



DEFENCE FORCE WELFARE ASSOCIATION

A member of the Alliance of Defence Service Organisations (ADSO)*

MONTHLY UPDATE #265 – 15 October 2011

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

STOP PRESS..... ADF MEMBERS REJECT BOTH WORKPLACE REMUNERATION ARRANGEMENT OFFERS

David Jamison the National President of the Defence Force Welfare Association recently briefed the CDF on the significant feedback DFWA had received from ADF members on the initial ADF WRA submission. The National President informed the CDF that on the basis of this feedback the initial offer was obviously unacceptable to a very high proportion of ADF members and that in the opinion of DFWA any revised submission would need to:

- Ensure ADF members at least maintain purchasing power in the context of increased living costs (in other words no effective reduction in pay) and that would be about 4% / 4% / 3.5% (11.5%) .
- Recognise the productivity improvements being delivered under the Strategic Reform Program (SRP) by ADF members, perhaps by way of a Productivity Improvement Bonus outside the Salary structure of about 1.5% / 1.5% / 1.5% (4.5%).

In the opinion of the Association the allocation of a modest amount of SRP savings (6%) as a reinvestment in the People Capability to supplement Budget funding – in line with the Government intentions for both SRP objectives and public remuneration arrangements – could fund this overall outcome.

CDF advised that he had been briefed on the feedback through the initial WRA consultation process and that as a result a revised WRA offer had been developed. The revised offer of 4.0% on the first available pay period that processing can occur with an additional 2.5% on 08 Nov 12 and 2.5% on 07 Nov 13, resulting in a cumulative increase of 9.265% over the life of the Arrangement, represents a paltry **0.265%** increase over the original offer which was comprehensively rejected by ADF members.

In DFWA's view this new offer still falls short of what we believe would be a fair and acceptable outcome. Feedback from ADF members (revisedwra@dfwa.org.au) confirms this view is widely held by ADF members. This is further validated by the results of the **ADF electronic polling** which showed a **62% rejection rate for the revised WRA offer**.

If granted leave to intervene in the case later this month, the Association will faithfully represent ADF members' opinions in a professional manner to the Defence Remuneration Tribunal.

DO THE GREENS SUPPORT THE ADF OR NOT?

The Association is concerned about the responses some Greens' Senators are providing to constituents on the subject of fair indexation.

We previously asked for the support of the Greens for fair indexation of all military superannuation pensions prior to the last election. We were gratified to be informed that the Greens supported fair indexation for all Military and Commonwealth superannuation schemes providing pension payments, which seems a simple enough proposition but one the Greens now refer to as challenging.

The Greens' rejection of the *Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010* was justified on the claim that there was a significant cost attached, even though the cost by any measure is modest. The Greens' linking of the funding source to a fair resources super profits tax and using this as a reason to oppose the Bill, while not attempting to negotiate other possible funding sources, smacks of a political stunt which the ex-service community find offensive. We resent our legitimate measures being dragged into partisan party politics as it demeans the work of our ADF men and women.

Indeed, had the Greens any real concern about the cost before the Bill was debated, then the Senate Finance and Public Administration Committee inquiry into the Bill would have been the ideal opportunity for this aspect to be analysed in detail. It was not and we were disappointed they allowed this opportunity to pass, instead acquiescing to an exercise that was more show than substance.

GOVERNMENT DRAGGING THE CHAIN ON A NUMBER OF OUTSTANDING MATTERS

The Association is concerned that high profile policy matters currently being considered by Government (carbon tax etc) is detracting from other matters that are of equal, or more, importance to the defence and veteran community. They include:

Military Superannuation Issues

In early-2007 the Howard Government commissioned a comprehensive review of Military Superannuation. The report (RMSA) was completed before the 2007 election and released by the Rudd Government in late December 2007. The government has used consideration of this report as a reason to defer action on any military superannuation matter for 4 years! The matters we have been pressing the Government to act on are:

Indexation. The same formula used for Age/Service pensions should be adopted for all components of Military superannuation pensions (DFRB/DFRDB/MSBS) including preserved funds and the total reversionary pension for partners of deceased military superannuation pensioners.

Commutation. The continued use of out of date life tables means that the amount of money deducted from each DFRB/DFRDB fortnightly pension payment to repay the lump sum far exceeds the amount that would apply if the latest life tables had been used.

Maximum Benefits Limits (MRLs). DFWA has written to the Minister on three occasions requesting that consideration be taken to action Recommendation 12 of the RMSA that the MSBS MBLs be abolished. Meanwhile long serving members of the ADF continue to be financially penalized.

Extension of Military Superannuation to ADF Reserve Members. We seek MSBS membership arrangements for all ADF reserve members and for Commonwealth employer contribution of the legislated % under the Superannuation Guarantee (Administration) Act 1992 for all reserve service that is not presently covered.

Taxation of Military Superannuation. We are seeking the removal of income tax on DFRB/DFRDB and MSBS military superannuation pensions for those over 60, as well as for all invalidity super pensions, as is provided for other Australian superannuants.

Military Court of Australia (MCA)

Whilst legislation to provide for the Court to be established has been delayed, we continue to strongly oppose the provisions of the bill which would provide for the trial of serious service offences in the MCA by judge or federal magistrate alone. The right to a trial by jury is the right of every Australian citizen, conferred by s.80 of the Constitution and as members of the ADF are citizens of Australia there are no less entitled to receive fair treatment in the justice system simply because of the nature of their profession.

In our view no real or substantial reason which can withstand close scrutiny has been given by the Government for the proposed withdrawal of this right and we have sought to have the bill redrafted to provide that trials in the MCA should be before a judge/federal magistrate and a military jury. To date the Government has not responded to our submission.

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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).