



## **ADSO** ALLIANCE OF DEFENCE SERVICE ORGANISATIONS

# **ADSO POLICIES and OBJECTIVES 2022 – 2025**

**ADSO's role is to advocate for the wellbeing of the Defence Family and protection of its service entitlements.**

## **POLICY OBJECTIVES – 2022 FEDERAL ELECTION**

### **INTRODUCTION**

The most important duty of any government is the Defence of our nation. Defence is the personification of the social contract our government has with its citizens. In turn, military service to the Nation creates a bond that unites all generations of the Australian Defence Community (ADC). It is for this reason that governments have legislated specific provisions to support our veterans and their families.

ADSO highlights the unique nature of military service. The impact of military service on individuals and their families cannot be denied. This impact places unique demands on the Department of Veterans Affairs which the government of the day is responsible to meet.

This responsibility is met through the allocation of financial and manpower resources which are concentrated as demand arises. We have seen this demand rise dramatically in recent times.

It is the duty of the Federal Government to meet this acknowledged responsibility

### **ADSO POLICIES AND OBJECTIVES**

These are presented in two Parts:

- Part 1 – Action Policies for the 2022 Federal election;** and
- Part 2 – Other Policies for on-going attention.**

The order of Policies does not signify their relative importance: each is important.

**Part 1 Policies.** Political parties and candidates will be asked to respond prior to the 21 May 2022 Federal election to our requests for a statement of their policies related to ours. ADSO will release their responses publicly in a Status Comparison Table.

Parts 1 and 2 Policies will be pursued in the new Parliament.

**ADSO requests the Government to consider and agree to these policy objectives during the next Parliament of Australia.**

# PART 1 – ADSO’s ACTION POLICIES FOR 2022 FEDERAL ELECTION

## 1. Military Superannuation

### a. Fair Indexation for ALL Military Superannuation Payments

*Objective: To have the provisions of the Defence Force Retirement Benefits Fair Indexation Act extended to include all DFRDB, Military Super and ADF Cover payments, including payments paid to under 55-year-old superannuants, invalidity benefit pension recipients, and reversionary benefit payment recipients.*

**Explanation:** This ensures the purchasing power of the veteran’s superannuation payments is maintained which was the intent of the original enabling legislation. CPI is a measure of inflation, not purchasing power, and as such, is not an appropriate index to achieve fair indexation

### b. MSBS - Access to Employer Benefits

*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., access to employer superannuation contributions to roll over their full benefit into a compliant superannuation fund of their choice.*

**Explanation:** MSBS preserved benefits’ (employer contributions are a ‘notional’ amount) are indexed to CPI and cannot be accessed until the preservation age (earliest age 55). Fairness demands both fair indexation and that portability be a right for veterans in the same way as normal super funds. Given that CPI is about half the average long-term return of Australian superannuation funds this objective will deliver a significant financial benefit to a member’s superannuation amount over time.

### c. DFRDB Commutation

*Objective: To immediately apply the up-to-date life tables for calculating commutation and fortnightly payments for current and new DFRDB superannuants; and rectify the financial injustices caused by the application of out-dated life tables to superannuants.*

**Explanation:** The use of 50+ year old life tables is unconscionable and effectively robs DFRDB superannuants of their entitled level of super payments. In addition, there must be rectification of the financial injustices caused by the application of out-dated life tables to superannuants.

### d. Reversionary Benefits (for widows, widowers, and dependent children)

*Objective: To redress the reduction of all their benefits, i.e., retirement pay, invalidity pay and reversionary pensions for widows, widowers, and dependent children, resulting from the way those benefits were indexed before 1 July 2014, and continue to be indexed for those aged under 55.*

## 2. Veteran Compensation and Rehabilitation

### Inadequacies of Veterans Disability Compensation Payments

#### a. Disability

*Objective: To ensure that those who are disabled in service and their families are not disadvantaged or have additional financial burden upon them.*

**Explanation:** The Repatriation Principles are based on the needs of veterans. They should be able to live to full capacity and ability as determined by the extent of their accepted service-related conditions.

## **b. Totally and Permanently Incapacitated/Special Rate (TPI/SR)**

*Objective: To have the 'economic loss' component of the Disability Payment benchmarked in perpetuity to the tax adjusted minimum wage.*

**Explanation:** The disability compensation arrangements for Australia's Totally and Permanently Incapacitated (TPI/SR) veterans have declined significantly in relative terms to that of Average Weekly Earnings.

The 'Economic Loss' component of the eroded payment is now at less than 65% of Australia's gross minimum wage.

This decline in compensation for Australia's TPI/SR Veterans is a damning indictment of the Commonwealth's duty to ensuring the enduring care for its Veterans.

## **3. White Card Mental Health Treatment for All Reservists**

*Objective: To have the Veteran White Card provided to all Reservists (not just those with one day of full-time service).*

**Explanation:** The Veteran white card is available to all ADF Reservists who have completed one day of full-time service but not to Reservists who have not undertaken any period of full-time service. This discriminatory policy applied by DVA denies many Reservists, some with years of part time service, access to the provisions of non-liability health care and specifically mental health care and treatment available with a White Card.

## **4. Financial Support to Ex Service Organisations assisting veterans and their families.**

*Objective: The Government to acknowledge and financially support accredited Australian Charities and Not-for-profits Commission (ACNC) Ex Service Organisations (ESOs) in assisting veterans and their families.*

**Explanation:** The dollar value to DVA of ESO's contribution to its service delivery is costly and measurable. We encourage the Government to investigate those costs and reimburse them. The registered ACNC ESOs are strictly controlled in governance and financial accountability, and audit reporting required by the ACNC annually.

