



DEFENCE FORCE WELFARE ASSOCIATION
A member of the Alliance of Defence Service Organisations

MONTHLY UPDATE – September 2015

‘UPDATE’ is an 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 all members of the Alliance of Defence Service Organisations, and their families and supporters.

INTRODUCTION

Firstly, a sincere apology to those who may have missed receiving our regular ‘Updates’ over the last several months. Busting nine ribs, puncturing a lung and mending numerous bruises all as a result of a motor vehicle accident put an interim dent into the reporting process. As I know that there are a multitude of issues of concern to many, here goes with a re-start to reporting on them each in turn. Not before extending a big thanks to many in our sizable readership group who sent me ‘get well’ messages for a speedy return to good health!!

What to Expect (in this Update)

So, what has been newsworthy that should have caught the attention of most by now? Three major issues quickly come to mind. But an overpowering one first! Who could have predicted at the start of September, a leadership spill that would see in a new Prime Minister and bear witness to tumultuous changes to the portfolios of those with either Defence or veterans affairs responsibilities.

Most readers will be aware via blanket press coverage of what those changes have involved. Judging by the flow of social media comment into my inbox, the one change that seems to have caught the veterans community off guard is not so much the appointment of the Hon Stuart Robert as the next Minister for Veterans’ Affairs, rather his adjunct appointment of Minister for Human Services as well. Rightful concern flowed liberally about the dichotomy those appointments represented in a Minister holding both a DVA-type portfolio together with a Centrelink and Medicare-based one all at the same time. On the surface, the arrangement seems incongruous.

While the matter is being taken up with the Minister himself, and will be taken up with the Prime Minister, there is no even implied evidence or suggestion that the independence of Veterans’ Affairs will be somehow subsumed, or that DVA will either lose or degrade its ability to focus on anything else other than to support veterans and those issues which are important to them. If anything, there is good reason to think that the unified voice of the leadership group that makes up the Alliance of Defence Service Organisations (ADSO), now numbering 13 of the most senior ex service associations in Australia, will play an influential part in encouraging the relevant Minister and his colleagues to improve services not degrade them.

More will be reported in the coming month or two. It should not be lost on anyone that ADSO leaders meet regularly with a Ministerial group to thrash out issues at the highest level, and there is every expectation that those so-to-speak, round tables will continue going forward.

As for other issues, there was the drawn out pay case earlier in the year that witnessed the Defence Force Remuneration Tribunal’s (DFRT) amend the paucity of its original 1.5% pay offer to a more reasonable 2%, this time without the need for that offer to be literally paid for by the loss of some leave provisions. Is it a major worry that the process took five months? Yes it is!!

An equally important and certainly a newsworthy issue was the passing on the 20 August by both the House and the Senate of the package of three Bills that will establish a new ADF superannuation scheme for members joining after 1 July 2016. A little more of that in the following paragraphs but the new scheme – *‘the Australian Defence Force Superannuation Scheme’* (or ADF Super) - will replace the existing Military Superannuation and Benefits Scheme (MSBS).

And then there is the perpetually centre stage issue involving the plight of our disabled veterans. They continue to be disadvantaged by way of the economic loss Special Rate/Totally and Permanently Incapacitated (SR/TPIs) veterans have suffered, all as a result of the complete inadequacy of the compensation that has been provided to them over time.

More on all that and several other issues in the following paragraphs as well. Plus an important announcement that two companies, namely **the Bradford Exchange** and the **Storage King Group**, have agreed, by way of very welcome sponsorships, to support the proud work we do to foster the best interests and welfare of all members of the Australian Defence Force and their families, in any matter likely to affect each and every one of them, during or after their period of service. A big thanks to both companies for generously supporting the veterans’ community.

NEW ADF SUPER SCHEME

Perhaps to take the ‘hottest’ and most recent issue first, namely the new ‘accumulation’ ADF Super Scheme. Because of the many good questions (large and small) that we have fielded about it, a brief summary of the Scheme is offered below.

But first, high credit is due to the Government and the responsible Minister for having listened to the concerns DFWA and its ADSO partners had about the proposed Bill’s original draft. That draft gave little if any recognition to the *‘unique nature of military service’*, and proposed an unworkable differential higher contribution rate (18%) to those involved in operational deployments vis those not on deployment, the latter invariably subject to very similar risks and work loads inherent in training for operational service. Notably, all sides of politics supported the new Scheme, including the Independents.

The Australian Defence Force Superannuation Bill 2015

Having passed effortlessly through the House and the Senate, the now legislated ADF Super Scheme will be an ‘accumulation’ one commencing on 1 July 2016. As of that date, the current MSBS will be closed to new members.

Right from the start it was designed to involve full contribution by the government and none by the member if he/she so wished. Originally, the Government proposed that they would contribute 15.4%, and raise it to 18% for those on war like service. After considerable lobbying, the final Bill provides for a single 16.4% Government contribution rate for all ADF personnel, regardless of their operational status.

This rate is one percent higher than Government contributes to its civilian public sector superannuation schemes and now does not discriminate between operational and non-operational service. The higher rate was won on the argument that there had to be recognition of the *‘unique nature of military service’*. Significantly, the 16.4% will be based on all ordinary time earnings, which includes salary and all allowances that are not expense type allowances**.

