



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

Dear Sir/Madam

I am writing to object to the proposed changes to bring military superannuation under the same umbrella as other commonwealth employees via the proposed *Government Superannuation Schemes Bill 2010*.

Whilst it may appear expedient to combine all retirement and superannuation schemes into the one basket such action would undermine the unique status of those who enlist in the Services.

Military personnel, unlike their civilian counterparts, are required to take up arms and defend their country, often at short notice. The risk to personal safety in these circumstances, and when under training, is unique to service personnel and their pay and conditions of service (which include superannuation) must be similarly unique.

The families of military personnel also have circumstances to deal with which are different and often more difficult than those with which civilian families have to deal. Accordingly military superannuation schemes must also take their welfare into account.

Under the proposed Commonwealth Superannuation Corporation the composition of the Board of Directors of the CSC is three directors chosen by the President of the ACTU, two directors appointed by the Chief of Defence Staff and five appointed by the Minister for Finance.

In my view any board which governs military superannuation should be composed of a majority of military personnel. The inclusion of three appointees by the President of the ACTU is ludicrous. The military is one section of Australian society over which the ACTU has little influence and it should remain that way. The ACTU also has no experience of the conditions of military service so why should they be included in the governance of military superannuation?

If ACTU appointees are necessary to govern civilian superannuation then military superannuation should not be governed by the same board.

I am equally concerned that the Finance Minister should appoint five directors to the board of the CSC. Whilst there are notes in the Explanatory Memorandum to the proposed *Government Superannuation Schemes Bill 2010* stating the "intention" that the Finance Minister "would consult with Ministers in the Defence

portfolio" there are many examples in Australian political history of governments changing superannuation governance for financial reasons. Military superannuation has already suffered such changes to its detriment and this is another reason military superannuation should be governed by a board made up of a majority of military or ex-military personnel.

In summary, military personnel and their families have a unique type of employment which requires unique conditions of service, including superannuation. Military superannuation should be governed by a board which can take into account those unique conditions of service. Only a board with a majority of military or ex-military personnel would have the necessary experience to do that.

I would like to lodge my objection to merge military superannuation schemes with other superannuation schemes. Military superannuation schemes must remain separate from all other schemes, and be controlled by a separate governing body which must be composed of a majority of service or ex-service personnel.

Yours faithfully

Peter Plunkett-Cole
Lieutenant Commander RAN (Retired)