



## **MEDIA RELEASE – James Harker-Mortlock – Independent for Hume - 18th March 2013**

### **COALITION PROPOSAL TO INDEX SERVICE PERSONNEL SUPERANNUATION WELCOMED**

James Harker-Mortlock, independent candidate for the seat of Hume, made the following statement this morning :

“I refer to reports of the announcement last week by the Leader of the Federal Opposition, Tony Abbott, committing the Federal Coalition to bringing the indexation of superannuation payments for some current and former defence personnel into line with old age pensions.

The Coalition’s plan would apply to 57,000 military superannuants receiving payments under the Defence Forces Retirement Benefit (DFRB) and the Defence Force Retirement and Death Benefit (DFRDB). The initiative is estimated to cost \$98 million over four years,

Provided that the costings estimated by the Coalition are accurate and affordable, then I support such an initiative which is designed to properly look after our retired service personnel who have devoted their lives to service for Australia often in very dangerous and trying circumstances.

This is just one of a number of areas in which service personnel have been placed either at a disadvantage when compared to other members of the community or have additional costs imposed upon them due to the nature of their employment.

For example, service personnel often incur significant costs associated with the need to move location on a regular basis as a result of being posted to new commands. One such moving cost is the stamp duty on car registration transfers incurred when service personnel move between states. Service personnel should be exempted from such imposts incurred solely due to their employment.

Hopefully this latest initiative from the Coalition will open-up the opportunity for further reform in this important area.”

The DFRB and DFRDB schemes are defined benefit schemes. The schemes currently pay a percentage of the final wage as a pension, indexed twice yearly according to the consumer price index (CPI). Under the Coalition proposal, payments would be indexed to the higher of increases in the CPI, male total average weekly earnings (MTAWE) or pensioner and beneficiary living cost index (PBCLI). This would bring the schemes into line with indexation arrangements for aged and other welfare pensions. The DFRB scheme closed in 1972 and the DFRDB in 1991.

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