



## **MINISTER FOR FINANCE AND DEREGULATION**

Senator the Hon Penny Wong

## **MINISTER FOR VETERANS' AFFAIRS AND DEFENCE SCIENCE AND PERSONNEL**

Hon Warren Snowdon MP

## **MINISTER ASSISTING ON DEREGULATION AND PUBLIC SECTOR SUPERANNUATION**

Senator the Hon Nick Sherry

### **MEDIA RELEASE**

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## **NEW SUPERANNUATION GOVERNANCE ARRANGEMENTS DELIVER MORE BENEFITS TO MEMBERS**

The Government today welcomed the passage of legislation that will see significant benefits delivered to Commonwealth military and civilian superannuants through improved governance arrangements.

The Senate today passed a set of three bills that will consolidate the trusteeship of the Commonwealth's main military and civilian superannuation schemes, and modernise the governance of administration of these arrangements.

Minister for Finance and Deregulation Senator Penny Wong said the trustee consolidation was an important reform that will benefit all scheme members.

"The establishment of Commonwealth Superannuation Corporation (CSC) as the consolidated trustee will help secure increased superannuation benefits for thousands of military and civilian scheme members," Senator Wong said.

The set of legislation passed with the support of the Australian Greens, Senators Steve Fielding and Nick Xenophon, and a number of independents in the House. The Gillard Government thanks these parties for their involvement in the passage of the legislation.

"Regrettably it is unfortunate to see that once again, the Opposition couldn't look past their unflinching negativity and support measures that benefit Commonwealth superannuants," Senator Wong said.

The Minister Assisting on Deregulation and Public Sector Superannuation, Senator Nick Sherry, said the changes will combine more than 680,000 members and pensioners, with funds totalling more than \$21 billion.

"Consolidation of the funds will produce a more efficient trustee operation and better services for all members," Senator Sherry said.

Scheme members, particularly serving and former Defence Force personnel, will benefit from an increase in investment scale, including better investment returns and lower fees. These changes will provide real financial benefits to all members of the Defence Force.

Minister for Veterans' Affairs and Defence Science and Personnel Warren Snowdon welcomed the legislation, calling it a great win for former, current and future serving members.

These changes will enable the Military Superannuation and Benefits Scheme to produce better financial returns. Modelling suggests members of the Australian Defence Force could receive up to a \$95,000 increase in their superannuation benefit if net investment returns are improved by 0.5%.

"These reforms will deliver financial benefits for more than 90 per cent of current serving members in the ADF," Mr Snowdon said.

"Compare this to the Coalition – whose policy in this area is not costed properly, is divisive, and would benefit a minority of military superannuants."

Ex-service organisations and other military stakeholders have been consulted to ensure that CSC's governance arrangements take into account the unique nature of military service, and provide appropriate representation of military interests.

The reforms do not alter the superannuation entitlements of civilian and military superannuation scheme members. These are governed by separate legislation. The new governance arrangements will commence on 1 July 2011.

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