

## **Senate Inquiry into Superannuation Reform.**

**Dear Sir/Madam,**

**I am writing to make objection to the proposed Government Superannuation Schemes Bill 2010. My main concerns relate to two aspects that I perceive to be detrimental to those of us military superannuants in receipt of pensions under military superannuation schemes such as DFRB and DFRDB. The two aspects are:**

- 1. Amalgamation of military and commonwealth employees under the same Bill.**
- 2. Composition of the board of Directors' as detailed in the proposed Bill.**

### **Amalgamation of Military and Commonwealth Employees under the same Bill**

**Such a proposal takes away the uniqueness of military service as opposed to commonwealth employees. Those of us that sign up to the Services do so to fight and protect our nation and generally sign away our rights to the Nation and our military leaders.**

**Those of us in the Services are on notice at all times to fight for and protect the freedom of our people. We are required to take up arms and defend our nation from any foe be they either external or internal. We spend our whole careers at readiness or defending our nation's freedom by participating in war. Unlike government employees, our lives are directed at the behest of our government and military leaders and we do not have the comfort of choosing or selecting our times and places of employment.**

**I question as why any person would want to enlist in our military forces should they see that their service is equated to those civilians working in a peacetime environment. Service personnel need the assurance of their nation that they do a 'unique' service for their country and that their pay, conditions of service, compensation, superannuation and other benefits are provided for by boards and bodies separate and apart from the civilian population.**

### **Composition of the Board of Directors'**

**In the highlighted subclause 10(2) below, there is an imbalance of directors in favour of the civilian schemes as opposed to those in military schemes. To the cynical, including myself, such imbalance could only lead to unfairness in the decision making processes of the Board in favour of civilian schemes. The Board needs to be balanced so that the military schemes have a least equal power in the voting processes.**

**The other fear from my perspective is that the Chief of the Defence Force and the 2 directors are also under pressure from the government in power to act in a manner that the government sees fit. Impartiality, without intervention from government masters' would be required before full faith could be had in these directors.**

**Maybe representation from bodies such as the Defence Force Welfare Association in the**

form of directorship is required. Naturally, representation from such organisations would need to be balanced with the voting power of the directors of the civilian schemes.

Under subclause 10(2), the employee directors are nominated, in writing, by:

- ℞• the President of the ACTU who represents the interests of members of the civilian schemes and nominates 3 directors; and
- ℞• the Chief of the Defence Force who represents the interest of members of the military schemes and nominates 2 directors.

The Finance Minister is responsible for choosing the remaining 5 employer directors and represents the employer-sponsor of the relevant civilian and military superannuation schemes, being the Commonwealth. In selecting suitable candidates to act as employer directors, it is intended that the Finance Minister would consult with Ministers in the Defence portfolio.

The note at the end of subclause 10(2) assists the reader by clarifying the Minister's role in choosing the remaining five directors.

In conclusion, as a military superannuant that served his nation for over 25 years I remain cynical as to the ambitions of the government in proposing such a Bill when the current government cannot right the wrong on the military superannuation indexation issue for which they are catching the flak over their latest debacle, the Matthews Report.

We military superannuants can only live in hope.

Yours sincerely,

Rick R. Ryan Maj (Rtd)