

02 March 2010

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

SUBMISSION BY JOHN ALDENHOVEN

ON THE PROPOSED

GOVERNANCE OF AUSTRALIAN GOVERNMENT SUPERANNUATION SCHEMES BILL 2010

Dear Committee Secretary,

Background

I joined the Australian Regular Army in 1963 as an Army Apprentice and served for 28 years as a Soldier, Non Commissioned Officer and Commissioned Officer and retired with the rank of Major. During all that time I contributed to the DFRDB Scheme and now draw superannuation from that scheme. You can see, therefore, why I have a keen interest in what happens to my superannuation.

Introduction

I am writing to object in the strongest possible terms to the proposed changes being implemented next year by the Government to bring military superannuation under the same umbrella as other commonwealth employees, via the proposed *Government Superannuation Schemes Bill 2010*.

Concerns

Combining all Government retirement and superannuation schemes into one sends a very clear message. It signals very plainly to all Defence Force personnel, both serving and retired, that the Government is ignorant of the significant differences between the service they render to the country and that rendered by Public Servants, or, alternatively, the Government simply does not care.

The demands of military service are unique. Service personnel are called upon to make sacrifices that impact not only on their own lives but those of their partners and children as well. Active service aside, day to day service and training exact a heavy toll. By way of example, about one third of the casualties Australia suffered in the Second World War occurred during training.

Given this disparity in employment, the very idea of conglomerating military superannuation with that of other Government employees is extremely disturbing.

I am not happy with the proposed scheme and I am particularly distrustful of the composition of the Board of Directors which seems to be structured to short change military personnel. I for one cannot see why there are five Government appointed members, three ACTU appointed members and only two appointed by the CDF. I fail to find the equality in that! For that matter, why should the ACTU hold any control over my superannuation fund,

Reading between the lines, it seems that it is the Government's intention that our funds will be used to not only pay for the setting up of the scheme and the board but will be required to pay their salaries as well!

I can see economy in the combination of all three military superannuation schemes and have no objection to that occurring but they must not be then lumped together with other schemes. They should be controlled by a separate independent governing body.

Conclusion

Military service is a unique profession and those who choose to engage in it should not have their superannuation categorised with that of other Public Servants.

The proposed Scheme would leave Defence personnel under-represented on the Board and at the mercy of those who neither fully recognise the uniqueness of our profession nor have our best interests at heart.

There is a strong indication that our superannuation will be required to pay for both the setting up of the Government's scheme and the salaries of the Board members.

The Military superannuation schemes should not be part of another Government scheme. They should stand alone and, whether separate or grouped together, should be controlled by an independent Board of Directors.

Yours Sincerely,

E. John Aldenhoven