

Keith Mackintosh. Ex RAN.

To whom it may concern,

Please consider the following for the senate, **Inquiry: The Accuracy of information provided to Defence Force Retirement and Death Benefits (DFRDB) members.**

Commutation, At the resettlement seminar I attended, we were never informed that the reduction in DFRDB income would be for ever, either during the seminar presentations or in the literature that was handed out. I still have all of the brochures, literature, information for your perusal if required. The CSC's failed to disclose the fact that "Commutation" was for life in the resettlement seminar I attended and in the correspondence I received.

DFRDB income indexation, Having the income stream pegged to the CPI indexation as it has evolved has seen a slow decline in value of this asset. It has gone from 8% in 1990 to 0% 2021. A rough way to compare this is, had I spent my entire working life in the ADF and retired on the rank I was when I actually retired with the seniority, I would be on a higher retirement income that I am now and this is having worked for 27 years in civilian street earning far more and salary sacrificing more to my civilian superannuation, than the same rank with 47 years in the ADF. How does that work. I am eligible to have a Centre link old age pension top up, something is definitely wrong here. I feel the DFRDB was not a good very good investment.

There is no inheritance value in DFRDB. Since working as a civilian I am more aware of civil superannuation and the difference's between CSC administered superannuation. Apart from the indexation and the commutation issue, two significant ones are, if I pass away my wife's DFRDB income stream will reduce to approximately 5/8's of the value, and there is no inheritance value in the DFRDB scheme if we were to both Pass away. This will not/should not, happen with the civilian superannuation I have and hopefully the "Your Future, Your Super Reforms" legislation will enhance the security of this civilian superannuation.

For taxation purpose the DFRDB income was added to my civilian wage and and I effectively was giving, close to 30% of the DFRDB income back to the government for approximately twenty six years. It took over twenty years for the my DFRDB income stream to double in gross value. Not a very good investment at all. The CSC administers many different "Schemes" all with different rules and regulations. I feel this is very wrong as we all retire as civilians all the rules and regulations should be the same. All Just because of a stroke of a pen in parliament. I want a choice! The Australian Government parliamentarians should lead by example be fair and be beyond reproach.

The DFRDB was treated as an income stream This would not happen if the DFRDB was a proper superannuation scheme, which it should have been. Contributions were deducted from my pay fortnightly, the government didn't do their bit and contribute fortnightly and invest during the accumulation phase and by doing so deemed the DFRDB a defined benefit scheme and not a superannuation scheme when it came to the payment phase. DFRDB should have been a proper superannuation scheme. No civilian superannuation fund could get away with that.

If a serving member did not do the minimum of 20 years all the member got back at discharge end of enlistment was what they had contributed, no interest or investment growth, again no civilian superannuation fund could get away with that, not much of a fair checks, balance or over sight.

There are other claw back anomaly's. One example is, As a DFRDB recipient you not entitled to any centre-link payments if you were to become unemployed and under the retirement age. This would not happen if the DFRDB was a proper superannuation scheme, which it should have been.

I feel I am being discriminated by not being able to be under the “Your Future, Your Super Reforms” introduced into parliament on February 17<sup>th</sup> 2021, with it's enhancements such as, Choices, Having one superannuation account, Ability to choose a better fund, Holding the funds to account for under-performance and the push to Increasing transparency and accountability obligation of the trustee in the interest of the fund members. I don't feel like the CSC has not done this for me as a member of the DFRDB scheme. I feel the same checks/regulation's/oversight are not afforded military superannuation when compared to the civilian superannuation industry. I want a choice.

Correct me if I am wrong but the military has evolved many different superannuation schemes, this would imply that the early schemes were not “correct” or needed changing, if this was so, why not just correct/adjust the original scheme and keep it simple. Civilian superannuation does not have a similar situation with different streams of superannuation having different rules or regulations.

I served in the RAN from Jan1970 until Jan 1990 and I was discharged end of enlistment at the age of 37, and actually retired in 2017.

I did not retire from the Royal Australian Navy, as the CSC refers to my DFRDB income stream as a retirement pay. I was “Discharged End of Enlistment” I didn't retire, I continued to work until my actual retirement age. Please ask the CSC to change the wording for any future correspondence.

Please consider the above points and work with the ESO's, ADFRA as there are many other issues.

For me, I feel the CSC board has not lived up to it's, Vision, Mission and Value statements. The CSC needs to be abolished, which it will have to be eventually, as a cost saving measure, as we have a perfectly good civilian superannuation industry about to get even better with the “Your Future,Your Super Reforms” legislation, introduced on the 17<sup>th</sup> February 2021.

Regards, Keith Mackintosh.

March 27th 2021.