



28 February 2010

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

Dear Sir,

The purpose of this letter is to bring to your Committee's attention my objection to the Government's proposed changes to bring military superannuation under the same umbrella as other Commonwealth employees via the proposed *Government Superannuation Schemes Bill 2010*.

The unique nature of military service and the special demands it makes on those who enlist in the Services would be lost in a 'one size fits all' combined retirement and superannuation scheme for all Commonwealth employees. Unlike most of their civilian counterparts, military personnel can be called on to take up arms in the service of the nation – putting their lives at risk in the process. Military life brings greater risks of personal injury to members and this of course impacts on their lives as well as those of their families. Service personnel and their families speak of the 'exigencies of Service life' – a term which covers a multitude of situations, including regular dislocation and the domestic and personal hardships that ensue. It is unfair to treat Service personnel in the same way as civilians in the Commonwealth's employ when the nature of military employment is so obviously uniquely different to that of civilians.

Service personnel enlist in the military out of a sense of commitment to their country with an awareness of the risks involved and the demands that military life will make on them and their families. However, this does not mean that they should not be given treatment that recognises the special nature of their employment. A military career *IS* different to civilian life and the Government is doing a great disservice to past, present and future members of the Defence Forces in proposing this Bill which fails to take account of this difference. While young people probably don't think of their retirement and superannuation at the time of enlistment, it is arguable that these considerations will have a significant impact on retention of the best and brightest in the Defence Forces when they have families to consider.

Governments of all persuasions talk about the nobility of military service and to this end, it is the duty of governments to ensure that those it employs and trains for this service are treated fairly during their active service and after retirement. Service people and their families are generally loyal and silent citizens. They do not generally demonstrate, strike or stridently demand their way but this does not mean that they are passive or disinterested – they instead believe in

exercising the democratic freedoms in peaceful ways. They do not take kindly to governments that treat them unfairly.

There is a large number of retired Service personnel who are solely reliant upon their Service pension. Many would have retired at or about age 55 because their employment conditions required that. Those who are now reliant upon their military pensions for their livelihood made that decision in the understanding that certain conditions would be met. One of those conditions was that their pension scheme would be managed by a body which understood and was sympathetic to the conditions of service they had endured and their reduced chances of full employment beyond 55. The changes proposed under Bill 2010 would change the ground rules substantially, potentially placing the welfare of Service retirees in the hands of a body that neither understands nor is sympathetic to Service exigencies.

Of particular concern is the proposed composition of the Board. With 3 ACTU nominated members to 2 Service nominated members and 5 members nominated by the Finance Minister, Service issues could easily be outvoted, especially if the 5 Board Members nominated by the Finance Minister are of a political persuasion sympathetic to the ACTU. I believe there is potential for blatant politicisation of the board which will be to the disadvantage of Service retirees. Service employment is distinctly different to civilian employment where unions and the ACTU may have authority. It would be both unfair and disingenuous of any government to impose that authority on service personnel when they retire.

Therefore, in summary, I wish to lodge my very strong objection to a merger of all military superannuation schemes with those covering Commonwealth Public Servants and Trade Unionists. This represents a devaluation of the unique nature of military service – a devaluation which would potentially be made worse by the proposed composition of the Board of Directors.

Yours sincerely,

David Leach, AM, AFC
Air Commodore, Retired