



DEFENCE FORCE WELFARE ASSOCIATION

MONTHLY UPDATE #252 – 20 July 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.

MATTHEWS REPORT NOW PROVEN BEYOND ANY DOUBT TO BE A FALISTY

As UPDATE readers will be aware, the DFWA and other Representative Organisations and committed individuals have provided strong critiques of the Government's Review and Report (i.e. the Matthews' Review) regarding the indexation of retirement pay for both Military and Commonwealth retirees, a review that we contend remains a nonsense in the shadow of previous Senate reviews supporting and recommending changes to the indexation arrangements.

DFWA's investigation revealed questionable aspects surrounding the circumstances in the engagement, commissioning and conduct of this review and lead directly to questions being raised in the Senate.

We believe (and we have seen the evidence) that Matthews grossly misrepresented the 1973 Pollard Review, a previous review regarding "pension updating" which was a foundation stone of the Matthews Report. Matthews states: "*He [Pollard] did not consider that productivity increases were a necessary consideration for pension indexation.*" But the evidence is extremely clear in Pollard's Chapter 1 summary that if his recommendations were adopted by the Government then "*the retired Commonwealth Servant*" would be afforded a "*share of [national] productivity increases*". Professor Pollard had in fact undertaken an analysis of the "*Methods Which Provide A Share Of National Productivity*" (page 3 of Pollard refers), and after careful review, he made a specific recommendation (i.e. Recommendation 5) that all Commonwealth retirement benefits should be increased by a factor of 1.4 times the CPI; a measure which he believed would help to maintain the purchasing power of Commonwealth provided superannuation benefits.

DFWA believes this evidence of misrepresentation together with all the other matters raised, presents a clear unequivocal case for the Government and the Parliament to immediately dismiss the Matthews' Report and move quickly to introduce fair treatment and indexation of our retirement benefits.

If the Government continues to put its head in the sand over this matter (particularly before the election) then this will only reinforce the view of many of the 600,000 affected members (not including affected spouses) that the Matthews exercise was a sham.

GULF WAR SYNDROME

The Department of Veterans' Affairs has advised the Association that an investigation in respect of was undertaken by the Repatriation Medical Authority (the Authority) pursuant to sub-section 196B(7) of the *Veterans' Entitlements Act 1986* (the Act).

This followed on from DFWA's formal approach to DVA on the matter in 2008. At its meeting on June 2010 the Authority decided that it does not propose to make a Statement of Principle concerning *Gulf War syndrome* for the purposes of subsection 196B(2) or (3) of the Act. The reason for this decision is that the Authority formed the view that *Gulf War syndrome* is not a "disease" or "injury" as defined in section 5D of the Act. The Authority's Statement of Reasons for the decision was provided and has been provided to the Hon Medical for comment.

We will follow up on this matter: it seems that the technicality of having a definition that does not allow for a "syndrome" to be classified as a disease or injury is something that warrants review ?

DEFENCE REMOVALS NOT UNDER THREAT, BUT UNDER REVIEW

In response to changes to the removals entitlements, DFWA has been advised that removal entitlements will have limits placed on it to reduce the "out of the ordinary" requests that often come in. (eg large car collections).

Defence has advised us that in the Defence Budget Audit the projected savings from removals were based around trying to flatten out the spike in demand and removal costs caused by the end-of-year posting period. This proved difficult to achieve without causing major disruption to family life and impacting on partners' jobs and children's' education. A team was formed to look at how the removal process could be made more efficient. The team was conscious of the need to preserve the hard won removal-related policy initiatives that had been achieved in recent years. It focused principally on the ability of the Services to reduce the number of removals required.

The Services are working towards reducing the frequency of removals through maximizing back-to-back postings, and by increasing the duration of postings wherever possible, consistent with operational and necessary career development requirements. In line with other aspects of the program, a range of allowances and entitlements were reviewed to ensure they remained relevant and were consistent with contemporary community standards. There will, for example, be some reasonable limits imposed both on the number of vehicles and pets that can be relocated at Commonwealth expense. There is work still underway in this area and more details will be released later in 2010.

THE 2010 ELECTION AND INDEXATION

While successive governments since World War I have acknowledged the "unique" role of the Australian military, the current Labor Government has not been prepared to recognise that by providing adequate superannuation treatment for those who have served their country. A major issue with the Government has been the concern that changing the military superannuation pension indexation formula would have a flow-on effect to hundreds of thousands of public sector pensions. This is simply unfair to former ADF members and their families who have served their country.

The Coalition has announced they will move to introduce the revised formula for DFRDB and DFRB superannuants over the age of 55. The Greens also support the extension of this change to all military superannuation schemes.

The Association along with partner organizations will soon embark on a public awareness campaign calling on all the political parties to commit to improve the indexation of all military superannuation schemes without further delay. In saying that the costs are too great, it would follow then that the cost is too great to send ADF members into combat to risk their lives implementing government foreign policy. It is time for governments to come clean on the true costs of war and for the Nation to pay the proper price instead of putting an unnecessary and unfair burden on its service men and women by neglecting them once their service is completed.

To that end, the Association will be working with a series of Local Action Groups in 49 marginal electorates and asking candidates to state what their position is on this issue, then letting the voting public know so they can make an informed choice at the ballot box.

Further information on the campaign, including calls for support and donations, can be found on the DFWA website.

VIRTUAL MEMBERSHIP OFFERED TO ALL ADF MEMBERS

The Association is offering serving members of the ADF free "virtual membership" of the Association. Further information is available on our website.

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