



DEFENCE FORCE WELFARE ASSOCIATION

Thursday 10 June 2010

## **DFWA WELCOMES THE OFFER TO WORK WITH GOVERNMENT TO SOLVE THE INDEXATION DILEMMA**

The DFWA, along with its other Ex-Service Organisations (ESO) partners, welcomes the Government's offer to work with ESOs to determine the best long term method for indexing military superannuation pensions.

During the Oakeshott Motion debated on 24 May 2010, Mr Chris Hayes MP (ALP) advised the House that:

It is also important that I point out tonight that the government is committed to considering a better indexation method for civilian and military superannuation pensions. Again, that is one of the recommendations that we accepted from the Matthews inquiry. I take the opportunity to encourage veterans associations to work with government to determine the best long-term method for indexing military superannuation pensions.

We also note that Recommendation #4 of the Matthews Report opens the way for a new indexation regime, and in his Executive Summary Mr Matthews concluded that purpose of pension indexation (being to maintain the purchasing power of pensions ie, to protect them from erosion by inflation), remains relevant today. It follows that there is agreement that the current CPI methodology is flawed, and this has been the fundamental basis of our claims.

We look forward to hearing what the Government now intends to do and how we may be able to work with the Government to progress this important and long standing matter.

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