



## DEFENCE FORCE WELFARE ASSOCIATION

A member of the Alliance of Defence Service Organisations

### MONTHLY UPDATE #277 – 20 November 2012

**'UPDATE' is a monthly e-letter produced by the Defence Force Welfare Association. It informs 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.**

#### DFWA Holds Its Annual General Meeting

DFWA held its Annual General meeting this year over the period 19 – 21 November 2012 at RAAF Glenbrook. As a result of a decision by the National Executive in May, the meeting was preceded this time by an in-depth Planning Forum to extensively re-assess whether the current organisational structure of the Association, the way it is managed, its relevance to members, and its vision and purpose remain appropriate into the future. The aim thus was *'How should DFWA approach the future?'*

After they have been properly consolidated and recorded, the outcomes will be announced in due course. Suffice to say that they are sure to invigorate the ability of the Association to not only build on its strengths but also to better serve its member constituencies. The outcomes remain consistent with both the original vision that established DFWA and its clear objective, that being **'to foster the best interests and welfare of members of the Australian Defence Force and their families in any matter likely to affect them during or after their period of service'**.

An outcome that can be announced immediately is the welcome election and return to the National Executive of Les Bienkiewicz to be Vice President Pay & Conditions of Service. Readers will recall that Les was the Association's long-serving holder of a variety of appointments, including more recently that of Executive Director. He moves in behind Phil Morrall who so capably, unstintingly and for so many years served in a leadership position to protect the Conditions of Service of the active members of the ADF. From all the members of the National Executive, please accept our thanks, Phil, for your dedication, fellowship and, above all, for your 'camaraderie'. Other members of the National Executive are as follows;

<b>David Jamison</b> President National	<b>Kerry Mellor</b> Deputy President & VP Advocacy
<b>Ted Radford</b> President VIC Branch	<b>Alf Jaugietis</b> Executive Director
<b>Ian Scott</b> President NSW Branch	<b>Annette Sadler</b> Vice President Defence Widows
<b>Richard Usher</b> President WA Branch	<b>Jim Barry</b> Vice President Reserves
<b>Rob Shortridge</b> President QLD Branch	<b>Les Bienkiewicz</b> Vice President Conditions of Service
<b>Phil McGuire</b> President ACT Branch	<b>Ray Gibson</b> Executive Vice President QLD Branch

## **Outsourcing ADF Medical Care**

Thanks in large part to a watchful media many will be aware that the Government has let a contract to outsource all ADF medical services to Medibank Health Solutions, an offshoot of the Government-owned health insurer, Medibank Private. The value of the contract is reported to be \$1.3 billion. This contract has in-turn been sub contracted to ASPEN Medical.

DFWA, together with its Alliance partners, has expressed deep concerns on a number of fronts about the new scheme, not the least of which included the more than apparent lack of consultation that preceded its announcement and pending introduction. Similar concerns have come from virtually all the organisations representing the various medical specialist categories. This includes the Royal College of Surgeons, the Australian Society of Orthopaedic Surgeons, the Australian Society of Anaesthetists, and the Australian Medical Association.

The specialists in particular, proffer that the new scheme seems such a major departure from the traditional model of providing medical specialist care to the men and women of the ADF that they doubt it will be able to deliver the same quality of health service as the current arrangements. Few of their highly skilled number, arguably the most experienced and best qualified in the country, are not willing to accept and sign up for a fee structure that effectively halves the fees that have been accepted as the norm before. These doctors are simply withdrawing their services to the ADF.

The new scheme also seems to deprive ADF members of choice with their healthcare options, potentially decided by bureaucrats in an insurance company whose interests could not always accord with those of a patient. Military doctors who now refer patients to specialists through trusted networks, may well be required to make referrals through a Medibank call centre to so-to-speak '*preferred providers*' who have signed with the fund. A satisfactory outcome is not assured.

### **Address to the Royal Australasian College of Surgeons**

In the foregoing context, on Friday 26 October 2012 our National President, David Jamison, was invited by The Royal Australasian College of Surgeons to speak at their Governance and Advocacy Committee meeting about how DFWA viewed attempts by the Government to outsource Defence health, and what impact the proposed changes were likely to have on ADF personnel.

