



## DEFENCE FORCE WELFARE ASSOCIATION

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### **MEDIA RELEASE**

#### **GOVERNMENT'S WARPED VALUES ?**

The Defence Force Welfare Association and its fellow Alliance members\* note with some cynicism the recent Remuneration Tribunal decision to increase salaries for Federal Members of Parliament.

Why the cynicism?

- The Government refuses to index military superannuation pensions so they don't lose purchasing power, because it claims the cost is unaffordable. However fair indexation for military superannuants will cost just \$20M in the first year; and
- The Government recently pegged ADF pay rises to a measly 3% a year for the next three years;

*but*

- The MPs projected pay rise is more than 3% and its cost is approximately \$20M in the first year - about the same as providing fair indexation to military superannuation pensions !

*and*

- There has not been a hint of opposition from the Government on this !

The Government claims that the current method of indexing military superannuation pensions will ensure that "a dollar in 2011 will be equivalent to \$1 in 2028". Military superannuants know this is just not true and so does the Government, which adopted fair indexation arrangements for age pensioners as long ago as 1997.

So why are the troops abandoned when they continue to put their lives on the line for the security of the Nation in places like Afghanistan?

We await with great interest the Government's response to the Remuneration Tribunal's decision and in particular that of Senator Penny Wong, the Minister for Finance and Deregulation. We wonder if it will be any different to when she slammed the *Defence Force Retirement and Death Benefits (Fair Indexation) Bill 2011* (on 16 June 2011 in the Senate) by stating that the increased cost of providing fair indexation to military superannuants would create a "huge black hole" in the budget.

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\*Naval Association of Australia, the RAAF Association, the Royal Australian Regiment Corporation and the SAS Association of Australia.