

Dear Sir,

I am an ex serviceman who had 29 years service in the Australian Army.

I am currently receiving a MSBS pension and am writing in regards to some issues which are of a grave concern to me.

Firstly, the last Government Review into Superannuation basically ignored the Indexation issue re superannuation mainly I believe because of cost. The current CPI based system does not compensate fully a superannuant for the real cost of living increases. The statistics on this issue are undoubtedly accurate and show a widening gap between what a pensioner would have received if the system was based on MTAWWE and what is actually occurring under the current flawed CPI system. See

http://www.dfwa.org.au/images/other/indexation_raph_pdf_sep_09.pdf

My own fortnightly pension increase received this January for the 1st time since 2008 was less than 90c/day after tax. Yet the CPI for the actual period was well over 4% for the most part, so effectively instead of a \$60/fortnight before tax increase I received something closer to \$20!!!

Why hasn't the Government adopted the option of using MTAWWE? This issue is truly a nationwide affair that affects up to 600,000 people (not including extended family).

Secondly, the *Governance of Australian Superannuation Schemes Bill 2010* intends having 3 Trade Union Representatives and only 2 Defence Personnel, and 5 other appointees of the Finance Minister on a board to manage civilian and military superannuation schemes that are to be merged into one new authority.

This effectively reduces the unique role of Defence to another civilian organization and will consequently dilute the conditions of service for all current and future Service personnel plus pensions of all ex service personnel.

I am strongly opposed to the creation of a combined authority and the proposed Board's composition. I urgently request that this proposal not be adopted and that an Authority remains that will reflect the unique circumstances of Defence Service and Superannuation.

Yours sincerely,

Bernie Neugebauer
Major(Rtd)