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The Secretary
Senate Select Committee on Superannuation and Financial Services
Parliament House
CANBERRA ACT 2600



Dear Ms Morton,

Thankyou for your invitation of 20 November for this Peak Council to consider making a submission to the forthcoming Select Committee inquiry into *Early Access to Superannuation Benefits*.

After examining the discussion paper subsequently sent to us it appears that the matters to be investigated relate to accessing superannuation benefits prior to actual retirement. That is, access by contributors who are either still in the workforce or have been retrenched prior to preservation age and who face financial difficulties for a variety of reasons described in the discussion paper.

ACPSRO's principal interests relate to former contributors who have retired and are receiving their superannuation benefits and our concern is for those benefits being received to be maintained in value. Hence our previous submissions to the Select Committee pressing for changes to the indexing process because the value of the benefits are falling well behind community standards.

However, we are concerned that the superannuation benefit contributes to a reasonable and secure retirement for the former contributor once retirement age is reached. This philosophy is consistent with the Government's desire that people in retirement should as far as is possible self fund the retirement years and not be entirely dependant upon the Social Security system. For this reason we see allowing early access to superannuation benefits being in direct conflict with the wishes of Government for people to self fund their retirement and it is our view that allowing early access is completely wrong in principle. We note for example at paragraph 1.1 of the discussion paper the statement that *Superannuation is a form of long term saving and investing which aims to provide funds for people to use in their retirement*. If such a statement is still valid it must be in the Government's interests to legislate to maintain and where ever possible to enhance the value of retirement benefits and not diminish them by allowing pre-retirement access.

Early release of superannuation benefits on any grounds whatsoever impairs the principle of preservation of funds for retirement and we see no merit in allowing this to happen.

Notwithstanding the above strongly held views, the situation in respect of military retirees and superannuants needs separate consideration. This is because compulsory retiring ages in the Services occur well before a contributor reaches preservation age. Both military schemes recognise this to some extent. However, in the context of the Senate's inquiry a review of military superannuation schemes, present and future, would now be timely. Such a review would include the need for such schemes to be non-compliant SIS schemes so as to reflect the unique nature of military service and careers in the Services which differ markedly from careers in the civilian public sector.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J A Paule', with a horizontal line under the name.

J A Paule
National secretary