David was well received, with the College agreeing that it was in their interests also that the matter be resolved in such a way that ensures the best possible medical care continues to be provided to ADF members into the future, and that their Conditions of Service not be degraded in any way regarding health.

## **Salary Related Allowance Case 2012**

In its submission to Defence Force Remuneration Tribunal (DFRT), DFWA argued that the ADF failed to honour the assurances and undertakings represented to ADF members and the Tribunal itself in the context of the Workplace Remuneration Arrangement (WRA) case. It argued that there were material differences between the outcomes achieved in relation to the Defence Employees Collective Agreement (DeCA), and the WRA.

It also argued that those material differences should be addressed within the salary-related allowance context by, firstly, treating the asserted inability of members of the ADF to bargain as a disability that should be treated as compensable. DFWA sought a variation of Service Allowance to incorporate what were seen as material differences relating to lump sum productivity bonuses, professional

mastery and performance assessment bonuses. And, lastly, applying the nine percent upfront increase under the DeCA to the ADF salary related allowances, allowing the material differences between the WRA and the DeCA.

The ADF strongly opposed the DFWA submission submitting it was fundamentally misconceived.

- Firstly, it was based on a fundamental misunderstanding of the asserted ADF undertaking and the relationship between the WRA and the DeCA, and accordingly the question of whether there was a material difference in outcome.
- Secondly, it was based on a fundamental error that the inability of ADF members can be translated into a disability for the purposes of the disability regime and Service Allowance.
- Thirdly, on the basis that without any reopening of the WRA, it is appropriate to incorporate into allowances, percentage increases which have not been incorporated into the WRA on some automatic basis.
- Finally, it sought to implant in allowances of an ongoing nature, the impact of time-based benefits, or at-risk bonuses incorporated into the 2012 DeCA.

Following the ADF submission to the DFRT hearing it became abundantly clear that the Tribunal would accept the arguments put by the ADF which, in essence, reasserted that the ADF had met its commitment to review the materiality of the DeCA outcome against that of the WRA. That being the case, the DFWA submission was seen as fundamentally flawed.

As a result and because on assessment the DFWA advocate believed that the ADF case would produce as fair an outcome as could be expected, DFWA opted to support the ADF notwithstanding our strong view that the quantum of the increases should be greater than those sought by the ADF.

Despite this, DFWA is confident that a positive impact in this case was made and that the Association will continue to fight hard for better service conditions.

Note should be taken that the Tribunal's determination has not yet been released.

## **Fair Go Campaign – Outcomes in Parliament**

Two significant developments arose during the last sittings in Parliament, namely the Rob Oakeshott **Notice of Motion** for 'Fair Indexation' finally was put to a vote in the House, and Bob Katter tabled his own Private Member's Bill on Monday 29 October 2012 titled '**Fair Indexation of Military Superannuation Entitlements Bill 2012**'.

It was good news for the **Notice of Motion** - it received unanimous support from all 150 MPs. The 'good news' was tempered by the knowledge that *'only the Government can introduce what is termed a money Bill'* (legislation that has an impact on the Budget). Notwithstanding, unanimous support is arguably important in the context that all parties and the Independents have an expressed wish that fair indexation should be on the agenda in the Government's next Budget period.

### **Private Member's Bill – Bob Katter Fair Indexation of Military Superannuation Entitlements**

As for this Bill, in essence it reads as follows:

1. The Minister must, not later than 6 months after the day on which this Act commences, take legislative action that has the effect that military entitlements are, as soon as practicable and with ongoing effect, to be indexed using the same percentage increase and at the same frequency that is applied to the Age Pension under the Social Security Act 1991. Any means and asset testing under the Social Security Act 1991 is not applicable under this Bill;

2. In this Act: Legislative action means:
- (a) in relation to the Military Superannuation and Benefits Scheme—make a legislative instrument amending the trust deed for the scheme; and
  - (b) in relation to the other schemes—cause to be introduced into the House of Representatives a Bill for an Act amending the legislation governing the schemes.

