



Alliance of Defence Service Organisations

# UPDATE

## UPDATE 27 - YOUR VOTE YOUR VOICE

Issue 27 Dated 11 February 2013

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We now have the target date, 14 September, for you to have your say and exercise your democratic right at the ballot box.

Firstly, let's reiterate for everyone the ADSO facts:

- ADSO is an Alliance of major Defence Service Organisations (whose members include current and past serving ADF persons)
- It was formed to protect and represent the Defence Family's (past and current serving ADF members and their immediate families) interests by active engagement with the Parliament. The Defence Family's community of interest is about 3 million people.
- Its objective is to protect the Defence Family's interests and right the wrongs imposed on it by successive Australian governments.
- It is issues based and for the Fair Go Campaign has focused on two issues: military superannuation indexation and DVA disability pensions' parity.
- ADSO is non-partisan and does not represent any political party.



## Military Superannuation Pension Indexation

**The purpose of indexation is to maintain the superannuation payment's purchasing power.**

**Military superannuation payments are NOT welfare payments.** They are entitlements arising from a "contract of employment" where both the employee (the military service person) and the employer (the Government) contribute to a managed Superannuation Fund from which payments will be made to eligible members at the appropriate time.

Under their **conditions of service**, military members compulsorily contribute(d) 5.5% of their gross salary towards their superannuation scheme (DFRB/DFRDB 1974 – 1992, or

MSBS since 1992) for which when eligible would receive retirement pay indexed to maintain its purchasing power. The Government initially contributed its share to the Military Superannuation Fund until 1977 when it decided not to contribute to the Fund but to guarantee payments from consolidated revenue.

Further information about military superannuation can be found [HERE](#).

## **A Contract Breach?**

We believe that in 1997 the military superannuation contract was broken when the Government approved a new indexation method for Age and Service Pensions (welfare pensions) to protect its purchasing power but excluded military superannuation from that indexation change. By excluding military superannuation its purchasing power was no longer maintained and so the contract breach occurred.

## **What's been the financial impact on military superannuants?**

You can calculate your loss [HERE](#).

## **What do we want?**

**We want the same indexation method that reflects the same percentage increase and frequency that is applied to the Age and Service Pensions.**

## **Veterans' Disability Pensions**

Veterans' Disability Pension is compensation for injury and foregone ability to earn wages/salary. **It is not a welfare payment.**

It took the Australian TPI Federation almost a decade (1997 - 2007) to gain indexation parity for the DVA Disability Pensions with the Age and Service Pension as a formulated 25% of the Male Total Average Weekly Earnings (MTAWE) or CPI whichever was the greater. That parity was lost in 2009 when the Age and Service Pension rose to 27.7% of MTAWE. Read more [HERE](#).

## **What's been the financial impact on DVA Disability Pensions?**

The denied 2.7% increase in MTAWE amounts to a loss of approximately \$3,300.00 pa to the TPI/Special Rate pension and approximately \$1,200.00 pa of 100% of the General Rate pension. All other DVA Disability Pensions are affected pro-rata by the same 11.4%.

## **What do we want?**

**We want indexation parity restoration of Veterans' Disability Pensions with the Age and Service Invalidity Pensions.**

## **What Progress have we achieved?**

We're making our mark increasingly with politicians in all parties who recognise that ours are election issues. In a recent article in the national media, the member for Moreton, Mr Graham Perrett MP (ALP) identified superannuation as a major one in his marginal seat. Another Labor MP, Shayne Neumann has written to the Finance Minister highlighting the unfairness of the current arrangement, and we are aware of other Labor MPs voicing their concerns.

Our Action Group network exists in all States and Territories and in most Federal electorates promoting our issues to the public through both national and social media, recruiting supporters and engaging with politicians at the Government Ministerial and Opposition Shadow levels, Senators and MPs both in their Canberra and electorate offices.

### **Our results to date are:**

#### **The Government:**

- Refuses to accept our want for fair indexation and ignores our challenges to debate all of their statements/comments:
  - "We are giving you what was promised and legislated – CPI indexation"
  - "Your Scheme is a generous one"
  - "A change is too costly". (We maintain that the cost of military superannuation is not a discretionary one but fixed by contract)
  - "It is not in the national interest"
  - "The Matthews' Report concluded CPI is the right measure."
- The PM on three occasions, has declined to meet with ADSO's National representatives and keeps referring us to the Minister for Veterans Affairs who is not responsible for superannuation matters.
- Opposed the Coalition's Fair Indexation Bill (FIB) in 2011 in the Senate and together with the Greens and Sen. Xenophon defeated it in a tied vote.
- Supported on voices two Notices of Motion from Rob Oakeshott (Ind) for fair indexation and one from Stuart Roberts (Lib) in the House of Representatives.
- Ignores ADSO's requests/challenges for a debate on or a public disclosure of the Finance Department's costing and assumptions used in both the Matthews' Report and the Senate on the FIB, to prove their cost analysis is a complete consideration of all the relevant data and is accurate. And they have failed to comment on our cost analysis.
- Failed since 2010 to consult with veterans in community forums that their then Shadow Minister for Veterans' Affairs (Alan Griffin) used so effectively and successfully in the lead up to the 2007 election.
- Remains silent on restoring DVA Disability Pensions to parity.

