



ADSO ALLIANCE OF DEFENCE SERVICE ORGANISATIONS

ADSO 2019 – 2022 POLICIES and OBJECTIVES SUMMARY (15 April 19)

Proposed ADSO Policy Objectives leading up to the next 2019 Federal election.

1. Military/Veterans Covenant - ensure that the 'Unique Nature of Military Service is formally recognised in legislation;
2. Seek fair indexation and revision of military superannuation benefits;
3. Seek adequate veterans' disability compensation payments for the TPI/Special Rate;
4. Ensure the primary Australian Government service delivery entity responsible for developing and implementing legislated veterans support Association programs does so effectively and efficiently;
5. Support the value of ESOs and younger veterans' organisations, and seek to have them, including ADSO, adequately funded for the work they perform on behalf the wider veterans' community.

The order of Objectives herein is not meant to signify their relative importance. Each is important and ADSO seeks to either redress or a fix them all in turn at the earliest possible time during the course of the upcoming 46th Parliament of Australia.

Promote a Military/Veterans Covenant

In recognition of the 'Unique Nature of Military Service', the Government has tabled in the House of Representatives **the Australian Veterans' Recognition (Putting Veterans and their Families First) Bill 2019** that, if enacted, will legislate a Military/Veterans Covenant. The Bill meets the Prime Minister's promise made on 27 October 2018 to '*develop an Australian Veterans' Covenant so the nation can recognise the unique nature of military service and support veterans and their families*'.

For its part, the Labor Opposition supports the principle of a Covenant and progressed it by way of an inquiry by Senate Foreign Affairs, Defence and Trade Legislation Committee. The Committee reported its findings on 22 March 2019 and recommended no changes to the proposed Legislation.

***Objective:** To continue efforts to ensure that Veterans and their families are recognised for their vital role and service to Australia by way of a legislated Military/Veterans Covenant, and to have enshrined in such a Covenant the unique nature of military service.*

Fair indexation of all Military Superannuation Benefits Schemes

ADSO and the wider ex service community has long sought redress of the many recognised outstanding issues associated with the various Military Superannuation schemes. Although none of the issues found redress in the Federal budget, the Government's recent announcement that it would commission an independent inquiry into the commutation arrangements of the Defence Force Retirement and Death Benefits (DFRDB) scheme was welcome news. ADSO will be making a submission to the inquiry and hopes that its Terms of Reference are wide enough to allow some examination of past and present Government decisions and policies, many of which have resulted in unjust and clearly unfair outcomes for many military superannuants.

- **Fair Indexation for all Military Superannuation payments**

Issue: CPI is a measure of inflation, not purchasing power. Superannuation schemes indexed to only CPI lose their purchasing power over time.

Objective: To have all components of military superannuation payments under DFRB, DFRDB and MSBS, including preserved funds and the reversionary pensions for partners of deceased military superannuation pensioners, indexed as provided for under the Defence Force Retirement Benefits Fair Indexation Act. This is to ensure the purchasing power of superannuation is maintained, being the intent of the original enabling legislation.

- **MSBS Access to Employer Benefits**

Issue: MSBS 'preserved benefits' (employer contributions) are indexed to CPI only and members are prevented from accessing their funds until preservation age (55). CPI is already recognised as an unfair index in itself, plus its returns are low compared to other superannuation funds.

Objective: To have all MSBS members under preservation age and no longer serving but with 'preserved benefits' be given the same opportunity provided to all Australians – i.e., the ability to access employer superannuation payments and to be able to roll over their full benefit into a complying superannuation fund of their choice.

- **Defence Force Retirement & Death Benefits Scheme (DFRDB)**

Fair Indexation for all DFRDB recipients

Objective: The provisions of the Defence Force Retirements Benefits Fair Indexation Act to be extended to include all DFRDB superannuants under 55, especially to those in receipt of DFRDB invalidity superannuation pensions. This will ensure the purchasing power of their superannuation is maintained, being the intent of the original enabling legislation.

DFRDB Commutation

Objective: The immediate application of up-to-date life tables for calculating commutation and fortnightly payments for all DFRDB superannuants; and rectification of the financial injustices caused by the application of out-dated life tables. Prepare a detailed submission to the proposed inquiry into DFRDB commutation and include all issues for which redress has been sought in the past.

Reversionary Benefits

*Objective: The immediate redress of the reduction of all their benefits, i.e. retirement pay, invalidity pay and **reversionary pensions for widows, widowers and dependent children**, which has resulted from the manner in which those benefits were indexed before 1 July 2014, and continue to be indexed for those aged under 55.*

Redress Inadequacies of TPI/SR Disability Compensation Payments

Issue: The economic loss component of the compensation payments for Australia's most disabled, Totally & Permanently Incapacitated (TPI/SR), Veterans have declined significantly relative to that of the gross minimum wage. The 'Above General Rate' compensation provided to TPI/SR Veterans is totally inadequate, with the 'Economic Loss' compensation payment now only 63.7% of Australia's gross minimum wage.

This decline, over many years, in compensation for Nation's most disabled TPI/SR Veterans, is a poor indictment of the Government's obligation to the enduring care of its Veterans.

Objective: For the Government to accept its obligation, commensurate with the Parliament's original intent, and to provide Australia's most disabled Veterans and their families with an adequate standard of living, by benchmarking in perpetuity the 'Economic Loss' component of the Disability Compensation Payment to the gross minimum wage.

Support retention of a Department of Veterans Affairs

Issue: The Productivity Commission's inquiry into the system of compensation and rehabilitation for veterans released a draft report on 14 December 2018. Among its many recommendations, one advocated eliminating the Department of Veterans Affairs and transferring veterans' support functions to the Department of Defence.

Objective: To support in the first instance the retention of a specific veterans Department. Whatever the makeup of the primary Australian Government service delivery entity responsible for developing and implementing legislated veterans support programs, ensure it does so effectively and efficiently.

To also support DVA's ongoing Veterans' Centric Reform and Transforming initiatives. Those initiatives seek to address and rectify the many deficiencies in past services delivery. ADSO welcomes the opportunity to work with DVA to identify needs and problems, and to find solutions for them.

Accept the Value of Ex-Service Organisations (ESOs)

Issue: The multitude of recent Joint House and Senate, Productivity Commission and other inquiries all seeking quality and balanced inputs stretched the volunteer resources of ADSO in particular but likely all individual ESOs looking to contribute. It became apparent that few if any of the inquiries could have properly examined the issues beyond the superficial if it had not been for those ESOs giving of their first-hand experiences in dealing with the issues besetting veterans and their families.

Yet despite all that effort there seemed to be little recognition that ESOs and younger veterans' organisations play a vital role in supporting veterans and their families. With very few exceptions they are not only volunteer-based but lacking completely any financial assistance beyond DVA Grant-in Aid dollars that barely funds their ability to hold AGMs on an annual basis. Ever-dwindling membership subscriptions prop up most ESOs to do their much-needed welfare work.

Objective: To encourage Government to undertake an in-depth review of both the support ESOs and younger veterans' organisations provide to the veterans' community and the work they perform on behalf of Government and DVA. That review should include an assessment of the proper level of financial support ESO's and younger veterans' organisations require to enhance their ability to do that work and contribute quality-based inputs to policy development initiatives and/or inquiries.