



DEFENCE FORCE WELFARE ASSOCIATION

## MONTHLY UPDATE #250 – 17 May 2010

**UPDATE is a monthly newsheet 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.**

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### **INCREASE IN SUPERANNUATION GUARANTEE FROM 9% TO 12%**

Whilst the proposed increase in minimum superannuation contributions for all employees is welcomed, the Association believes that this increase should NOT affect the requirement for increased employer contribution for accepting investment risk in any new military superannuation scheme.

If the community is to get another 3% - without any requirement to assume a greater risk - then it follows that ADF members should get an increased employer contribution in any new Defined Contribution scheme if they are required to accept greater risk in any new accumulation based scheme as proposed in the now ancient Podger Military Superannuation Review Report..

### **BUDGET RESPONSE**

The Association welcomes certain aspects of the Budget including:

- Access to better health care and compensation for an additional 2,400 F-111 aircraft fuel tank maintenance workers. These workers include those known as 'pick and patch' personnel who were not deemed eligible under the previous scheme.
- Compensation and benefits for defence force personnel who participated in British Nuclear Testing in the 1950s and 1960s at Maralinga, Emu Field and the Monte Bello Islands.
- Reclassification of the service of certain submarine special operations personnel between 1978 and 1992 to acknowledge their contribution, recognising it as qualifying service opening up eligibility for benefits such as the Gold Card. Up to 890 former submariners will benefit from this change.
- Improved health care for veterans and war widows and reduce unnecessary hospital stays through the *Preventable Admissions and Improved Community Care Program*.
- The needs of carers have been addressed as part of the government's broader response to the *Who Cares...?* report and the National Disability Strategy.
- \$2.7M to fund expenses relating to the reclassification of service at RAAF Ubon from operational to qualifying, for the period 31 May 62 to 27 July 62.

**Whilst more can and should be done, the Association is grateful for these initiatives. But the news is not all good...** despite the many spending initiatives by the Government during its current term of office, there is still:

***Nothing for long suffering military superannuants*** whose standard of living continues to deteriorate due to unfair indexation and taxation of MSBS and DFRDB superannuation pensions and the gouging of DFRDB superannuation benefits that service men and women paid for during their working lives.

***No decision on the reclassification of the service of certain other counter terrorism special operations*** undertaken by SAS and other ADF personnel.

***No decision to remove the remaining level of erosion to the value of the Veterans' Disability Pensions*** nor to adjust them in line with the increase in community living standards since 1997.

## **A STRANGE COMMENT BY THE MINISTER FOR VETERANS' AFFAIRS AND DEFENCE SUPPORT**

The Association is bemused over recent comments by The Hon Alan Griffin MP made to Association member who queried him on indexation and the general matter of military superannuation. The Minister apparently made much of the fact (words as reported by the Association member) that “a person could enter military service aged 18 years, contribute to superannuation for 20 years, leave the forces and take up a new career. Aged 38 years they can then draw on their superannuation, whereas civilians have to wait until they reached a statutory age to access a pension.”

Maybe the Minister should take time to point out this only applies to the now closed DFRDB scheme and was a deliberate feature underlying the recognition of the uniqueness of ADF service and the need for servicemen and women to transition to a civilian career because of early statutory retirement ages. Members of the current MSBS scheme generally cannot access their benefits before age 55 in line with the community standard.

## **ADF MEMBER REPRESENTATIVE APPOINTMENTS TO THE COMMONWEALTH SUPERANNUATION BOARD**

The DFWA has been advised of the CDF's nomination of General Peter Cosgrove AC, MC and Mr John McCullah to the proposed Commonwealth Superannuation Corporation.

The Association notes that the appointments are subject to passage of the *Governance of Australian Government Superannuation Schemes Bill 2010*. This legislation was the subject of concern earlier this year by Alliance member organisations who expressed concern that the merger of the Civilian and Military Superannuation Boards as proposed would not be in the best interests of members of the ADF superannuation schemes. Since these objections were raised and following a Senate Committee investigation, the Defence Force Welfare Association (DFWA) has been in negotiations with Defence and Finance Officials who have listened to our concerns and undertaken to re-draft the legislation which is expected to be presented to Parliament soon.

DFWA looks forward to viewing the new legislation to ensure the concerns expressed by the Alliance member organisations have been satisfied. Until that happens, our objections to the Bills remain.

The member organisations of the Alliance of Service & Ex-Service Organisations recognise that in the appointment of General Cosgrove and Mr McCullah to the new Board, the CDF has selected well qualified individuals who have the ability to represent the best interests of the ADF.

## **MP PAY GRADES**

The Association is investigating the issue of MP pay grades for Investigators who were on Pay Grade 4 and in order to advance to Pay Grade 5 they had to successfully complete the Victorian Police Detective Training School Course (a 12 week formal course) and successfully complete a four week attachment to a civil police major crime squad or unit.

The matter brought to our attention is that Defence would not release them for the courses nor were they offered, and as a result they were held back from promotion. In the case brought to our attention the member retired on a lower pay grade than otherwise he should have, having been held back from promotion opportunity for over ten years.

The Association is assisting the member on this matter.

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