



DEFENCE FORCE WELFARE ASSOCIATION

MONTHLY UPDATE #247 – 17 February 2010

UPDATE is a monthly newssheet produced by the Defence Force Welfare Association containing current items of interest to the Service and ex-Service community. It is widely distributed to politicians, media outlets, senior Service and Public Service officers and DFWA members.

ACCIDENT AND DEATH INSURANCE FOR SERVING MEMBERS

Recent press reports have highlighted the issue of accident and life insurance being offered to members of the ADF, including those who may be deployed overseas. Members of the ADF should be aware that as their employer, the Australian Government provides a range of benefits and entitlements for those members who may be injured whilst on duty (by way of compensation and ongoing medical support) as well as to their dependants should death in service occur. This includes cases where death or injury occurs whilst on operational service.

It behoves all members to be fully conversant to their entitlements and, if they then consider it prudent, consider taking out additional personal insurance. In the latter case members have an obligation to fully understand the policy they are purchasing.

Insurance companies are obliged to provide full information on their policies: issues members may wish to consider include:

- Is the policy being offered cover operational service or training? Most companies do not provide cover for any war related (ie operational service) injury or death.
- Is there a waiting period for benefits to be payable? Is there a point taking out insurance if no claims will be accepted for say 12 months if you are about to embark on a six month tour of duty!

By taking out personal insurance, your employer may assist by making payments direct from your salary. This does not mean that your employer – in this case the Department of Defence - endorses or supports the policy being purchased: it is your decision to take out the policy and your decision to have an allotment made from your pay.

Defence policy correctly draws attention to the importance of 'independent advice'. The Association fully supports this.

RELEASE OF SERVICE RECORDS

A recent letter from a member alerted the Association that the National Archives are able to release service records of ex members of the ADF, to anyone who asks, without reference to the ex-service member. The Association understands the views of the member that the interests of the serviceman should take precedence over the public at large. (Indeed would it not be a matter of common courtesy to ask the ex-serviceman for his or her agreement prior to release of their records ?)

The National Archives has advised:

“ the Archives Act 1983 provides a public right of access to Commonwealth records over 30 years of age without regard to the intended use of the records. Our role is to preserve the records, ensure they are not damaged or altered, and make them available to the public in accordance with the

Archives Act. That people make various uses of the records and interpret the contents in different ways is not within our control.

As to the identities of the people who have accessed your service records and the records of others, we are bound not to release this information”.

The Association understands that the service record of a member/former member of the ADF is a Commonwealth record for the purposes of the Archives Act., but whether such a record could be classified as an “exempt record” is not clear from the provisions of the Act. S.33(1) provides that a Commonwealth record is an exempt record if it contains information or matter of, inter alia, the following kind:

- a. the disclosure of which would constitute a breach of confidence (S.33(1)(d));
- b. the disclosure of which would involve the unreasonable disclosure of information relating to the personal affairs of any person (including a deceased person) (S.33(1)(g)).

The Association will follow up on this matter to seek clarification.

MILITARY SUPERANNUATION INDEXATION: ABC Q&A 15 FEBRUARY 2010

The Minister for Finance Lindsay Tanner did not cover himself with glory with inadequate response to Peter Thornton’s question to him on ABC’s Program Q&A on 15 February.

Responding to concerns about the deterioration in military superannuant’s reducing standard of living due to unfair indexation arrangements compared to age pensioners (and particularly pre 2004 Federal Parliamentarians) Mr Tanner again referred to the flawed Matthews Report as an “expert review”. Matthews said military superannuation was a “condition of employment” so Mr Tanner at least got that right – but neglected to say that the condition of military superannuation was that it would maintain living standards and purchasing power. The CPI index may have done that 30 years ago – but it has changed and doesn’t anymore. **That’s exactly why the Government changed the index for aged pensioners so why not for military superannuants?**

Another issue Mr Tanner raised was that to change the indexation mechanism would be unfair on members who had earlier chosen to take a lump sum. What he ignored was DFRB and DFRDB members were never able to take their superannuation as a full lump sum. That right is a feature of the latest scheme started in the 1990s. In any case had they done so they would have enjoyed – by the Government’s own admission – returns well above inflation, so how would they be disadvantaged?

Mr Tanner then suggested that a change would cost “billions and billions”.. .. the Association asks where is the evidence for this ? – we have asked in the past, but heard nothing. Mr Tanner’s emotive statement is meant to shock and simply does not add up - the reality is that the cost is affordable with Department of Finance revealing a full budget cost of \$16m in 2010-2011 and the Future Fund well on the way to covering the full superannuation liability. The ability of the Government to suddenly find funds for free to air television stations (\$250m), the Taliban (\$25m) let alone the \$40billion for “economic stimulus” surely makes a mockery of his assertions.

We applaud Mr Tanner’s honesty in declaring he is a member of the older defined benefit scheme for MPs with its incredibly generous indexing method. We may have been more impressed if the Government had committed to changing the old MP scheme to the same CPI based mechanism that is used for military superannuants.

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