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**MEAT INDUSTRY EMPLOYEES' SUPERANNUATION FUND PTY. LTD.** A.C.N. 085 793 199

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10 December 2001

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

Dear Senators

The Meat Industry Employees Superannuation Fund Pty Ltd (MIESF) believes that superannuation funds held for members should be difficult to acquire before permanent retirement from the workforce. Nonetheless, we do not believe we should impose our views when they directly contradict the view of the Government and therefore, the Trustees do allow members to access their superannuation on *severe financial hardship* grounds.

However, the Fund does have several concerns regarding the release of monies on *severe financial hardship* grounds, in particular:

- Centrelink supplying the "*Hardship Requirements Met*" letter (Q230),
- members transferring monies from other funds to MIESF in order to access the monies under Severe Financial Hardship
- early release of monies being requested from more than one fund and
- members over 55 years of age having to use their superannuation savings before receiving payment from Centrelink.

Since 1997 MIESF has made the following payments to members on severe financial hardship grounds:

Year End	Percentage of benefit payments	Percentage of total amount paid
30 June 1997	3	5
30 June 1998	9	7
30 June 1999	15	11
30 June 2000	16	12
30 June 2001	14	12
3 December 2001	19	11

MIESF have streamlined the process and operate on the minimum standards required (under SIS) for members to meet the *severe financial hardship* grounds. We notice that Centrelink offices appear to have different protocols regarding the provision of the *hardship requirements met* letter. For example, we have had members who have been employed on a full time basis and not in receipt of a Centrelink payment for 26 weeks or

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more who are given the Q230 to enable them to access their superannuation. MIESF has attempted to discuss these cases with Centrelink, but are frustrated by their refusal to discuss individual cases.

Members on *Community Development Employment Projects Scheme* find it difficult to get anything in writing from them to confirm their participation in this scheme.

MIESF recommend that the Senate look into the relationship between Centrelink and superannuation funds and enable a situation where Centrelink will provide more information to funds to enable better decision-making.

We do have situations occur where a member will transfer monies from another fund that does not provide early release on hardship grounds, to our fund and therefore, they can claim this money under our Fund rules. In our opinion that the Senate should consider methodology whereby this practice is stopped.

Another concern we have is the insistence of Centrelink for over 55s to draw on their superannuation entitlements before they can qualify for an unemployment benefit even though they are actively seeking employment. They are required to use any superannuation savings before the government is prepared to help support them. This is not what superannuation is for and it is morally wrong to treat this age group differently to the rest of the population. MIESF would like to see a change in this practice to ensure people only have to use their superannuation for retirement.

Your consideration to the above matters would be appreciated.

Yours sincerely



**J L Addison**  
**Fund Manager**