



DEFENCE FORCE WELFARE ASSOCIATION

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IMPROVED INDEXATION TO BENEFIT PENSIONERS BUT NOT THOSE ON MILITARY SUPERANNUATION PENSIONS

The Government's statement lauding the new Pensioner and Beneficiary Living Cost Index is another slap in the face for retired defence force men and women," said DFWA's National President David Jamison today. "And it presages yet another slap before too long."

"Minister Macklin wants us to believe that PBLCI is a better pension index than the flawed Consumer Price Index. Maybe it is. PBLCI could hardly be worse. But PBLCI if applied to military superannuation pensions is likely to be of no benefit to Military superannuants."

"Minister Macklin has said that Age pensions will remain tied to Male Total Average Weekly Earnings because it pensioners keep up with their fellow Australians."

Meanwhile, military superannuation pensions are still indexed to the old CPI, abandoned for Age/Service pensions a decade ago because of its inadequacies," added Mr Jamison. "And the Government's acceptance of the Matthews recommendations, finally released last Friday afternoon after nine months of government delay, perpetuates this injustice."

"The Government completely ignored the previous Senate inquiries which since 2001 have recommended a fairer index for former defence force people. It chose to accept a rushed one-man inquiry that said otherwise. No other inquiry over the last 37 years has recommended sticking with CPI."

"And PBLCI cost the taxpayer over \$18m to develop - more than the net cost of a year's fair indexation of military superannuation pensions," said Mr Jamison.

"The government's self-congratulatory fanfare this week about PBLCI contrasts starkly with Minister Tanner's sneak release of the Matthews report last Friday, too late for the national weekend papers."

It is no coincidence that the government put out news about PBLCI this week after releasing Matthews late last week. One of Matthews' recommendations was that the Government should consider using a 'more robust' index than CPI if one becomes available. And, surprise, news of the 'more robust' index pops up a few days after the Matthews findings are released. But PBLCI does not substitute for a fairer index as used for Age/Service pensions."

"If the Government introduces the proposed PBLCI index for military superannuation pensions, it needs to demonstrate that this will leave retired defence force people better off as Matthews says it should; they certainly could not be worse off. DFWA naturally welcomes any improvement to indexation."

"But," said Mr Jamison, "Australia's 63,000 military superannuation pensioners will not be bought off by Government spin about a new index not good enough to be used alone for other Commonwealth pensions that again abandons retired defence force men and women. Why should those who served their country still be treated as second class citizens?"

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