#### **The Coalition:**

- Has pledged that in Government in their first budget they will legislate for our indexation objective but only on DFRB/DFRDB with exclusions for invalidity disabled veterans and reversionary pensions (widows) under aged 55.
- Will not pledge for MSBS indexation change until in Government when they can assess the nation's financial position.
- Has actively conducted veterans' community forums with Senator Michael Ronaldson (Shadow Minister for Veterans' Affairs) nationally to listen to veteran's issues.
- Recognises the DVA Disability Pension claim but is conscious of the costs and doubts their ability to fund it in the present financial climate. We expect the Coalition will support the return to parity that the former Howard Government legislated in 2007.

#### **The Greens:**

The Green's policy for fair indexation, although acknowledging the unfairness of the current situation, has not been supported by positive action. Their position on the DVA Disability Pension needs to be clarified.

#### **The Independents:**

- As a collective have supported fair indexation but those who have agreed to support the minority Labor Government (RO, TW and AW) may continue with that support.
- Notices of Motion supporting Fair Indexation from Rob Oakeshott seconded by Bob Katter in one instance and Tony Windsor in another have been passed on voices in the House of Representatives. Successful motions do not force the Government to legislative action.
- Bob Katter's Private Members Bill for fair indexation, seconded by Andrew Wilkie, coming to the February sittings of the House will test the independents' support.
- Senator Xenophon is an enigma. While offering support for fair indexation voted against the FIB on the basis that the Coalition's cost offsets were not realisable. He no longer has the balance of power in the Senate. Nevertheless he could be a strong supporter for our objectives.

## What's the Plan?

Nationally, to pursue our objectives with increasing vigour and engagement with all Parliamentarians, political parties and electoral candidates, our own Defence Family and the Australian people in the most effective way. In this regard our 2012 experiences and the lessons learnt will be invaluable.

At the local electorate level, to strengthen our Action Groups in our engagement with the local community and all electoral candidates. As a community information service, invite each candidate to tell us their own views and party's policies on our issues, then collate their responses into a comparison table for release.

To increase our promotional efforts using all available means to win public support.

To increase our direct efforts to have the current MSBS CPI indexation matter fixed.

In answer to your many questions on a legal challenge and your willingness to support financially a class action, we are taking legal advice. It is another card in our options pack for consideration. **Watch this space.**

## What can I do?

**A LOT.** We need you to join us. Numbers count particularly for politicians in marginal seats at election time.

With over 250,000 people directly affected by just these two injustices and who will benefit from the campaign's success, we expect that they and their families would want to help us to help them.

If you're a Defence Family member and none of these injustices directly affects you or your family, then please get involved to help care for the Family.

If you're not a Defence Family member then please help those who willingly give their lives for our nation's defence. Will you help defend the Defenders?

Here is what you can do:

- If you have already joined us as a subscriber to receive our Updates, then increase your involvement by volunteering to join your local electorate Action Team: check out the commitment [HERE](#) and recruit your friends and relatives to join.
- If you have not yet joined us, then volunteer for the Action Group [HERE](#) or subscribe to receive our Updates [HERE](#) and/or,
- Donate to fund the Campaign. We need money to pay for our promotions,

professional advice and administrative costs. Choose the amount and frequency of your donation [HERE](#) and/or,

- Become an ADVISOR. Help guide us with your experience and expertise in a particular Campaign activity , such as marketing/ public relations, media, investigative journalism, superannuation, legal, health, information services and technology, accounting, financial planning, sales etc. and/or
- Buy a Bumper Sticker here (Hyperlink) and carry the message wherever your car goes.

Get your whole family involved, especially your spouse/partner. Remember that for military superannuants your widow receives a portion, five/eighths of your superannuation payment, for her life time: a paltry amount that is another issue that we will be fighting with the next Government to increase.

## Operation Muster

We've extended the operation to the end of March 2013. A monthly prize (gift voucher) will be given to the person who recruits the most new subscribers and volunteers.



