

**Australian Flying Corps and  
ROYAL AUSTRALIAN AIR FORCE ASSOCIATION  
NATIONAL COUNCIL INC.**

**Patron:** Her Excellency Ms Quentin Bryce AC  
Governor-General of the Commonwealth of Australia



**President:**  
Air Vice-Marshal R K McLennan AO (Retd)

**Secretary:**  
Wing Commander R E Usher MBE (Retd)

PO Box 83  
MITCHELL ACT 2911

Tel/Fax: (02) 6259 0865  
raafa.hq@bigpond.net.au

ABN: 89 071 673 997

## **A Fair Go For Veterans and Ex –Service Members**

The Minister for Finance Lindsay Tanner’s responses to questions on the inadequacies of military superannuation asked by Peter Thornton on the ABC Q&A program were unacceptable to Australia’s veterans and ex-service members, and the vast majority of the Australian community that respect and support them.

Ex-Servicemen and women are asking that their superannuation benefits be indexed in a fair and equitable manner consistent with the old age and service pensions. The Australian Government appears not to comprehend the obligation they have to the men and women of Australia’s Armed Forces, who are under compulsion to face danger, and potentially sacrifice their lives, for the State. Through the Minister, the Government has said, in effect, our nation’s defenders no longer deserve a superannuation scheme that enables them to afford with honour a reasonable standard of living in their retirement years. The Government also seems to avoid the fact that all military superannuants compulsorily contributed a fixed and substantial portion of their ‘after tax’ salaries to pay for their superannuation, something that old age and service pensioners were not obliged to do. The fact that the Government now considers that military superannuation is unfunded is solely an interpretation of “Government policy” and no fault of our military personnel. Indeed, when the fully funded DFRB scheme was “reformed” into the DFRDB scheme in 1972, the Government of the day deemed it to be fully unfunded and spent the “DFRB kitty.”

The Government’s view as expressed by the Finance Minister on the ABC that the old age pension is a safety net for military superannuants, underlines the truly unsatisfactory nature of the current indexation used for military superannuation. For a compulsory Government contributory superannuation scheme for sailors, soldiers and airmen to diminish in value over time to such an extent that a “safety net” becomes applicable, indicates conclusively that the indexation arrangements for the scheme are manifestly inadequate. The fact that a ‘safety net’ was needed, and deemed acceptable to the Government, is not only a direct insult to our Servicemen and women, but puts paid to the notion that this Government understands the unique nature of military service in the way that the Australian public does.

Mr Tanner’s statement that a change in indexation, from CPI to a wages based scheme, would cost ‘billions and billions’ and is unaffordable, has no basis in fact. His own Department of Finance estimates the full budget cost for 2010-2011 is \$16M

and future years covered by the Future Fund. Compared with the funds provided for school buildings initiatives, the home insulation debacle, funds for the TV stations and the \$25M provided to rehabilitate Taliban fighters, the veterans' needs are clearly affordable and higher priority.

The RAAF Association seeks an indexation arrangement similar to that enjoyed by old age and service pensioners, that will allow military superannuants a reasonable and deserved standard of living in their retirement.

February 2010