



# DEFENCE FORCE WELFARE ASSOCIATION

A member of the Alliance of Defence Service Organisations

## MONTHLY UPDATE #283 – April 2014

'UPDATE' is a e-letter produced by the Defence Force Welfare Association to inform the Service and ex-Service communities of those current issues that are of most concern to them. Distribution is intended to a wide audience that includes Members of Parliament, media outlets, Senior Service and Public Service Officers, and the members of DFWA, their families and supporters.

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### INTRODUCTION

The core focus for DFWA over the last month or two, indeed for the whole of the leadership group of the Alliance of Defence Service Organisations (ADSO), was to make sure that the emerging draft legislation on **Fair Indexation** that the Coalition had long promised actually reflected its pledge when it was finally introduced into Parliament as a Bill. Despite some initial concerns when the Assistant Defence Minister first read it to the House on the 20th March 2014, indeed it did.

But more of that in the following paragraphs. Suffice to say that, while a small step towards indexation fairness has been delivered, neither the Association nor its ADSO partners are deluded into thinking that there is not still much more to be done.

Also in the following paragraphs is a summary of those very issues. Some have been long standing and each will be given detailed attention in the coming months to see how satisfactory and practical outcomes can be achieved to benefit both the serving and the ex service communities as a whole. As open dialogue against a backdrop of understanding and respect has already been a welcome feature of the relationship between the ADSO partners and all political parties and each of the Independents, such a relationship can be expected to continue.

### FAIR INDEXATION PROMISE DELIVERED

Most everyone in the ex service community will by now know that the **Defence Force Retirement Benefits Legislation Amendment (Fair Indexation) Bill 2014** passed muster in Parliament with the full support of all parties, including the Independents. It will take effect from 1 July 2014.

Thereafter, DFRB and DFRDB retirement payments will be indexed to the higher of the CPI, the Pensioner Beneficiary Living Cost Index (PBLCI) or the Male Total Average Weekly Earnings (MTAWE). Finally, fair indexation will be restored to those DFRB/DFRDB retirees affected by the legislation. Their superannuation pensions will maintain purchasing power in the future.

### The Milestone that Came to Pass!!

By any measure, the Parliamentary week that commenced on the Tuesday 25<sup>th</sup> March was a milestone. To bear witness to it all in the gallery of the House as 24 speakers of both major sides of politics (plus an Independent) rose one after the other in unanimous support of the **Bill** was nothing short of a memorable privilege. After all, how long has the ex service community waited to get this far? Too long, of course! Of the 25 speakers who spoke, 21 were from the Government side; three were Labor and the one Independent was the Member for Denison, Andrew Wilkie.

Andrew Wilkie proposed an amendment that seemed all too reasonable; he sought to include the under 55s. Unfortunately, as the Opposition could not muster the required five votes that is a minimum for votes to be counted in the House, his otherwise good intention simply lapsed. The Government was not forced to vote for or against it. Credit and a ‘thank you’ is due to the Member for Denison for trying.

The Bill finally passed into Law in the Senate on Thursday 27th March with each of the five speakers, including the Greens Senator Wright, supporting the legislation without amendment. As in the House, many openly acknowledged and gave recognition to the ‘**unique nature**’ of military service. And also acknowledged that a ‘fix’ to a ‘long-standing grievance’ by the ex service community was long overdue. Amen to that!!! Several speakers did concede that issues remained with the under 55s and those on MSBS.

## **Message from the National President**

Needless to say, and given the milestone that has been achieved, our National President, **David Jamison**, had a message for all workers and supporters who stuck with the campaign for justice, a campaign that ultimately helped overcome what was after all a long-standing grievance of the ex service community that they had for far too long endured. Some readers may have seen this message from him but in case not, it is worth repeating. David delivered it on behalf of the other National Presidents of ADSO. This is what he had to say:

*“The passing of the ‘Fair Indexation Bill’ is a good start and is due in no small measure to the efforts of the members of the Alliance of Defence Service Organisations (ADSO), the dedication of every supporter who raised a voice somewhere sometime, and particularly to the efforts of the hard working ‘Fair Go’ campaigners right across Nation.*

*Collectively, I believe we showed what could be achieved when we all work together in unity towards a common goal. My hope, indeed expectation, is that this unity will help us in the future to right many more injustices in our system, all of which have lead in one form or other to some suffering by not only our current serving but also our former members of the ADF and their families.*

*On behalf of each of the other National Presidents of ADSO, and each of the Fair Go Campaign Directors, I say “**thank you, immensely well done, and congratulations**”.*

*As for myself, I feel a deep sense of gratitude for all the positive encouragement I received throughout our campaigning days, and the support that has never failed to come my way. I know our Campaign Directors, Ted Chitham and Alf Jaugietis, share similar sentiments.*

*Thank you one and all. But now to work as well – we have much to do to achieve our next objectives.”*

Indeed, we do have much to achieve. The following paragraphs give an insight into what that may be.

## **A Big ‘Thank You’ Extended Also to Our Federal Politicians**

The national leadership of the Alliance of Defence Service Organisations (ADSO), together with its partner Associations, thanks firstly the Government for delivering on its long-standing pledge of **Fair Indexation for DFRB/DFRDB Military Superannuants** from the 1<sup>st</sup> July 2014. It was a pledge made before the 2010 election and one that was strongly reiterated before the 2013 elections as well.

That appreciative thanks is also extended to the Labor Opposition, the Greens, the Palmer United Party, Katter's Australian Party and each of the Independents in both the House and the Senate for supporting the passage of the Bill in a truly bipartisan way. The veterans’ community as a whole is most grateful to each Member for supporting the Bill that was put before them.

