

# THE DFWA MONTHLY UPDATE



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ISSUE 233  
SEPTEMBER  
2008

*Update* is a monthly newsheet (except for January) produced by the Defence Force Welfare Association (DFWA) containing items of interest to the Service and ex-Service community. It is distributed to politicians, media outlets, senior Service officers and DFWA branches. Branches are encouraged to distribute *Update* to Association members and other interested people or organisations. *Update* is also posted on the DFWA website.

Alert readers will have noticed that details of our patron have been removed until Her Excellency can decide which institutions she wishes to support. The rest of this *UPDATE* provides a snap shot of DFWA activities in the month, as seen through the eyes of the National Secretary, because the real Editor has gone on leave until November!

**Retirement Pension Indexation** There have been several meetings with backbench MPs on pension indexation in company with SCOA and ACPSRO representatives, and a fairly heated e-mail exchange between DFWA's National President and a senior Opposition member, who continues to claim that "CPI ensures that a payment maintains real purchasing power" when senior ABS staff say that "*CPI is not a measure of the cost of living. It is a measure of inflation and there are differences between those two things.*" The fact of the matter is that there are now so many interrelated inquiries into pensions, indexation and problems with the current military schemes, eg inadequate Maximum Benefits Limits for many long-serving MSBS members, that it seems that issues cannot be addressed in isolation and we may have to wait for the 2009-10 Budget to see the whole picture. Readers will need to keep stressing to politicians that it is not a question of the Government giving us more of *its* money; it is about the Government giving us back some of *our* money that has been withheld by the use of weasel words and re-definition of terms like "inflation" and "CPI" in the last 20 years.

**Understanding of military retirement pensions by Treasury** Last month's *UPDATE* mentioned DFWA's concerns about whether military retirement pensions are understood well enough within Treasury to be addressed by the Henry Review of Australia's Future Taxation System. DFWA was pleased to receive a prompt e-mail from the Review Team but not pleased that it suggested that we raise our concerns with the *review of aged and disability pensions* that is being carried out by FaHCSIA. DFWA replied to Treasury, pointing out that the FaHCSIA review has nothing whatever to do with military retirement pensions, which are part of military conditions of service, but DFWA is now more concerned than ever that this Treasury Review Team, like its *Simpler Super* predecessor in 2006, has no comprehension of the military systems, integrating, as they do, retirement, death and disability benefits.

**Reversionary Spouse Benefits** The Minister for Defence Science and Personnel, Mr Snowdon, has honoured an ALP election promise to back-date DFRDB reversionary spouse benefits relating to re-marriage after age 60 to 1 July 2003, to bring them into line with the public service schemes. While legislation to give effect to the promise is not expected until next year, **surviving spouses or partners can now apply for Act of Grace payments.** A problem is that surviving spouses or partners may have moved and cannot be contacted by ComSuper. DFWA is awaiting advice from ComSuper about what it intends to do to implement the Minister's advice. In the meantime, would any reader who knows affected spouses or partners please advise them to contact their local DFWA Branch for details of who to apply to in the Department of Finance and Deregulation?

During September the **Minister for Veterans' Affairs, Mr Griffin**, announced:

- The makeup of the *Prime Ministerial Advisory Council on Ex-service Matters*, which seems to have been well received by the Ex-Service community, although a lot of what it will do will not be decided until its first meeting;
- A review of the unacted-upon recommendations of the *2003 Clarke Review of Veterans' Entitlements*, with the Minister flagging particular needs to re-examine matters relating to the British Nuclear Tests and to the British Commonwealth Occupation Force [in Japan]. DFWA is dusting off its files about the British Nuclear Tests. If any reader wishes to assist with this work, please contact your DFWA State Branch.

**Review of Military Superannuation** DFWA noted with interest an article in the *Australian Financial Review* on 1 September by Mr Podger, who headed the recent Review of Military Superannuation. In it, Mr Podger seemed to acknowledge that, *for the same overall cost*, an accumulation superannuation scheme (such as had been proposed as the basis of the next Military Superannuation Scheme by Mr Podger's own team) cannot currently buy an annuity which will provide an income stream that is equal to the pensions provided by government defined benefit schemes, ie like the current MSBS. Readers will also note that article was written before this month's stockmarket meltdown hit most

accumulation schemes for six. The Minister for Defence Science and Personnel was given a copy of Mr Podger's article by DFWA's National President, to assist the Minister in his consideration of the eventual recommendations of the Defence Department's assessments of Mr Podger's team's report.

