

5 March 2010

Committee Secretary
Senate Finance and Public Administration Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

**Inquiry into Governance of Australian Government Superannuation Schemes
Bill 2010, the ComSuper Bill 2010 and the Superannuation Legislation
(Consequential Amendments and Transitional Provisions) Bill 2010**

Dear Committee Secretary,

SCOA (Superannuated Commonwealth Officers' Association) is a not-for profit member organisation which advocates for retired Australian and Territory government employees, government business enterprise employees, and public servants who will receive a Commonwealth superannuation benefit (or lump sum) on retirement.

We are grateful for this opportunity to address the current Inquiry into Governance of Australian Government Superannuation Schemes Bill 2010, the ComSuper Bill 2010 and the Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2010, and have briefly detailed our position below. Our submission has been approved by our Federal President, Dr Annette Barbetti.

I. SCOA Supports the Amalgamation of Boards

SCOA supports the amalgamation of the ARIA Board of Trustees with the DFRDB Authority and the Military Superannuation Benefits Board of Trustees to form the Commonwealth Superannuation Corporation (CSC).

SCOA believes that the expanded board, with an increase in trustees (from five to eleven) to deal with military matters, will enhance decision making in relation to the military superannuation schemes, as well for the civilian superannuation schemes.

SCOA considers that a *single* Board would definitely be better for looking after the monies entrusted to the government's superannuation funds, and would allow greater investment opportunity.

2. SCOA welcomes the opportunity to have appropriate Board representation of *all* members of Australian government superannuation schemes.

SCOA believes it is important the Board appropriately represents the members of the Australian Government's superannuation schemes, and believes the arrangements governing the CSC Board composition will achieve this.

SCOA welcomes the provision in the Bill that before nominating any member representatives, the ACTU must consult with organisations representing retired members. SCOA is one such organisation; and given that a majority, (more than 60%), of all members are receiving retirement benefits or have preserved benefits, we believe that at least one of the five member representatives should be a person nominated by SCOA.

Furthermore, SCOA believes that with the Chief of the Defence Force nominating two of the five member representatives, and with the Minister for Finance and Deregulation having indicated that the present Chairperson of the Military Superannuation Benefits Board of Trustees, Mr Tony Hyams, will be appointed the inaugural Chairperson of the new trustee board, that military members will be well represented.

3. SCOA supports the ongoing administration of both non-military and military schemes by ComSuper.

SCOA notes that there will be no change to the present administration arrangements for the military superannuation schemes. ComSuper will continue to provide administration services for the DFRDB and the Military Superannuation Benefits schemes on behalf of the new Commonwealth Superannuation Corporation.

SCOA acknowledges that because of the special nature of military service, the administration of the distribution of benefits to members of military schemes differs from that of civilian schemes, but does not believe that this constitutes a need for a separate Board for members of military schemes.

Any inquiries in relation to this submission can be directed to Ms Marita Linkson, ph. (02) 6286 7977, email: fedsec@scoa.asn.au.

Marita Linkson
Federal Secretary