



# Australian Citizens Party

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## MEDIA RELEASE

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29 March 2019

### Stop the veterans' pension rip-off

Veterans who have suffered years of underpayment from their Defence Force Retirement and Death Benefits Scheme (DFRDB) deserve much better. Many have put their lives on the line in times of conflict, but while the government glorifies troops as it sends them to war, it too often treats veterans of those wars with contempt in the bureaucratic way it deals with their financial and medical needs. The Citizens Electoral Council made this clear in its [Australian Alert Service magazine on 27 February](#). So far both the Coalition government and Labor have dismissed the veterans' genuine grievances—but now, under pressure, on 25 March the Minister for Veterans' Affairs Darren Chester announced the government will commission an independent inquiry into the DFRDB.

A previous compulsory superannuation scheme, the Defence Force Retirement Benefits Scheme (DFRB) operated between 1948 and 1972 and had an option to take a commutation (an early lump sum) after 20 years of service. Veterans who chose this option accepted a reduced pension to repay the value of the commutation, with the repayment amount based on their life expectancy or actuarial age. For instance, if their life expectancy was 30 more years, their annual pension was reduced by the amount of their lump sum divided by 30 years. But many veterans are living well past that actuarial age and are still receiving the reduced pension, even though in many cases the original lump sum has been reimbursed multiple times. Additionally, the Notional Life Expectancy tables used to calculate the reduced pension were based on outdated 1962 figures. In effect they're penalised for reaching a ripe old age. It just doesn't pass the pub test!

Veterans were compulsorily transferred to the new DFRDB from its inception in 1972. After suffering years of reduced pensions, veterans are now demanding justice, including by petitioning the Parliament. Veterans' Affairs Minister Darren Chester dismissed Principal Petitioner, Mr Ken Stone (Petition No. EN0745) in parliament on 18 February, saying "the Government does not support the view that pension recipients have been denied eligible benefits".

Maybe Chester should have remembered he was dealing with veterans who, unlike him, have been to war, because they were not deterred. In a letter to Lucy Wicks MP, Chair of the Standing Committee on Petitions, Mr Stone—a retired Wing Commander—didn't mince his words: "From my detailed response to the Minister's assertions, I am sure that you and your committee will see through the duplicitous and deceitful reply the Minister (or his minions) has provided to my Parliamentary Petition, that makes a sham of the Petition process." Veteran Jim Nicholls explained to the CEC: "We are not seeking 'the portion we commuted be restored'; this is about getting the pension restored to its rightful amount once the commutation has been repaid."

The Labor Party's position is no better, with MPs writing to veterans insisting that if they commuted funds decades ago, they should stay on a reduced pension indefinitely. They claim this was the "intention" of the DFRB commutation arrangement.

But Mr Stone has presented a document to the CEC which knocks Minister Chester's and Labor's claims on the head. The relevant document is the RAAF Personnel Information Handbook (4th Edition) dated October 1988. This handbook was issued to RAAF members new and old, and covered most aspects of RAAF life.

Under the heading "The Defence Force Retirement and Death Benefits Scheme", it states: "When you receive retired pay (i.e. pension) you will have the right to commute. This means that you are able to *borrow* an amount equal to several times your retired pay at the time of your discharge and *repay* that amount *over your normal life expectancy*." (Emphasis added.)

This clearly shows that the lump sum was a loan that was to be repaid by calculating a fixed repayment at discharge, based on life expectancy with no mention of CPI adjustments or whole-of-life repayment expectations. So, irrespective of what publications may have existed within the Department about it being a life-long repayment, this is what RAAF personnel were actually told in the 1980s.

The Australian government has exploited our defence personnel for too long. It is all too happy to send them into senseless and even illegal foreign wars at the whims of British and American geopolitical demands. The government funnels billions of dollars to profit arms companies—the Joint Strike Fighters alone are expected to cost taxpayers \$17 billion. But when it comes to the welfare of

the veterans who have been prepared to put their lives on the line for their nation, they are treated with contempt. The government's policy betrays that its patriotism is self-serving and fake. This policy must end, and the government must stop ripping off veterans.

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Printed from <http://citizensparty.org.au/print/pdf/node/239>, on 04 Jul 2024 at 05:07 pm