

**Opening Statement to
the Senate Finance and Public Administration Committee
on the Inquiry into the Operation and Appropriateness
of the Superannuation and Pension Schemes
for Current and Former Members of the Australian Defence Force
from Legacy Australia**

I am Dr Mark Roger Lax the Chair of Legacy Australia and appear before you in that capacity.

Before we begin, and in the interest of full disclosure I wish to advise the Committee that I am a retired Air Commodore having completed 50 years of permanent and reserve service. However, I am no longer involved with the Department of Defence.

I am also a recipient of a pension from Commonwealth Superannuation Corporation under the Defence Force Retirements and Death Benefits Scheme (DFRDB). I appear here not in a personal capacity nor is my appearance related to benefits I already have or may receive from your consideration. Rather I will be representing the interests of Legacy Australia and our beneficiaries.

As the major Ex-Service Organisation that supports the families of veterans who have given their lives or their health in the service of our country, Legacy Australia's submission is focussed on the impact on the families of veterans, including widow(er)s, spouses, partners, children and youth, and those with disabilities who have suffered the loss of their loved one. Legacy's mission is to ensure that no dependent of a veteran suffers financial or social disadvantage because of their loved one's death or injury from service. We currently serve over 28,000 individuals through our services and programs, all of which are given freely.

Legacy is concerned that the current application of Commonwealth defined benefit superannuation legislation, unfairly denies reversionary pensions to some families of deceased members where they are unable to meet legal dependency requirements.

The physical separation of members from their families, and the resulting financial complications this brings, are common outcomes of severe mental illness due to the Veteran's service. This often results in veterans becoming alcoholic, substance abusers, violent towards close family members and, in some cases, homeless. Such cases force partner and family separation for safety reasons due to domestic violence arising from these issues. Applications for military reversionary pensions by victims in these circumstances have been routinely and unfairly rejected by CSC, usually due to the need to prove financial dependence of the partner and children on the member.

The Superannuation Act 1976 was written nearly 50 years ago at a time when family structures were quite different to today. Now, both partners commonly engage in the workforce and accrue their own retirement benefits. The "dependency" concept of today is not the same as in the past and the present-day acceptance of mental health as a specific illness had not been developed to the extent prevailing now.

As the administrator of the Superannuation Act, CSC uses this very outdated legislation and supporting case law to make decisions relating to contemporary families. The current interpretation of the legislation leaves partners of veterans who may be experiencing family and domestic violence due to the Veteran's service-related mental health, financially trapped, encouraging them to remain in dangerous relationships to avoid losing future financial support in retirement when the veteran dies.

Legacy believes that the legislation needs to be overhauled to more appropriately address contemporary family dynamics and the emerging consequences of modern military service. Failing that, it is requested that the Committee review the current application of the law in regard to the Superannuation Act where its purposes and provisions are being interpreted and applied in an insensitive and overzealous manner. We seek the restoration of the provision of a reversionary benefit when the surviving partner is not financially dependent in the strict sense of the Act when mental illness is involved.

In conclusion, Legacy appreciates the opportunity to raise these matters with the Senate Committee. We acknowledge the quality support provided by the

Commonwealth Superannuation Corporation to many family members of veterans but remain concerned by the treatment of those partners of deceased veterans who struggle to prove financial dependency and gain a reversionary pension entitlement under the current strict interpretation of the Act.

Thank you.

Dr Mark Lax
Chair, Legacy Australia
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