



# DEFENCE FORCE WELFARE ASSOCIATION

A member of the Alliance of Defence Service Organisations

## MONTHLY UPDATE #281 – November 2013

**'UPDATE' is a e-letter produced by the Defence Force Welfare Association to inform the Service and ex-Service communities of those current issues that are of most concern to them. Distribution is intended to a wide audience that includes Members of Parliament, media outlets, Senior Service and Public Service Officers, and the members of DFWA, their families and supporters.**

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### ANNOUNCING THE LAUNCH OF A NEW WEB SITE

After many months of intensive work DFWA is pleased to announce the launch of its new-look and much improved web site with effect 1 November 2013 – see it here: <http://www.dfw.org.au/>

Readers are encouraged to visit it soon. The 'old' site struggled for a variety of reasons not the least of which included some structural design inadequacies leading to difficulties to be able to easily navigate to content. Its architecture was such that it was not going to meet the growth needs of the Association into the future.

While most of the important content of the 'old' site will be found on the new one, its overall functionality, design and ease of navigable access is much improved. Also improved (by several orders of magnitude) is its performance - a new content management system (Plone) is used.

That said, work on the new site is not complete. Further high priority work will now continue to add an automated facility so that donations and/or subscription payments can be more easily made on-line. An ability to more easily buy merchandise will also be installed.

For all that creative development work a big thanks must go to Bullseye Graphics who are Canberra-based web-design specialists highly professional in the work they do. Collaborating and working closely with them to achieve the outcome with which we are very satisfied is a long-standing life member of the Association, Bert Hoebee. Thanks also to you, Bert, for a job outstandingly well done.

### POST ELECTION REVIEW – FAIR GO CAMPAIGN

The last UPDATE reported on what each of the major Parties and some minor Parties had proposed as a remedy to fix the unfairness inherent in using CPI movements as the only mechanism to adjust military superannuation pensions. This was to allow the Defence community as a whole, including their families, friends and their many supporters, to make an informed voting judgement on whom to support in the upcoming Federal election.

Needless to say, the election is over and undoubtedly the military community voted according to the way they viewed their interests being served by the party and/or candidate appearing on their ballot papers. Notwithstanding the way that vote may have been cast, it is clear that the Australian community as a whole put its confidence in the Coalition to govern for the next three years. The valid question that can be posed, of course, is *'did our active Fair Go campaigning have an influence on the policies that each of the Parties (and Independents) carried to the election'?*

## **A Turning Point Reached**

To answer the question: *‘there is little doubt that the hard work of a dedicated band of ex brothers-in-arms over 20 years has finally paid some dividend. The turning point is thus; today every major or even minor political party, including every Independent, now finally stands on the record in support of the principle that using CPI as a mechanism to index military pensions is unfair. The final domino fell just before the election when the previous Labor Government acquiesced, more or less, but they acquiesced just the same.’*

And how was that achieved? The lobbying over the last 18 months consisted of an almost an endless series of letter writing exercises to Government Ministers and Opposition Shadows; there were meetings with almost every one of them as well, and countless radio and some TV interviews by our two National spokesmen. There were very few community and/or veteran forums in every State and Territory that weren't attended by at least one or two ADSO members 'flying the flag' for our cause. And there were a multitude of rallies held around the land that, particularly in marginal seats, gave public exposure to a wrong that had been visited upon the military community for all too long. A number of YouTube video releases by the ADSO team strongly added to the flow of messages that the wrong had to be fixed.

## **The State of Play**

High confidence abounds that the current Coalition Government's promise made while they were in Opposition will be kept. The promise being that, as of 1 July 2014, DFRB and DFRDB superannuation pensions for those 55 and over will be indexed in the same way as age and service pensions. The estimate is that approximately 56,000 military retirees will benefit from this initiative.

Unfortunately, the under 55s and both MSBS recipients and DVA Disability and Reversionary Pensioners are excluded from the policy thus far. However, the Coalition has at least given an assurance that their pledge is only a 'first step'. There will be an active review to determine how to best remedy every shortfalls in the current policy on the table.