The new ADF Super Scheme will apply to:

- Those joining the ADF for the first time on and after 1 July 2016;
- Contributing MSBS members who choose to join ADF Super;

- Preserved MSBS members who re-join the ADF and choose to become a member of ADF Super;
- MSBS and Defence Force Retirement and Death Benefits (DFRDB) scheme members who receive retirement pay and re-join the ADF on a full time basis or as a Reservist on Continuous Full Time Service on or after 1 July 2016.

Contributing DFRDB members do not have the option to transfer to ADF Super.

Unlike previous military schemes, such as the Military Superannuation and Benefits Scheme (MSBS) that requires a minimum employee contribution of 5% of salary, there will be no requirement for ADF Super members to make employee contributions to their superannuation. As a result, contributing MSBS members who choose to become ADF Super members will immediately receive a 5% increase to their take home pay since they are no longer required to make compulsory employee contributions.

ADF Cover, the death and disability component of ADF Super, will provide at least the same cover as currently exists in the extant MSBS.

DISABLED VETERANS CONTINUE TO STRUGGLE

TPI Federation Campaign for Redress

The TPI Federation, together with its ADSO partners, is underway with a campaign for fair economic loss compensation to be given to the most disabled Veterans in our community, namely the Special Rate/Totally & Permanently Incapacitated (SR/TPI) members. What is required is adjusting their compensation payment to reflect today's standard of living. These Veterans who are the most physically and psychologically disabled from their service to the Nation, can simply not arrest alone their ongoing decline in their standard of living let alone adequately support their families in the process.

In effect, what is sought is that those disabled Veterans be allowed to live in dignity and with self-esteem by having the SR/TPI Compensation increased to 100% of the average weekly wage. It is currently at a lowly 43%. This has diminished over the past 65 years from 80% to 43%. Can this continue to be tolerated? Arguably not at all!!

For that reason, the TPI Federation with ADSO support initiated a campaign on 17 August 2015 seeking public and defence community support. Part of the campaign includes a [public petition Fair Compensation for our Most Disabled Diggers](#) and releasing an explanatory awareness [SR/TPI video](#).

Readers are cordially asked to access both links and support the cause for redress for our most disabled veteran colleagues. The lack of redress explains a number of inalienable facts:

- The number of Veterans who are homeless;
- The number of Veterans' whose spouses/partners must work to bring in a sustainable income;
- The number of Veterans who cannot afford the ever increasing cost of living;
- The number of Veteran and civilian organisations asked to provide the very services that are the responsibility of Government;
- The number of Veterans who cannot hold their heads high with the knowledge that they have done their country proud and that the Government will look after them;

An Outstanding Grievance

In all the forgoing what should not be forgotten is the outstanding grievance that the families of the disabled would benefit from a grant to them of the same structural increase as other pensions received in 2009. This would restore parity with other pensions, and replace the \$3,300 pa taken from them by the then ALP Government and not restored since.

VETERAN'S AFFAIRS LEGISLATION AMENDMENT BILL 2015

Many readers will be aware that earlier this month the Foreign Affairs, Defence and Trade Legislation Committee looked at the legislative changes to implement the single path appeals process inviting submissions to that inquiry. The National leadership group making up the Round Table of the Defence and Ex-Service member Organisations issued a press statement expressing their deep concern that the passage of the **Veterans' Affairs Legislation Amendment Bill 2015** had been delayed in the Senate.

DFWA along with some other ESOs, made written submissions to the inquiry, most of which generally supported the intention to introduce the single pathway. However, as we continued our detailed examination of the legislation itself, we found what we perceived a serious flaw in it. That flaw would have the effect of prohibiting the ability of the AAT to make a finding to award costs to a veteran making an appeal to that tribunal.

As we considered the flaw insurmountably contentious, we made an urgent supplementary submission to the Committee calling for a change to remove this prohibition. The Committee accepted it an important input which will form an element of its findings and in its final report. More will undoubtedly follow in the coming month or so.

VALE LTCOL GERARD NELSON BA GRAD DIP I. R. (RETD) 30 MARCH 1948 – 14 JULY 2015

***Honorary Industrial Relations Advocate Defence Force Welfare Association
Royal Australian Infantry Corps
Headquarters 1st Division
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A generous and caring friend, and close colleague who worked hard to foster the best interests and welfare of all members of the Australian Defence Force in any matters likely to affect them during or after their period of service

Gerard is sorely missed.

Contacts

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ADSO comprises:

The Defence Force Welfare Association (DFWA), Naval Association of Australia (NAA), RAAF Association (RAAFA), Royal Australian Regiment Corporation (RARC), Australian Special Air Service Association (ASASA), Australian Peacekeepers and Peacemakers Veterans Association (APPVA), Vietnam Veterans Association of Australia (VVAA), Australian Federation of Totally and Permanently Incapacitated Ex-Service Men and Women, Royal Australian Armoured Corp Corporation (RAAC), National Malaya & Borneo Veterans Association Australia (NMBVAA), Fleet Air Arm Association of Australia (FAAAA), Defence Reserves Association (DRS), the Partners of Veterans Association of Australia, and the Australian Gulf War Veterans Association.