



ALLIANCE OF DEFENCE SERVICE ORGANISATIONS

5 April 2013

MEDIA STATEMENT

GOVERNMENT TO COME CLEAN ON DEFENCE SUPERANNUATION

The upcoming Federal Budget and the Prime Minister's promise to meet with the leaders of the Alliance of Defence Service Organisations provides the Government with a golden opportunity to finally fix the breach of contract with members of the ADF that military superannuation pensions would keep up with the cost of living. This should have been fixed decades ago but was not.

Parliament's intent, as defined by the two military superannuation Acts, was that the purchasing power of military superannuation pensions would be maintained through appropriate indexation arrangements. By using the CPI (which was changed in the late 1980s from a cost of living to an inflationary measure) military retirees have suffered a continual reduction in the value of their paid for retirement superannuation pensions. **That's just not fair!**

For years the Alliance has been lobbying Government to provide an indexation arrangement for military superannuation pensions that will ensure superannuation pensions keep pace with the cost of living.

The solution is simple and affordable – index military pensions by the same percentage increase and payment frequency as is granted to age pensioners. **NOTHING ELSE WILL BE ACCEPTABLE!**

Rumour has it that the Government is considering a means testing regime, so that only a portion of a superannuation pension is fairly indexed. **THAT ALSO IS NOT FAIR OR ACCEPTABLE!**

How would politicians, or even judges, react if their superannuations were also indexed to CPI just like military ones, and then have an imposed means test on that retirement pension?

Lack of money is always used as the excuse for this denial of legislated entitlements. Restoring the funding for correct indexation of military superannuation is a Government debt in the same sense that politician salaries are a non-discretionary budget item.

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* The Alliance comprises the Defence Force Welfare Association (DFWA); the Naval Association of Australia (NAA); the Royal Australian Regiment Corporation (RARC); the Australian Special Air Services Association (ASASA); and the RAAF Association (RAAFA).