

AUSTRALIAN VETERANS AND DEFENCE SERVICES COUNCIL INCORPORATED



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Senate Standing Committee on Finance & Public Administration
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Dear Senate Standing Committee

The Bill to merge the several Commonwealth superannuation scheme boards is yet another step towards reducing the military to the same employment environment as the civilian workforce. The perception is that this arises from a reluctance to recognise the uniqueness of military service that sets the Defence Force service apart from all civilian employment whether it be in the Public Service or in the private sector. What is happening to military superannuation amounts to a scaling back of conditions of service to conform to what is provided in civilian employment.

The military leadership has always addressed the tenet that a defence capability is more than capital equipment and the formations that make up the order of battle. The physical and mental wellbeing of the men and women of the Defence Force is the greatest single factor in a defence capability. It is a product of the qualities of leadership, training and conditions of service. A feature of this factor is recognition of the uniqueness of military service. The ex-Service community has represented this on many occasions to reviews and Senate inquiries with the conviction that Australia's standing in the world community is importantly influenced by the quality of its military capability, which permits government confidence to commit its Defence Force to a wide range of international situations..

Military superannuation remains as one of the most contentious issues generating discontent, a strong mixture of despair and anger, within the veteran community and as such should be seen also as a weakness in the prospective conditions of service of the present day Defence Force. That superannuation schemes are clearly an integral part of personnel policy was reinforced as one of the principles enunciated in the Review of Military Superannuation in 2007 that superannuation is a part of the total remuneration package.

With membership of the DFRDB Authority and the MSB Board nominated by the Minister Assisting the Minister for Defence and the Chiefs of the three Services the Authority and the Board are well structured to identify with the interests of members of the Defence Force. The proposed merger will result in a single board of 10 members plus an independent chair. The military representation will be two nominees by the CDF.

The merger of military superannuation boards with civilian superannuation boards are seen to submerge Defence Force interests in a culture that would have difficulty in accepting the circumstances of military life in the structure of conditions of service. Regardless of conciliatory assurances there is enough evidence that within the government service and sometimes even within the Department of Defence there is not a willingness to give anything more than tacit acknowledgement of the factor of military service that sets its conditions of service apart from civilian employment. Until there is a clear change in attitude the protection of Defence Force interests needs structures that permit the military view to receive its due recognition. This perception is strongly held in the military and veteran communities. For their confidence that provisions for their wellbeing will be safeguarded they need to perceive that the organisational structures are in place for this purpose.

The tenets of the military ethos have been expressed in other countries as being based on the principle that those who are prepared to pay the supreme sacrifice are entitled to values and benefits that differ from the mainstream of society. While there is within government agencies resistance to, and even rejection of, this principle there will be difficulty in getting accepted the uniqueness of military service and the conditions of service, including superannuation, that flow from this perception. The structures must be present to give evidence that the uniqueness of military service is recognised.

Our claim for recognition of the unique circumstances of military service identifies with the position expressed in an article on superannuation in *The Economist's* July 11th-17th 2009 number as 'an argument for giving some public-sector workers, such as the police or the armed forces, higher pay and benefits in the form of pensions' .

Expressed bluntly there is not now in the government function the interest that came with earlier parliaments made up largely of men who had returned from the Second World War or in a Public Service with people who had the experience to be able to recognise the uniqueness of military service and therefore had an objective approach to military superannuation as a feature of conditions of service.

AVADSC presses for effective government recognition of the uniqueness of military service and in the situation of the Governance of Australian Government Superannuation Schemes Bill 2010, to maintain structures that provide for a clear authoritative identification with the interests of members of the Defence Force.

Yours sincerely

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National President