Military superannuation means an entitlement under any of the following superannuation schemes:

- (a) the Defence Force Retirement Benefit Scheme;
- (b) the Defence Force Retirement and Death Benefit Scheme;
- (c) the Military Superannuation and Benefits Scheme.

The forgoing wording is only a draft and is likely to change as amendments are proposed. Indications are that the Bill will not be debated in the House nor is a vote likely before the first sittings of Parliament in the New Year.

## **Military Covenant**

For several years, the National Executive of DFWA had under consideration how best to articulate proposals, that form the basis of efforts to improve the conditions of service for both serving and former ADF members. They concluded that there was an abiding need to have a philosophical foundation for such proposals in a way that the uniqueness of military service in the ADF can be more readily defined. There was a concomitant need to better understand that 'uniqueness', not only within Government but also within the bureaucracy, including more widely in the public domain.

To this end, an '**Australian Military Covenant**' is proposed to act as a statement of high principles and to outline the mutual obligations of the Nation to its service men and women, and in turn their obligations to the Australian people.

Such a draft has now been developed and has been endorsed by each of the members of the Alliance of Defence Service Organisations. It aims to promote the foregoing concepts in conjunction with the Centenary of ANZAC in 2015. The occasion is appropriate because Australia will be celebrating the Nation's military heritage at that time and the sacrifices made by the men and women since the dawn of Federation.

Letters enclosing the draft '**Australian Military Covenant**' were sent to the Prime Minister, the Leader of the Opposition and the CDF. Their support for the proposal was sought in the hope that it can be implemented during the Centenary of ANZAC.

## **Military Court of Australia Bill 2012**

DFWA opposes the Legislation and has advised the Defence Minister of the Association's objections. It is strongly of the view that trials must be presided over by military/judicial officers who have an intimate understanding of the nature of operations and service in the ADF generally. Transparency and fair process is paramount. There is some indication that the future of the Bill is uncertain. The legislation remains before the House of Representatives and was placed on the Parliamentary business paper for consideration on Wednesday 31 October but no debate took place.

Informal advice suggests the Bill may be withheld because of the substantial changes that would be needed to accommodate matters raised during the Parliamentary Committee hearings into the proposed legislation and it may not reappear during the life of the current parliament. DFWA will continue to monitor the situation as it evolves.

## Defence Widows Support Group (DWSG)

Another reminder in the lead up to Christmas! Please support the work of the **Defence Widows Support Group** by placing an order for the wonderfully written book of stories titled:

### ‘Here, There & Away’; Voices of the Families of Those Who Served’



The book represents a unique collection of heart-warming and entertaining stories from the families of ex-servicemen across the three branches of the Australian Defence Force.

The stories cover the period from World War I to more recent times, and celebrate the love, care and support given by and to members of the wider defence family as well as the resilience these families required in diverse locations and situations.

Some stories will tug at the heartstrings, while others are funny in the extreme. From the gates of Changi, through the Malayan Emergency and Operation Babylift in Vietnam, to a mercy flight disaster and the day Australia lost its Prime Minister, the stories are a mixture of the surprising, enlightening and intensely emotional.

**Here, There & Away** paints a vivid picture of the ups and downs of everyday life for military families, but the stories also reflect many aspects of life that we can all relate to. A literary first, this collection is also an important contribution to Australian social and military history.

The book promises a most entertaining read and would even make a perfect gift at this time of year.

**Cost is \$19.99**

### Orders

Order your copy by going to the Big Sky Website: [www.bigskypublishing.com.au](http://www.bigskypublishing.com.au)

Postage of \$6.95 will be charged for one or two books ordered through the website or directly from Big Sky Publishing. However, for orders of \$50+, postage is free.

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\***ADSO** comprises the Defence Force Welfare Association (DFWA), the Naval Association of Australia (NAA), the RAAF Association (RAAFA), the Royal Australian Regiment Corporation (RARAC) and the Australian Special Air Service Association (ASASA).

**DFWA – Voice of the Defence Community**