



DEFENCE FORCE WELFARE ASSOCIATION

MONTHLY UPDATE #249 – 17 April 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.

RESPONSES FROM THE PRIME MINISTER AND MINISTER TANNER

As advised in the last UPDATE, in February the Association wrote to the Prime Minister expressing our concern about the longstanding issue relating to the indexation of ADF Superannuation pensions and the Government's response to the *Review of Pension Indexation Arrangements in Australian Government Civilian and Military Superannuation Schemes* commissioned on behalf of the Government on 26 June 2008.

We also wrote to the Minister for Finance, The Hon Lindsay Tanner MP, regarding comments he made on the ABC's 'Q&A' program on 15 February 2010. The Association had difficulty identifying the Minister's specific objections to fair indexation because of the way he chose to answer a question asked of him during the program.

We have been advised that both pieces of correspondence are “receiving attention”.

INDEXATION - RESPONSES FROM MEMBERS OF PARLIAMENT

The Association is dismayed over the standard of responses being received from the majority of Members of Parliament. A large number of Association members have written to their elected representatives expressing concern about indexation of military superannuation pensions, and have provided copies of their correspondence and responses, to us.

In the majority of cases (with a few notable exceptions) it is very clear that elected representatives do not actually READ and CONSIDER letters written to them by the people they represent. It seems they prefer to either pass the letter on (... “ I have passed your letter onto ...”....) or state the party platform, say nothing new and take a cheap political shot at their opponents (“.. we take the issue on veterans welfare very seriously, unlike our opponentsblah blah ...”). They then usually sign the letter off with an electronic signature (often cleverly disguised in blue ink to trick the recipient into thinking the MP has actually considered and signed the letter in person), or have their staff respond on their behalf.

The Association can only surmise that the majority of our elected representatives are simply not doing their job and/or don't care. How can the electorate have any confidence in our system of Government and in their elected representatives when they treat their electorate with such contempt?

An analysis of responses provided to the National Office indicates that Opposition Members generally support our concerns regarding the unfair indexation of military superannuation pensions, whilst Government Members, following the Party line, dismiss the concerns out of hand, and often provide the glib comment that any change to the current method of indexation cannot be afforded.

How can the Government say this when they are guilty of a gross waste of money with the numerous failed initiatives that we hear of nearly daily – every day another \$100m, \$1 billion etc seems to be wasted or found for all sorts of “worthwhile” causes. Isn't the modest cost involved in maintaining the purchasing power of military superannuation pensions – as Trevor Matthews himself accepted as being the purpose of indexation - an honourable and worthwhile cause ?

We encourage members to continue their letter writing campaign and advise the Association of responses they receive in order to assist us in developing our election strategy.

ANZAC DAY – RESERVISTS

Recent reports that Defence Reservists will not be paid to take part in Anzac Day commemorations resulted in some concern and media interest. A statement by MAJGEN Jim Barry AM MBE (Retd), the National President of the Defence Reserves Association and the Vice-President Reserves of DFWA:

- Expressed concern that Defence’s drive to improve its efficiency, seen by many Reservists as pay cuts, will have an undesirable effect on the long-term future of the Reserve force, but this has nothing to do with ANZAC Day.
- Supports the current Defence policy on paying Reservists for participating in ceremonial tasks or activities such as ANZAC Day.
- Advised that Reservists who are directed to march in, participate in or support an official Anzac Day service will be paid.
- Advised that those who volunteer to march or support local Anzac Day activities without formal tasking will not be paid.
- Encourages Reservists to march on ANZAC Day, noting that Reserves have made an invaluable contribution to the ADF and continue to do so and are encouraged to march proudly alongside their full-time counterparts.
- Advised that the future “rebalancing” of the Army Reserve however remains an issue for Defence

The DFWA fully supports these sentiments.

AMALGAMATION OF MILITARY AND CIVILIAN SUPERANNUATION BOARDS

Following the Senate Committee investigation into the above matter, to which the Association submitted its objections, the relevant legislation has been delayed and is being reconsidered. The Association has since advised the Minister that we support any effort to achieve greater levels of efficiency in administering superannuation, and could support revised legislation that would:

- **Recognise** the uniqueness of military service in the ADF in the legislation.
- **Establish a Defence Force Case Assessment Committee.** This body is at the heart of ensuring that ADF specific issues flowing from the uniqueness of military service are properly considered. We believe the establishment of this body needs to be legislated for and in addition believe the importance of this “committee” should be reflected in a more appropriate title such as the “**Defence Force Case Assessment Authority**”.
- **Adjust the way employer directors are appointed to the Board.** As the Bill now stands, it provides for the Finance Minister to choose the five employer directors to represent the employer-sponsor of the relevant civilian and military superannuation schemes, being the Commonwealth. In selecting suitable candidates to act as employer directors, it is intended that the Finance Minister “would” consult with Ministers in the Defence portfolio. We believe the consultation aspect needs to be strengthened to **require** the Finance Minister to consult with Ministers in the Defence portfolio in choosing individuals for these appointments.
- **Require the CDF to consult representatives of scheme members re the appointment of members of the Board.** Under the draft legislation, the Australian Council of Trade Unions is required to consult relevant organisations, before making a nomination. The CDF has no such obligation under the present proposal.

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