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INCREASED SUPPORT FOR AUSTRALIA'S VETERANS AND EX-SERVICE PERSONNEL

A Coalition Government will introduce new indexation arrangements for Defence Force Retirement and Death Benefits Scheme (DFRDB) members as part of its commitment to supporting Australia's veterans and ex-service personnel.

Under a Coalition government, from 1 July 2011 those DFRDB members aged 55 years or older will have their military superannuation pensions indexed to the greater of the Consumer Price Index (CPI), Male Total

Average Weekly Earnings (MTAWE) or the Pensioner and Beneficiary Living Cost Index (PBLCI).

These changes are being made as part of the Coalition's recognition of the unique nature of military service and our commitment to introducing a fair, equitable and fiscally responsible military superannuation system.

Widows of DFRDB superannuants will also benefit from the announced changes.

Labor broke its election promise to 'fix' the issue of military superannuation indexation and this has yet another example that the Labor Government is all talk and no action.

This is a fully costed and fully funded policy. Savings already identified by the Coalition will be used to offset the \$98 million cost over the forward estimates. A further \$100 million will be invested into the Future Fund as a first step towards funding the new arrangements beyond the forward estimates.

This change brings into line the indexation of DFRDB superannuation with the aged pension. Currently DFRDB superannuation is indexed according to the CPI.

If the indexation rate had increased in line with the aged pension, military superannuants would have received an extra \$28.40 per fortnight to their pension (if they received the full pension rate) in March this year.

Unlike Labor, the Coalition has consulted widely and listened carefully to the views put forward by veterans, ex-service people, ex-service organisations and current ADF personnel.

The Coalition acknowledges the February 2010 submission from Returned Services League (RSL) National President, Rear Admiral Ken Doolan AO RAN (Rtd) on military superannuation together with the long-standing efforts of the Defence Force Welfare Association (DFWA) and in particular, of Colonel David Jamison (Rtd), National President of the DFWA.

We are committed to real action to support our veterans, and will ensure that those who have served their nation are properly looked after in their retirement. After all, military service is unique and unique solutions are required to recognise that service.

Above all else, Australia's service personnel, past and present, after giving so much to their nation, deserve to live out their lives in the knowledge that they have financial security.