**Strategic Review of the Defence Community Organisation (DCO)** DFWA was very pleased to be given an opportunity to comment on the report of a Strategic Review of the DCO. DCO currently provides services, ranging from critical incident and casualty support to assisting families to move, supporting both ADF personnel and their families.

**Defence Reserves Association** To strengthen DFWA's relations with Reserve personnel, who are forming an increasing part of the operational ADF, the National President of the Defence Reserves Association, retired MAJGEN Jim Barry, has joined DFWA and been appointed to our National Executive in a new position of Vice President – Reserves.

**Vietnam Veterans' Family Study** DFWA's Honorary Medical Advisor, retired Commodore Michael Dowsett, has been appointed to the consultative forum for the Vietnam Veterans' Family Study, which will be doing the first and major study of a series of studies into the impact of war service and deployments on families.

The Vietnam Veterans Family Study is now recruiting participants. Randomly selected Vietnam-era Army personnel and their families are being invited to participate. 10,000 of those who served in Vietnam, plus 10,000 of those who didn't, are invited to participate in this world first study to which the Government has allocated significant funds. The success of the study relies on a big response from those invited - not just Vietnam veterans but their families too, and the other Vietnam era personnel and *their* families for comparison. If you have been invited to participate we urge you to do so and, if you know of someone else who has also been invited, please encourage them to be part of it. It is particularly important for those who did not serve in Vietnam to be involved in the study as they form an essential "control group". Participation in the study will not in any way affect your pension, benefits or any health services you are entitled to from DVA. If you want to find out more about the study go to [www.dva.gov.au/vvfs](http://www.dva.gov.au/vvfs)

**Undeducted Purchase Price (UPP) balances** Last month *UPDATE* reported problems that some members have experienced when completing their 2007-08 tax returns because deductions based on Undeducted Purchase Price (UPP) balances can no longer be claimed by the member. They now have to be shown on the Summary of Payments issued by the super fund. Acting on advice from the ATO, some DFWA members have obtained their UPP balances from the ATO and forwarded the details to the DFRDB, requesting a recalculation of the Tax Free Component of their retirement pay, and that DFRDB issue an amended Summary of Payments. DFRDB has promised urgent responses. DFWA also believes that ComSuper had decided that commutation lump sum payments exhausted all of a member's personal contributions to the DFRDB, and recognition now of any residual tax free component of retirement pay may throw out some of ComSuper's system changes that were made to accommodate *Better Super*.

**Administration of *ex gratia* payments to F-111 deseal-reseal workers.** A small team from DFWA appeared before a parliamentary committee on 19 September to argue that aircraft maintainers on far more than the F-111 aircraft should have been involved. When it became apparent at the hearing that there is confusion about whether the original justification for the *ex gratia* payments was the confined spaces in which personnel worked, or their exposure to potentially carcinogenic chemicals, the DFWA team argued that if confined spaces was the justification then workers *in* the fuel tanks of other aircraft as well as, presumably, workers in many other equally confined defence environments should have been treated similarly. On the other hand, if the payment criterion was exposure to deseal-reseal chemicals, then all personnel exposed to those chemicals should have been included. Read the transcript of the hearing at [www.aph.gov.au/house/committee/jfadtdeseal\\_reseal/hearings/proof%20hansard%2019%20Sept.pdf](http://www.aph.gov.au/house/committee/jfadtdeseal_reseal/hearings/proof%20hansard%2019%20Sept.pdf) .

**Inquiry into ADF mental health services** DFWA made a submission to the inquiry being conducted by Professor Dunt, then issued a media release. Although there is now high-level recognition of mental health issues in the ADF, DFWA is concerned that potential mental health problems are being ignored, or even exacerbated, by disconnected actions being taken in some parts of Defence. In particular, the extension of operational deployments from six to eight months seems to have been decided on without consideration of the mental health impacts, while the rules cutting off rental assistance for single ADF personnel during deployment almost seem to have been designed to increase further the mental stress on them when they return to Australia. DFWA's submission can be read on our website and our subsequent press statement was reported in *The Age* on Wednesday 24 September.

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