

I am a former member of the DFRB and DFRDB schemes, to which I contributed for 41 years, including Active Service in overseas war zones. I am familiar with changes made to the Acts and Regulations that effectively removed almost \$200 Million of our DFRB Fund contributions to the into Consolidated Revenue, and subsequently used the funds to promote the interest of successive Governments, albeit for the benefit of the community, but not the interest of the members whose fund were effectively confiscated. This, without agreement from the owners of the funds I am also aware that our entitlements have been reduced further with each change to the Defence Pension Schemes.

For my entire service I had believed that the Government of the day would uphold the guarantees made our pensions would be indexed to retain its alignment with salary increases for final rank held, thus protecting its purchasing power. That I and the thousands of other servicemen and women have had our unique service to Australia degraded by politicians from the various governments since 1972, is a momentous insult, particularly when their own pension scheme is not similarly adjusted to that applied to ex-Service personnel.

New Proposal.

The proposal to disband the existing MSBS Board of Trustees and the DFRDB Authority and to roll their responsibilities into a combined board which will have responsibilities for all Commonwealth superannuation funds will not serve the interests of the members of the military superannuation.

This proposal ignores the unique nature of military service. All major political parties acknowledge that no other avenue of service to the Australian people places its participants at the same, or even distantly similar, levels of personal and collective risk nor requires the complete surrender of basic human rights to the State. Unique service requires unique solutions, not ones which further blur the distinction between the uniqueness of military service and civilian norms. That is why Australia has a separate Department of Veterans' Affairs and is a key reason why Australia needs to retain a separate board to administer the military superannuation schemes (one an unfunded defined benefit scheme and the other comprising an employee contributory fund and an unfunded employer defined benefit component). These differ markedly from other Commonwealth Government administered schemes particularly in respect to the specific to ADF disability and death provisions.

The proposed bill provides for a governing board of 10 directors with an equal number of employer and employee directors and an independent chairman. 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 will be responsible to choose the remaining 5 employer directors and represent the employer-sponsor of the relevant civilian and military superannuation schemes.

Any way you look at this arrangement the members of the military schemes are inadequately represented. Their interests will effectively be subordinated to those of the Commonwealth as employer and the ACTU. I am also familiar with the most obnoxious actions by the ACTU and its members which were detrimental to our military personnel on active service. My perception is that the

ACTU will combine its numbers with government (now historically anti-servicemen) appointees to defeat the Defence Chief's appointees recommendations.

I request you oppose this bill and instead support a proposal for a board specific to the military superannuation schemes with equal representation for the Commonwealth and scheme members as put forward by the ex-service community in its response to the review of military superannuation conducted by Andrew Podger.

Yours Sincerely,

Graham Henry