**OPERATION MUSTER**  
**MATES HELPING MATES**

ROYAL AUSTRALIAN NAVY  
NAVY FAMILY AND COMMUNITY DAY  
KEEP THEM FLYING!  
Share a job for YOU  
Coming?  
JOIN US  
VICTORY JOB  
HE'S HAPPY & SATISFIED ARE YOU?

ONE IN - ALL IN

Sign Up at  
ALLIANCE OF DEFENCE SERVICE ORGANISATIONS [www.standto.org](http://www.standto.org)

One of the principles of war is *concentration of force*. For ADSO, our current forces are too thinly spread and we need to increase our active forces in all States of the Commonwealth.

We call on **YOU** to recruit more supporters to help spread the ADSO message Australia wide.

**Our Challenge...**  
To at least triple ADSO/standto membership by March 31st 2013

**Your Mission...**  
Get at least 5 mates to sign up to [www.standto.org](http://www.standto.org)  
How? Call or email your Intake mates, squadron/unit/ship mates, classmates, family and friends and even your local politicians!... Rope in your mates in the RSL or other ESOs!

Apart from the personal satisfaction you will feel from a job well done, ADSO is offering a great prize to an existing supporter who 'signs up' the highest number of recruits.

## Parliament Resumes – 5 Feb

Bob Katter's Private Members' Bill for Fair Indexation is expected to be debated in this session. Here is your opportunity to contact your local MP at his Parliament House Office and his Electorate Office to tell him/her or the staff that you want him/her to vote for Bob's Bill and importantly you want your request recorded. Do this by phone, email or fax – you can get your MPs details [HERE](#).

If you live in Canberra join the ACT Action Group in watching proceedings in the House's Public Gallery. Contact Alf Jaugietis for details.

## YOU'RE THE VOICE FOR JUSTICE

Please do whatever you can to help circulate all our releases, our Updates, our flyers our videos and graphs to your email and facebook contacts and by printing physical copies for noticeboards etc. Every bit helps to get our message out.

And please become a regular visitor to the ADSO Fair Go website [www.standto.org](http://www.standto.org) New information is posted frequently and it would be great to see your thoughts and comments added to the site. It all helps the Fair Go Campaign.

### Thanks for your help

From the "Fair Go!" Team

Campaign Directors: [Ted Chitham](#) , [Alf Jaugietis](#)

Campaign National Spokesperson: [David Jamison](#)

Stay current with the Campaign at [www.standto.org](http://www.standto.org)

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# ADSO UPDATE 27 – ADDENDUM & AMENDMENT

## Addendum - Progress Report - Bob Katter's Private Members Bill - "The Fair Indexation of Military Superannuation Entitlements Bill 2012

<http://www.bobkatter.com.au/media/media-releases/view/150/bill-brings-veterans-a-step-closer-to-fairer-pensions/media-releases>

Another Enquiry. We're told that the Bill has been referred to the Joint Committee on Corporations and Financial Services for "due process" which involves a public notice calling for public submissions to the Committee for its consideration and recommendation to the Parliament.

The Committee has yet to meet and determine the time frame for its enquiry and possible Second Reading in the House.

The Joint Committee comprises:

**Chairperson** - Ms Deborah O'Neill MP (ALP -Robertson, NSW)

**Deputy Chair** - Senator Sue Boyce (LPA- QLD)

### Members:

- The Hon Tony Smith MP (LPA - Casey, VIC)
- Ms Laura Smyth MP (ALP - La Trobe, VIC)
- The Hon Alan Griffin MP (ALP - Bruce, VIC)

- Mr Paul Fletcher MP (LPA - Bradfield, NSW)
- Senator Mathias Cormann (LPA - WA)
- Senator Rachel Siewert (AG- WA )
- Senator Matt Thistlethwaite (ALP – NSW)
- Senator Anne Urquhart (ALP – TAS)

Keep a watch on Bob Katter's web site <http://www.bobkatter.com.au/media/media-releases> for his commentary on the Parliament's due process in progressing his Members' Bill.

We'll tell you when submissions are called so that you can have your say in writing to the Committee. And if you live in the Committee members' electorates go visit the MP.

We doubt that the Bill's Second Reading will be heard this side of June.

### **Amendment - Veterans Disability Pension**

Under the question What's been the financial impact on DVA Disability Pensions?, replace the existing text with the following:

The denied 2.7% increase in MTAWA amounts to a loss of approximately \$3,300.00 pa to the TPI/Special Rate pension and approximately \$1,200.00 pa of 100% of the General Rate Pension. All other DVA Disability Pensions are affected pro-rata.

From the "Fair Go!" Team