## **DFWA GOALS ON SUPERANNUATION AND OTHER ISSUES**

DFWA goals on military superannuation issues are now as follows:

- Restoring fair indexation to DFRB/DFRDB recipients under 55, particularly to those on invalidity pensions, so that their pensions maintain purchasing power too;
- Extending fair indexation to MSBS members; and
- Portability of employer benefits on discharge for those with preserved MSBS entitlements.

DFWA goals on other veterans' related issues are as follows:

- Restoration of DVA Disability Pension indexation to parity as legislated by the Coalition Government in 2007 but removed by the Labor in 2009. Veterans' Disability Pension is compensation for injury and foregone ability to earn wages/salary. It is not welfare;
- Improving Integrated people Support Systems – to fix deficiencies in service to civil transition processes;
- Abolition of MSBS maximum benefit limits;
- Increasing support for veterans' health care, particularly mental health;
- Extension of Military Superannuation to ADF Reserve Members; and
- Promoting a Military Charter or set of protocols to underpin the relationship between Government and the ADF.

The forgoing goals are not all inclusive but only a reflection of priorities. For more information on any item please jot a note to the National Office. Special emphasis will be placed on the disabled. There are 109,000 disabled veterans who are damaged physically and/or mentally from their military service. Of those in that category, 29,000 have TPI/Special rate status that limits the hours they can work and hence capacity to maintain their standard of living: their loss since the 2009 removal of indexation parity by the Labor Government at the time is \$3,300 p.a. and increasing yearly.

## **OTHER MAJOR ISSUES**

### **ADF Workplace Remuneration Arrangement 2014**

The current ADF Workplace Remuneration Arrangement (WRA) for 2011-2014 will expire later this year. A new WRA is in the process of being considered. That means new salary arrangements will be decided by the Defence Force Remuneration Tribunal (DFRT), who will consider positions put by the Commonwealth and the ADF.

The Tribunal will also listen to the position put by DFWA and the RSL. As independent third parties in the DFRT process, working outside of the Defence bureaucracy, both can directly represent ADF member views to the tribunal.

When the current WRA was decided in 2011, the DFRT accepted the position of the ADF and the Commonwealth and approved the new salary arrangements. At that time, the DFWA informed the DFRT of the feedback provided by ADF members who indicated the offer was not supported by a majority of ADF members and of the implications of imposing an unsatisfactory outcome.

- In coming to its decision, the DFRT recommended that the ADF and Commonwealth explore the possibilities of an alternate method and process for considering and determining future wage arrangements.

- ADF members should also note that APS arrangements (the DECA) expire on 30 June. It is currently unclear if a new DECA will commence prior to the WRA.
- ADF members will be briefed on the progress of the new WRA through the chain of command and in a number of ‘road shows’ visiting major bases throughout Australia. Feedback to the Directorate of Military Remuneration will be invited.

DFWA will seek comment and input from ADF members on the 2014 WRA. They will be invited to do so through the Association’s social media network.

## Seniors Health Card Indexation

**A welcome development to note** The income eligibility level for the Commonwealth Seniors Health Card has been fixed since 2001. Legislation is in train that will see cardholder income limits rising in line with the Consumer Price Index from September 2014. The indexation of the Seniors Health Card is an election promise being delivered by the Coalition Government. The initiative should benefit military superannuants holding these Cards – DVA estimates there to be over 5,800.

## Orphans Of Soldiers – Welfare Payments Being Cut

One of the most dramatic recent *‘storms in a tea cup’* occurred on the 16 March 2014 following an article appearing in several news outlets and headed **‘Orphans of soldiers to have welfare payments cut’**. In essence, the Government seemed to be quietly removing a relatively small income support bonus of \$211 a year that Labor had promised but was to be funded by the mining tax.

The article quickly attracted not only the social media set but the daily radio and print media as well. DFWA was quickly subjected to a number of requests for an interview. The author of the article, Jessica Marszalek, herself called to ask how we viewed her story. We had to concede the accuracy of her reporting.

By then the dramatic headline and emotive text of Jessica’s article took on a life of its own. In defending its decision the Government fueled further debate, so much so that the Member for Fairfax, Clive Palmer MP, announced that he **‘would veto the repeal of the mining tax if the decision to axe bonus welfare payments to the children of dead or injured war veterans, including orphans, was not repealed.’**

DFWA’s position is that the decision is arguably a bad one, notwithstanding that Labor on introducing the bonus probably wrongly tied it to an income from a tax that hardly materialized, and a tax that was to be abolished by any change of Government. Thereafter, targeting a small number of children in the defence family for an inconsequential saving appeared publically at best mean politics. Few if any in the veterans’ community had been consulted on the decision before hand. DFWA believes that the \$260,000 that was to be saved could have been found within the federal budget without detriment to any other program.

As of the present time, the decision on the bonus remains in place but pressure seems to have mounted for it to be rescinded.

### Contacts

<b>Contacts</b>		
<b>Executive Director:</b> Alf Jaugietis (0438) 282 284	<a href="http://www.dfwa.org.au">www.dfwa.org.au</a>	<b>National President:</b> David Jamison (0416) 107 557

\***ADSO** comprises the Defence Force Welfare Association (DFWA), the Naval Association of Australia (NAA), the RAAF Association (RAAFA), the Royal Australian Regiment Corporation (RARC) and the Australian Special Air Service Association (ASASA); and the RAAF Association (RAAFA) with the Australian Peacekeepers and Peacemakers Veterans Association (APPVA) and the Vietnam Veterans Association of Australia (VVAA) as partners.