

**A SUBMISSION TO THE**  
**SENATE SELECT COMMITTEE ON**  
**SUPERANNUATION AND FINANCIAL SERVICES**

This submission is presented to the Senate Select Committee by John Aubrey LEANE, a former member of the Australian Defence Force (ADF).

My service in the ADF commenced in May 1954 and continued until July 1988, a period in excess of thirty four completed years.

During my service I made compulsory contributions, initially to the Defence Force Retirements Benefit Fund (DFRBF), and later to the Defence Force Retirements and Death Benefit Fund (DFRDBF). Contributions were at a fixed percentage of pay for substantive rank with no provision for additional contributions and to the best of my knowledge private superannuation was not an option. In any case, with the costs associated with postings, I had no spare capital to make additional payments. Further, penalties were imposed if one chose to leave the ADF before reaching a notional retiring age. We were in fact 'economic captives' of a system designed to provide for life after service which had a compulsory early retirement age.

During the early 1960's, I was aware of many older colleagues who were financially disadvantaged in their later years of service and after retirement rapidly lost the purchasing value of their small DFRBF pension. These people during their service were able to defer increased contributions following any pay rise, and repaid the debt as a lump sum before separating from the ADF.

At some stage, I do not recall the year, the DFRBF scheme was altered to become the Defence Force Retirement and Death Benefit Fund (DFRDBF). This was presumably done to remove inequities and to provide a fairer system. This was fine for serving members as the transition helped those who had been paying extremely large contributions to retain their equity. It did not help retirees who saw their savings and retirement income become less and less when compared to average weekly earnings.

Now it seems that the wheel keeps on turning and conditions continue to improve for those in employment. Retired ADF members whose income is derived from payment of superannuation from an unfunded scheme have their entitlement indexed once each by the percentage of the annual CPI. We independent, self funded ADF retirees are rapidly moving towards pauper levels as the CPI in no way relates to the actual increase in the cost of living.

When the original DFRBF scheme was altered to become the DFRDBF, retirees were overlooked and continue to be disadvantaged. This review has the ability to redress the system to give all self funded retirees a fair go.

/The Goods

The Goods and Services Tax has had significant impact on me. I was not eligible for any top up to compensate for the introduction of the GST, I wait now until July 2001 for an increase to my CPI indexed pension. It seems to me that all other sectors of the community have received compensating adjustments except for we recipients of unfunded defence force superannuation.

I note that Parliamentary pensions are indexed not by the CPI, but by reference to growth in parliamentary salaries. This does seem to be a much fairer system. Alternatively, if our unfunded pensions were adjusted by reference to the average weekly ordinary times earnings we might have a fairer system.

This may seem to be a grab money and perhaps it is, but during my ADF career I was expected to maintain a high personal standard of living. Is it too much to seek to continue a similar standard in retirement?

I ask that the committee seriously consider the obligation which the Government of Australia has to its retired members of the ADF, members who contributed towards their retirement. That we be allowed to take a proud part in the community and not be forced to resort to welfare conditions.