

From: Ted McEvoy Subject: DFRDB

**All replies, queries etc to: BRIGADIER (retired) Neil Weekes AM MC
Phone 07 4773 6932**

I spoke to BRIG Weeks on the morning of Monday 9 July 2007, he had just returned from an overseas visit, and he authorised me to on-forward the attached letter to all and sundry for information.

Regards

Ted

To All Parliamentarians

Cc All Veteran Networks

Bcc All Veterans, All Media, All Public Service Superannuants

From General Neil Weekes, AM MC

To Prime Minister John Howard

KIRWAN QLD 4817

16 June 2007

The Honourable John Howard, MP

Prime Minister of Australia

Parliament House

CANBERRA ACT 2600

Dear Prime Minister,

In 1967 I was called up for National Service and subsequently served in South Vietnam. I was honoured to serve my country, as deemed necessary by the Federal Government. Unfortunately I could not return to my chosen profession of teaching, due to the effects of my overseas service, so I decided to remain in the Regular Army, serving for a further 24 years, followed by an additional three years in the Army Reserve. I have no regrets about this as I always thought, rightly or wrongly, that the Government of the day would look after its Service personnel and its veterans.

I have become aware of a growing discontent within the veteran community regarding the ongoing erosion of veterans' benefits and the adverse impact this is having on their standard of living and their quality of life. While I would not normally write to you, or to your Ministers, I had the honour of serving with and commanding many of these fine young Australians on active service, and I believe it is incumbent on me to raise three important issues with you.

Firstly, contrary to the recent statement by the National President of the Returned and Service League of Australia to the effect that, "most TPI recipients are doing very well", I can assure you that those veterans who receive the Totally and Permanently Incapacitated compensation without any other source of income are definitely not doing very well. The average Defence superannuation payment is approximately \$2,000.00 less than the Age pension for couples. Unfortunately TPI payments continue to be indexed to the CPI and not to the MTAW, despite the recommendations of two Senate Committees that Commonwealth and Defence Superannuation and Disability Pensions should be changed to a wage-based index. While the Government's announcement, in this year's budget, to increase the TPI payments was appreciated by all veterans, this increase will be quickly eroded as 40% of the TPI will remain indexed on the CPI. As recommended by the two

Senate Committees, there is a need to reconsider indexing the entire TPI compensation to the MTAW. I readily acknowledge that this would incur an additional cost for the Government.

However, veterans were prepared, and expected by Government, to give their all, including their very lives if necessary, to achieve the Government's objectives. Surely this puts them into a special category, even separate from the Public Service, that deserves special consideration. In my capacity as Patron of several ex-Service organisations, I am unable to explain why Public Sector superannuants are the only Commonwealth beneficiaries who have their benefits indexed against the CPI and not the MTAW or CPI whichever is the greater. The veteran community is aware of the fact that Parliamentarians have their superannuation indexed on the current remuneration of a back bencher. This inequity is causing a great deal of angst with the veterans.

Secondly, veterans are also concerned with the Government's decision to continue to tax DFRB and DFRDB pensions, albeit at a reduced rate, while all other people over 60 years of age will pay no tax at all. The Government's own advertisement on this matter states that all pensioners, "... have earned it". That implies that veterans have not earned this right. I have been informed, by a reliable source, that the information provided to Government by COMSUPER regarding DFRB/DFRDB was totally incorrect. Indeed I have sighted an email from Mr Paul Morrow, Military Legal and Compliance of COMSUPER, dated 10 May 2007, confirming that some information provided may not have been completely accurate. I trust that the correct information has since been conveyed to the Simpler Superannuation Review Team.

My last point concerns those veterans who commuted part of their future DFRB/DFRDB benefits, based on their calculated last four years of average salary, and consequently had their pension payment reduced. The amount of reduction was based on the 1960 life expectancy table. Veterans who have lived beyond their estimated life expectancy, should have the original value of their pension reinstated. Unfortunately this does not occur and this has a severe impact on a veteran's income. For example there is a veteran who commuted but has lived seven years beyond his life expectancy of 70. It has been calculated that, assuming that his commuted amount had been repaid by his 70th birthday, his pension should have been increased by \$238.00 per fortnight after that. This equates to approximately \$43,000.00 which would make an enormous difference to this veteran's quality of life. There are many veterans in this predicament. I understand that there is no legislation that provides for the reversion of a veteran's pension to its original value after the commuted amount has been repaid. Nor is there any legislation that precludes this. I also understand that, pre-2004, Parliamentarians who had commuted their pension, did have their pensions reverted to the original value once the commuted amount had been repaid. If this is the case then veterans have been severely disadvantaged.

Prime Minister, I do not write letters without good reason and I reiterate that my main concern is for the welfare of veterans who have given so much of themselves and their families to Australia and its people. There is growing disquiet within the veteran community that their quality of life is being eroded. I simply request that your responsible Ministers ensure that these three issues are fully examined to ensure that veterans are not being disadvantaged when compared to other groups, including politicians. It goes without saying that the decisions made by your Government today will impact on tomorrow's recruits and future veterans.

On a more positive note I commend both Mr Peter Lindsay and Mr Bruce Billson, as they have always responded, without delay, to my questions on Jezzine Barracks and other matters.

Yours sincerely,

Neil Weekes, AM MC
Brigadier (Retired)