Work has already started post the election to meet key MPs and Senators with the aim of shoring up their already expressed support for remedying the remaining injustices. A working relationship with the relevant Government Ministers is being fostered, as is one with both the Opposition counterparts and with some of the minor party players. This will be the focus of ADSO in the coming months.

## **OTHER MAJOR ISSUES**

### **Outsourced Medical Care to the ADF**

Readers will be aware that, as of February 2013, Medibank Health Solutions was contracted to be fully responsible for the management and coordination of 'effective healthcare services' for all eligible ADF personnel nationally, from point of injury or illness through to recovery.

Evidence seems to be mounting that the new outsourcing arrangements continue to be of concern to Commanders in the field. Large numbers of specialist doctors, arguably the most experienced and best qualified in the country and who once provided medical services to Defence personnel, still remain outside the system and refuse to sign the new contract arrangements.

The various medical Associations also remain concerned that the new system seems to be falling into disrepute among the medical fraternity, so much so that several of them have made representations to the incoming Minister for Defence to scrap the system. The outcome of that representation is not yet known.

However, what appears to be known is that the fee structure that has been imposed on doctors by Medibank seems to have led to some specialist doctors (vascular and orthopaedic) who once accepted the Gold Card from veterans to not do so now. Clarification has been sought as to how extensive such a practice has become.

Feedback on the performance of the new scheme to DFWA is sought. We want to report directly to Government on grass roots opinions vis the new system so that it can be improved as necessary.

## **Taxation of Military Superannuation**

Military pensions are paid from what are defined as ‘untaxed’ superannuation funds. Under the taxation changes introduced by the *Better Super* changes, these pensions are not only taxed but are also included in pensioners’ total income for tax purposes.

The only reason why the military schemes were ‘untaxed’ was because of a Government convention that it did not pay tax to itself. Had it done so, the net cost to the Government would have been exactly the same. The *Better Super* distinction between taxed and untaxed schemes is artificial but it leads to distinct disadvantages for military pensioners.

The most obvious disadvantage is that military retirement pensions are taxed.

Although the present provisions including a 10% rebate, they are not equitable with the treatment given to most other superannuants in the community. They also include an additional effect of taxing military pensions at the taxpayers’ marginal rate, which puts them at a significant disadvantage when compared with taxpayers receiving pensions from taxed funds.

Action is underway to remove income tax on DFRB/DFRDB/MSBS military superannuation pensions. That would be in line with the most of the remainder of the Australian community. At the very least there should be a separation of taxed military superannuation pensions from other taxed income on the taxpayers’ tax return.

## **Exposure to Toxic Chemicals – Aircraft Maintenance**

A recent Parliamentary Committee Review recommended expansion of support to the RAAF F-111 aircraft deseal/reseal workers. It does not include those RAAF, RAN and Army members who may have worked on similar tasks on other aircraft types, nor on other tasks exposing them to the same or similar toxic chemicals. And it doesn’t include the family of affected ADF members. They should be entitled to support from the Commonwealth too.

## **Next National Executive Meeting**

The next National Executive Meeting will be held **on Monday/Tuesday 18/19 November 2013** at the Defence Forces Academy in Canberra.

<i>Contacts</i>		
<b>Executive Director:</b> Alf Jaugietis (0438) 282 284	<a href="http://www.dfwa.org.au">www.dfwa.org.au</a>	<b>National President:</b> David Jamison (0416) 107 557

\***ADSO** comprises the Defence Force Welfare Association (DFWA), the Naval Association of Australia (NAA), the RAAF Association (RAAFA), the Royal Australian Regiment Corporation (RARC) and the Australian Special Air Service Association (ASASA); and the RAAF Association (RAAFA) with the Australian Peacekeepers and Peacemakers Veterans Association (APPVA) and the Vietnam Veterans Association of Australia (VVAA) as partners.