

FEBRUARY UPDATE

Dear Ladies and Gentlemen,

Herb and I visited the office of the Minister for Defence Personnel with other officials from Defence in attendance on Tuesday 21 Feb to formally present Herb's paper and discuss the key issues, namely Indexation, Commutation, Non Commutees, Spouses Benefits and members separating and rejoining the ADF. The discussion provided the chance to ensure that everyone was on the same page and understood the key concerns raised and the way forward. We have already had further contact with the Minister's office.

The Executive Summary to our submission is attached to this email and it will give you a clear indication of the depth of our research. Our aim is to try and get at least one of the major Ex-service Organisations to place the complete 100 pages plus submission on their web site.

We advised those in attendance that we have a plan to take us to the very highest levels of dispute resolution and these are:

- 1 The meeting we had in Canberra on 21st February 2017.
- 2 Should the Minister request we will travel to Canberra again and brief him, we will allow about three weeks for this to occur.
- 3 Table our petitions for amendments to the DFRDB Act in both Houses of Parliament through the cross benches in the autumn sitting.
- 4 Circulate a draft letter to each of you to send to your local Federal member and Senator. This letter will include the Executive Summary and hopefully a web site where the full submission will be available. For the two major parties we will stress that we do not want local members to just flick pass the letters to the Minister or Shadow Minister what we want is their commitment to their constituents.
- 5 Circulate the submission with covering letters to leading radio/TV talkback hosts in every state and territory.
- 6 Become an Incorporated Association and head to the High Court..

No doubt the Government will cry poor and any financial costs they may provide we will seek independent verification, we will do this because there is a tendency for the Finance Department to overstate costs.

Two comments were made by Government attendees that are worthy of note:

- 1 The DFRDB scheme is considered to be over generous. We reminded them that the DFRDB Act was a condition of employment and should be honoured for that reason. We would like to know which scheme(s) they have used for comparison and we suggested it is certainly not the Parliamentary Scheme. We reminded them that in 1972 Mr. Justice Woodward stated there was NO civilian employment that could be compared to military service.
- 2 The DFRDB Act is one of the most complex pieces of legislation managed by the Finance Department. The original Jess report clearly stated that the Act must be written in simple English.

Attendees struggled to understand/believe some of the issues we raised and the four that caused them the most discomfort were;

- 1 That the CPI was used intentionally to reduce our benefits.
- 2 Due to Section 98B (5) a spouse will never receive the 62.5% entitlement.
- 3 Under the same section a contributor that did not commute has an amount equal to his/her commutation figure quarantined from indexation.
- 4 That a member who took discharge and later re-enlisted was penalized in that the amount of reduced pension received during separation was not credited to the member. The department requested details of two members affected by this interpretation and we have supplied these.
- 5 That some older members had repaid around \$100000 more than their original commutation.

We believe we represented you to the best of our ability, we have a sound case but we should look upon last Tuesday as the first round in a 15 round fight. We are currently sitting in our corner, no sign of blood and waiting for the bell to ring for round two.