

Committee Secretary
Senate Standing Committee on Finance and Public Administration
PO Box 6100
Parliament House
CANBERRA ACT 2600

SUBMISSION TO THE SENATE INQUIRY INTO SUPERANNUATION REFORM

Dear Sir/Madam

I would first like to advise you of my concern at the lack of notification and consequent short notice that I have received the news of this proposed change in administration of my superannuation scheme, the DFRDB.

1) I submit that this proposal should be put on hold until there is adequate consultation with those for which it will affect!

I am a recently retired serviceman, in October 2009, from the RAN after 20 years of full time followed by 15 years of reserve service (which included continuous full time service, CFTS). I consider that all DFRDB superannuates should have been advised of this proposal, as it became known, through the DFRDB newsletter or similar means so as to contact all DFRDB members.

As a naval serviceman I served during a period of great change from WW2 era designed ships that were less habitable and which occupational health and safety did not have the same importance that it has achieved in recent years to more modern, and habitable, missile age ships that are in present service..

My Active service included more than three quarters of my career at sea on nine ships with only one shore posting that was not for a course. I spent many years on overseas deployments and did not have what you could say was a home life. The majority of the ships I served on, often in hot climates, where old and difficult to maintain, like living and working in a roller coaster at times, and not a very comfortable one at that, and as we are now aware (of the dangers) containing asbestos and other hazardous materials that may yet have an impact in my future.

I require a scheme that is specific and responsive to my requirements managed by defence orientated staff aware of this type of defence force service history and can advise me and my family accordingly. This is at present controlled by an authority that only controls the DFRDB and I trust understands the unique service of defence force personnel and the rules governing my pension.

2) I submit that a separate defence superannuation authority should be maintained with future authority appointments who have an adequate mix of experience and skills to be able to manage the defence specific scheme. The current proposal appears to me to be a dilution of that ability.

The DFRDB Authority has a responsibility to manage the disability and death benefits of the scheme which, due to our unique service, is specific to defence force personnel. If that control passed to a board managing a combined number of different schemes with a predominately public sector make-up, I believe, the desired level of management of defence superannuation will be lost. Whilst not taking anything from the public service I believe that service such as mine is unique to the defence forces and that defence superannuation should be exclusively managed by a dedicated authority to do so!

3) I submit that only with a dedicated authority controlling Defence Service superannuation with appropriately selected authority members who have an intimate working knowledge of conditions of service both in the present and the past can the best management of my superannuation scheme be conducted.

Finally I find it hard to perceive how the proposal will see savings and an increase in efficiency in the management of what is an unfunded defined benefit scheme that I belong to. An analogy would be like all the mergers of banks that I have been a customer of, the merger proposals all touted savings and efficiency benefits, the result has always been loss of service, lack of personalised attention, higher fees and me leaving for a new institution.

Unfortunately that is not an option this time if the proposal is approved and it fails to have the success that the proponents envisage. For them that is not a problem, by the time difficulties emerge and are identified they probably will be long moved on, for me it is my future!

I submit this proposal for your consideration.

Andrew Harvey