ESOs are voluntary organisations that primarily provide social and well-being support to their veteran community and their families. Additionally, many volunteer to assist DVA's service delivery. Some major ESOs act in a voluntary role as advocates for their community to Government and the Parliament singularly or jointly in cooperation with other ESOs such as ADSO.

## **5. Commonwealth Superannuation Corporation (CSC)**

a. *Objective: To have the CSC examined by an independent of government judicial inquiry.*

**Explanation:** The CSC had been expressly excluded from the Terms of Reference of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

It should receive the same level of scrutiny as any other financial services entity. Excluding it from the Royal Commission was a failure and a denial of the fundamental right of all Australians: *"to be treated honestly and fairly in their dealings with banking, superannuation, and financial services providers.*

Except for ADF Super, that commenced 1 July 2016, ADF members cannot elect to have their superannuation contributions made to a fund of their choice. Furthermore, the government contributions to the schemes, except for a productivity benefit, are notional so there are no funds that can be transferred to another superannuation fund. This means that current and former ADF personnel do not have the transportability freedom to move their superannuation to another fund should they be dissatisfied with the Trustee's conduct.

In recent years, several issues have arisen in respect to the way the CSC administers the ADF Schemes related to members who are in receipt of invalidity payments (Veteran Beneficiaries). These issues relate to CSC's:

1. Inability to administer the ADF Schemes in accordance with their respective Trust Deeds and governing legislation.
2. Lack of regulatory review of the CSC's conduct to ensure that it is meeting its obligations under its Trust Deeds.
3. Persistent failure to conduct itself honestly, fairly, and transparently in its dealings with its members/beneficiaries and in accordance with Model Litigant Rules.

**b. Veterans' Representation on the CSC Board.**

*Objective: To seek the appointment of one Director from the Veteran Community*

**Explanation:** In 2020–21 the Board consisted of an independent Chair and eight other directors. The Minister for Finance (the Minister) chooses four directors in consultation with the Minister for Defence.

Of the remaining directors, two are nominated by the President of the Australian Council of Trade Unions (ACTU) and **two are nominated by the Chief of the Defence Force**. Both are serving Officers. ADSO challenges the justification for that membership being filled by serving members and questions why there is no direct representation from the Veterans' community when a majority of superannuates are veterans?

## **PART 2 – ADSO'S OTHER POLICIES OF ON-GOING ATTENTION POST ELECTION**

### **1. Support Retention of a Government Department for Veterans Affairs**

*Objective: In principle ADSO supports a specific Government department that discharges its statutory responsibilities for the effective and efficient delivery of services to veterans and their families.*

**Explanation:** [The Productivity Report into DVA Service delivery](#) (Compensation and Rehabilitation for Veterans – A Better Way to Support Veterans) made certain recommendations some of which are still current. Additionally, [The Royal Commission into Defence and Veterans Suicide](#) provides an opportunity to reset the way the Federal Government provides support to serving and former members of the ADF and their immediate families. It is incumbent on the Government to accept the Commission's recommendations and rejection of any would require compelling reasons that were acceptable to the veteran community as a whole. We await those recommendations related specifically to DVA's structure and operations.

## 2. Amend the Veterans' Covenant

### a. Veterans' Covenant

**Objective:** *To amend The Australian Veterans' Recognition (Putting Veterans and their Families First) Act to include a provision that the Commonwealth acknowledges that veterans, or their families, will not suffer detriment relative to any other section of the Australian community.*

**Explanation:** The *Australian Veterans' Recognition (Putting Veterans and Their Families First) Act 2019 (Cth)* has enshrined at Schedule 1 a Veteran's Covenant. It is a "declaration on behalf of the Australian people recognising the valuable contribution that current and former members of the Australian Defence Force (ADF) and their families make and have made for our country."

Put simply, the Commonwealth commits to supporting veterans and their families and to building greater community awareness of the unique nature of military service. It also promises amongst other things, to support all who have served. This commitment is not always honoured by Australian Government departments and agencies as evidenced in some of the above ADSO policies and the following matters.

### b. Recognition of Military Service

**Objective:** *To support an independent of government investigation of claims for recognition of military service when warranted by the evidence*

**Explanation:** Every veteran or veteran organisation has the fundamental human right to the truth and to challenge an authority's decision. In exercising those rights, one faces a complaint/grievance process, that according to the principles associated with Administrative Law, [Ministerial Standards](#) and APS Codes of Ethics and Conduct, is fair and does not deny natural justice. Those principles involve **Integrity, Fairness, Accountability, Transparency, Responsibility, and the Public Interest**. When those principles are breached, they can impact on the correctness of the Government's decision and processes related specifically to the subject.

The complainant may seek advocacy influence support from any Veteran Advocacy Group whose decision will be considered on the evaluation of the evidence.

Recognition of Service matters are handled by the Minister for Defence Personnel with advice from the Department of Defence's Nature of Service Branch and other relevant parties. Experience to date demonstrates that little, if any, weight is placed on either the word of the complainants or their supporting professional associations. This is evidenced in the [Ethicos – Howard Whitton Report](#) that reviewed the Department of Defence's and the Government's approach in determining the nature of service of Rifle Company Butterworth 1970 – 1989.