

1 March 2010

Committee Secretary,  
Senate Standing Committee on Finance & Public Administration,  
P.O. Box 6100,  
Parliament House,  
CANBERRA. A.C.T. 2600

### **AUSTRALIAN DEFENCE FORCE (ADF) SUPERANNUATION**

It has never been easy for the ADF to obtain pension benefits commensurate with the nature and risk of serving the Nation. A good example of this difficulty is the number of committees and enquiries held to establish of the Defence Force Retirement and Death Benefits Scheme. In the end it took the principled and courageous action of one member of the House of Representatives to cross the floor of Parliament to have the legislation passed and for the first time give servicemen a reasonable pension scheme. The previous DFRB scheme often meant service personnel were obliged to mortgage their house to top up contributions to source the full pension.

I can understand and sympathise with the Commonwealth's desire to centralise public sector pensions and entitlements. I can also understand and appreciate the reluctance of organisations to be part of such plan. But having said that, there are compelling arguments why ADF should not be a part of such an all embracing Public Sector Superannuation Scheme.

The first argument is the old but true one; that the A.D.F. is unique and quite different to other organisations. The main characteristics of military service include:

- Liability for combat operations;
- A military discipline code;
- A regimented way of life;
- Long and irregular working hours;
- Statutory retiring ages well below the community norms;
- High standards of physical fitness; and
- Frequent relocations and separation from families.

But I leave the argument of uniqueness to the many others who are far better versed in such matters. My main objection is that three trade union members are proposed to sit on the 10 member Board.

I served in the A.D.F. from the 1950s through to the 1980s with 7 years on overseas duty including over 4 years on active service for a total of 27 years. Like many other members of

the ADF, I am well aware of the emotional and interesting topics raised and discussed around the family table where some family members are unionists.

I am also aware of, and have had extensive training in, “*Aid to the Civil Power*” in accord with “*Protection of States from invasion and violence*”. Section 119 of the Australian Constitution states: “*The Commonwealth shall protect every state against invasion and, on the application of the Executive Government of the State, against **domestic violence.***” [Emphasis added]. Domestic violence in the Australian context usually amounts to industrial unrest. For example the great shearers’ strike, the Victorian police strike etc.

Thus, in extreme civil unrest we could have ADF members facing family members across a picket line where lethal force could be ordered. While in another situation the use of the ADF as a strike breaking force would cause resentment. Both situations would leave three members of the 10 man board with mixed emotions when deciding ADF benefits.

With a loyal and cohesive union movement providing members on the superannuation board that will control the pension and entitlements of the ADF, an equally cohesive force, a perceived contradiction and conflict of interest would arise.

In addition, any union action that blocks supplies or otherwise hinders the deployment and movement of troops overseas would surely also cause loyalty issues for the three unionists on the Board. Not to mention the morale problems this could engender in the ADF.

### **Conclusion**

For the reasons outlined above I believe that 3 union members sitting on the Board is incongruous and will, without question, be perceived as prejudicial to the future benefits of ADF members.

To a soldier in the field, engaged in some action involving unions, he could be forgiven for wondering about future decisions of the Board.

Yours sincerely,

BARRY J. CALIGARI