



## DEFENCE FORCE WELFARE ASSOCIATION

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### **MEDIA RELEASE**

## **INDEPENDENTS' SUPPORT FOR A BETTER DEAL FOR MILITARY SUPERANNUANTS WELCOMED**

David Jamison, the National President of the Defence Force Welfare Association and spokesperson for the Fair Go! Campaign, has welcomed the support provided by Bob Oakeshott, Bob Katter, Tony Windsor and now Andrew Wilkie, to change the indexation arrangements for military superannuation.

“It is gratifying that during the recent election campaign and in the months leading up to it, the Independents acknowledged and supported our campaign to improve the indexation arrangements for military superannuation”, Mr Jamison said.

The support of the Independents, whatever their formal political partnership arrangements may be, will ensure that the unfair and discriminatory feature of the DFRB/DFRDB/MSBS\* military superannuation schemes for retired ADF members, as well as Defence widows is made.

The current indexation formula for DFRB/DFRDB superannuation entitlements (including those paid to Defence widows) as well components of the current MSBS scheme for currently serving members, is based on the CPI which no longer meets the original intention of maintaining purchasing power. The Australian Bureau of Statistics (ABS) says that “CPI is not a purchasing power or cost of living measure” which the then Government recognised in 1997 when it abandoned the CPI for Age and Service Pensions. Reinforcing this inadequacy, the Matthews Review into indexation of Commonwealth funded superannuation commissioned by the current Government, reaffirmed the purpose of indexation was to maintain the purchasing power of pensions.

A comparison of the different indexation formulae over the last 20 years clearly shows the obvious unfairness of CPI, which does not protect pension purchasing power. After 20 years using CPI to index a \$20,000 commencing pension, the recipient receives \$7,000 per annum less than they would have received had their pension been indexed in the same way as the Age & Service pensions now are. That fundamentally means a continual reduction in the standard of living for those that Governments of all persuasions call our finest.

The Association, along with thousands of serving and retired military members, Defence widows and other military superannuants now look to the Independents to follow up on the support they previously publicly gave.

“The time has come to put words into action”, he said.

**\* Defence Force Retirement Benefits Scheme / Defence Force Retirement & Death Benefits Scheme / Military Superannuation and Benefits Scheme**

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