

Dear Committee,

Noted below is my submission to the Senate Standing Committee on Finance and Public Administration with respect to the review of superannuation management.

The revised management proposal is detrimental to the current management arrangements for ADF superannuation schemes which at present are comprised of only ADF representatives and Government appointees. The new scheme lumps ADF schemes in with APS schemes where our own individual circumstances will be marginalised with the stacking of the board comprised of three trade union appointments and only two ADF appointments to represent the members' interests. This is a complete rewrite of current arrangements for the ADF members' interests and is unacceptable.

You must be aware that ADF members are not considered part of the trade union movement and that ADF members are not by law allowed to create their own trade union because they are classified as 'servants of the Crown' and thus do not qualify for trade union status.

The new arrangements should either leave the ADF schemes completely out of the board and under the old arrangements or change its structure to be two boards run by the same government (employer) representatives but have a board each; one for the public service schemes and another for the ADF schemes, where the government members are equivalent to the members representatives.

I further note two important failures in the appointment of the members' representatives. Firstly, the ACTU President is appointing members to represent the entire membership of the APS schemes when in fact they do not represent all the membership and their nominations should be in proportion to the union membership of the APS with the other members coming from member nominations. The legislation also specifically exempts any oversight to ensure that these nominations have been correctly made and has been in consultation with the membership (See italics below). This should be changed to state that the ACTU President MUST demonstrate to the Board President that proper consultation HAS BEEN made. This is only fair to the members which he is perporting to represent.

*Under **subclause 10(4)**, the President of the ACTU is required to consult relevant organisations, as defined by clause 3, before making a nomination. This is a requirement on the President of the ACTU prior to nominating a person. Once the nomination has been made, it is not intended that the Minister, in making the appointment, would have any obligation to satisfy him or herself that the President of the ACTU has consulted with relevant organisations. That is, the Minister may treat nominations by the President of the ACTU as being properly made.*

Secondly, if this Board is to represent the members' interests then the CDF should not be given the authority to unilaterally appoint the ADF's membership to the Board. He represents the Government as well as the members and is thus NOT impartial nor best placed to solely represent members' interests. The selection should be based upon nominations presented to the CDF by any ADF scheme member and voted upon by the schemes' membership, or other voting arrangement. Ease of selecting member board members by a direct decision by the CDF is not a reason for its implementation even though that is effectively how it is now undertaken as this is a new piece of legislation.

My final comment is that the disenfranchisement of ADF members in their superannuation schemes management for simply government desire to simplify arrangements and possibly save money, or allow changes by stealth in the future, is unacceptable. The day that politicians' superannuation schemes comply with the general Commonwealth superannuation legislation and are a part of this board for management is the day that will know it is not to the detriment of our superannuation members. Can you explain why the politicians' superannuation schemes are not also being included in these new legislative arrangements?

If you require any further information on my submission please ring me.

Would you also acknowledge receipt of this submission by email.

Yours sincerely,

Mr Martin Holmes