



DEFENCE FORCE WELFARE ASSOCIATION

Wednesday 24 February 2010

EMBARGOED TILL 3PM 24 FEBRUARY 2010

PENSION INDEXATION INQUIRY PREJUDICED ?

The Association has information suggesting there could be a close but apparently undisclosed relationship between Senator Nick Sherry and Mr Trevor Matthews the leader of the *Review of Pension Indexation Arrangements in Australian Government Civilian and Military Superannuation Schemes*, Review, and Mr David Harris who assisted in the “independent” review in late 2008.

David Jamison the National President of the Defence Force Welfare Association has expressed surprise and concern that Mr Harris 'sponsored a trip' by Senator Sherry to the UK in 2005 when he was a member of the then Shadow Ministry and that both participated in 'closed door' discussions on matters relating to pensions and superannuation, including Defined Benefit Schemes, such as DFRDB and MSBS (the current military schemes). Additionally, as late as 2009 Senator Sherry participated in an international forum with Mr Harris in Washington DC.

Mr Matthews, who was commissioned by Senator Sherry to undertake the Review on 26 June 2008, held hearings in Canberra on 24 & 25 July 2008 and submitted his Report in December 2008. However, on 30 July 2008, some 5 days after holding hearings Mr Matthews commenced employment as the Chief Executive Officer of Friends Provident UK, among the biggest pension and insurance companies in the UK.

The degree to which the CEO of such a major company could find time to research, deliberate and then write a report on such a complex issue could prima facie be questionable. Mr Jamison noted that in his report, Mr Matthews placed emphasis upon his considerable reliance on Mr Harris and his associates in relation to the Review. Coincident with the submission of the Review report in December 2008, media articles indicate Mr Matthews presented a paper on behalf of Senator Sherry at a UK seminar.

The Association believes it is very important that ADF members have confidence in the independence, disinterest and objectivity of the Review Team providing recommendations on their superannuation scheme to the Government.

We will be seeking the Prime Minister's assurance that Senator Sherry and the Review Team members declared any associations during the Review contract selection process and asking the Prime Minister to release to Parliament all documentation relating to the selection and granting of a contract in June 2008 by Senator Sherry to Mr Matthews and Mr Harris to conduct the *Review of Pension Indexation Arrangements in Australian Government Civilian and Military Superannuation Schemes*.

Additionally, the Association asks the Prime Minister to inform Parliament about the nature of any association between Senator Sherry and the Review team members and his and Minister Tanner's knowledge of it.

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