

Dear..... *MEMBERS of the Committee*

I have been alerted to the proposal to disband the existing MSBS Board of Trustees and the DFRDB Authority and rolling their responsibilities into a combined board which will have responsibilities for all Commonwealth superannuation funds. I am writing to you to express my concern that this arrangement 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 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,