



DEFENCE FORCE WELFARE ASSOCIATION  
A member of the Alliance of Defence Service Organisations (ADSO)\*

## MONTHLY UPDATE #268 – 15 February 2012

UPDATE is a monthly e-letter produced by the Defence Force Welfare Association containing current items of interest to the Service and ex-Service communities. It is widely distributed to Members of Parliament, media outlets, senior Service and Public Service Officers, DFWA members and supporters.

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### GOVERNMENT SPENDING PRIORITIES: ITS JUST NOT CRICKET !

For many years the Association have played a straight bat in asking the Government to stop the erosion in the value of their superannuation pensions; something that would allow them to live with a little dignity in retirement. All they seek is to have their pension indexation upgraded to the same formula used to adjust age pensions. How fair is that?

But the Government has called upon some of its best spinners, including Finance Minister Wong to try and bowl the Diggers' indexation issue off the political agenda by arguing there is no room in the tight budget for such a measure and there are too many other worthy causes of higher priority.

Well... you be the umpire.

The Government recently announced that it will spend \$50 Million on upgrading the grandstands at the Sydney Cricket Ground from its constrained budget over the next couple of years. This is apparently an example of what Senator Wong regards as *a more worthy cause*.

And this declaration comes on the heels of many other Government decisions on *responsible* spending priorities in 2011 alone. For example:

- \$20 Million for Carbon Tax Media Advertising
- \$13 Million for Climate Change Activist Groups
- \$67 Million in administration costs for the \$308 Million set top box program,
- \$20 Million gift to unions
- \$30 Million to clean up the failed Green Start program
- \$10 Billion in continued stimulus spending resulting from the Global Financial Crisis in 2008

...and the list goes on. The reality is that if the Government wants to do the right thing for military superannuants, it can. But it doesn't and unless we can convince government MPs that Commonwealth superannuants and their wider network of family and friends in marginal seats will not vote for them, it won't. And that's just not cricket.

### ..... BUT HAS LABOR ITS CHANGED TACK – ALBEIT SLIGHTLY ?

The Association is gratified to learn that at the recent ALP National Conference, the ALP policy "Meeting the Needs of Australia's Veterans" had a new paragraph inserted that included the words " .... Labor will continue to explore equitable and affordable mechanisms for the improvement of .... military pensions."

The Association welcomes this tacit support for our claims for fair indexation and other improvements to military superannuation and we look forward to actual outcomes, not just words.

The Alliance of Defence Service Organisations wrote to the PM, relevant Ministers and Government MPs prior to their 5<sup>th</sup> February strategy meeting to reinforce the message that it is time to address this and other issues concerning the serving and ex-serving communities. It will be interesting to see what (if any) response the Government makes in the parliamentary sittings in the lead up to 2013.

## VETERANS' CHILDREN'S EDUCATION SCHEME (VCES) MISSES OUT

On 1 January 2012 changes took place in *Centrelink* benefits available to eligible 16 -18 year olds attending high school. Those students were taken off Youth Allowance and placed on the more generous Family Tax Benefits A and B.

The Veterans Children's Education Scheme (VCES) was not included in this change to a more generous benefit. Denying this increase to the VCES is a betrayal of the purpose for which VCES was established.

The benefit, and its mean-test free eligibility, is an acknowledgement that these are the children of those who have suffered most in the defence of Australia and that the children have, in turn, suffered financially and in other even more important ways because of the veterans' service (take for instance the horrendous statistic that the children of Vietnam veterans suffer of 300% higher suicide rate than their peers in the general community).

The Department of Veterans' Affairs has written to high school students receiving the VCES benefit, advising them of the change and inviting them to move over to the more generous *Centrelink* benefit. But this move is only possible for those who can pass the *Centrelink* means-test, a test made more difficult because the means-test for Family Tax Benefits counts the TPI pension as income. Those who cannot pass this test must remain on the less generous VCES benefit.

To add insult to injury to those left behind, the new *Centrelink* benefit is not taxed whilst their VCES benefit remains taxable. Further, whilst an assurance has been given that those who move to *Centrelink* are still entitled to receive extra education assistance from DVA in the form of additional tuition, guidance and counselling, they will not be eligible for special financial assistance under the DVA education schemes. But this 'special financial assistance' is an important element of the care and welfare of VCES students. It might pay for a laptop, excursions, educational assessments, special glasses, specially needed computer programmes, work experience travel etc. for students in financial need.

The Association supports the calls made to the Minister to introduce legislation to replicate improvements in the *Centrelink* benefit in the VCES.

## THREAT TO IMPOSE AN APPLICATION FEE ON ADF PERSONNEL & VETERANS FOR SUBMISSIONS TO THE ADMINISTRATIVE APPEALS TRIBUNAL ABANDONED

Prior to 1 July 2004, any adverse decisions made pursuant to the Safety, Rehabilitation and Compensation Act (SRCA) could be appealed to the Administrative Appeals Tribunal (AAT) with no application fee being required. After 1 July 2004, decisions made under the Military Rehabilitation and Compensation Act (MRCA) can be appealed before the AAT and to date, no application fee has been payable. However, the AAT decided to impose a fee of \$777 payable with an application under the Military Rehabilitation and Compensation Act (MRCA) under Schedule 3 of the AAT Act.

This was an issue addressed in a recent DSO letter to the Prime Minister.

The Association is pleased that that this fee for decisions made under MRCA now will not be imposed.

<i>Media Contacts</i>		
<b>Executive Director:</b> Les Bienkiewicz (to 28 Feb) 0411 444248 Dennis Littame (from 1 Mar) 0428 742055	<a href="http://www.dfwa.org.au">www.dfwa.org.au</a>	<b>National President:</b> David Jamison 0416 107557

\*ADSO comprises the Defence Force Welfare Association (DFWA), the Naval Association of Australia (NAA), the RAAF Association (RAAFA), The Royal Australian Regiment Corporation (RARCC) and the Australian Special Air Service Association (ASASA). Partnered by the Australian Peacekeepers and Peacemakers Association and the TPI Federation.