

SENATE INQUIRY INTO SUPERANNUATION REFORM  
SUBMISSION BY MR PAUL WILMOT

Dear Sir/Madam,

I am making a submission to the Senate Inquiry into Superannuation. I have a particular interest in this inquiry because I served in the Army from 1965 to 1987 and am in receipt of a modest DFRB pension.

The Governance of Australian Superannuation Schemes Bill 2010 and ComSuper Bill 2010 proposing the amalgamation of civilian and military superannuation schemes into one new and larger authority is an insult and unacceptable to me and all former Defence Force members. I am vigorously opposed to the amalgamation because:

- a. The proposed merger completely ignores the unique nature of military service and contravenes the Military Superannuation and Benefits Act 1991 requiring the establishment of the Military Superannuation and Benefits Board of Trustees to administer an occupational superannuation scheme for members of the armed forces. The destruction of the DFRB scheme would contravene this Act.
- b. The proposed merger with a board comprising three trade union reps, two Defence reps and the remaining five to be appointed by the Finance Minister is most unlikely to be even vaguely interested in the unique nature of the service rendered by military superannuants.
- c. There has been no rationale presented that outlines the cost/benefits of this merger. The current ARIA membership of 485,000 members with \$15.9bn under management, expanding to 650,000 members with \$19bn under management with the merger sounds attractive from an increase in staff and board remuneration perspective. The lack of a cost/benefit analysis presents a less than honest motivation underpinning these Bills.
- d. The ARIA Annual Report for 2008-09 presents a generally poor performance by the various funds under its management. Such a poor performance is not a good omen going forward.
- e. When analysed with the Rudd Governments eager acceptance of the flawed Matthews Report which perpetuates the unjust CPI adjustment of military superannuants pensions, this merger is clearly another nail in the coffin of the Governments supposed claim that it has a particular responsibility towards those who have worn the uniform of Australia, (PM's statement of 8 September 2008).

The Senate must reject these Bills.

P G WILMOT