



National President's Newsletter No 1 of 2015



1. Prime Minister's response about the indexation of veterans' entitlements

In my newsletter No 7 of 2014 I mentioned I had written to the Prime Minister pointing out the inconsistency in the Government's policy settings on indexing veterans' entitlements. Part of that letter read:

'In an earlier letter I commended the Government on behalf of the RSL for fulfilling its election promise by legislating for fair indexation of payments to DFRB and DFRDB Superannuants. The legislation explicitly acknowledged that indexing by the Consumer Price Index (CPI) was unfair.

Logic dictates that if this was unfair so too is the change to indexing by CPI from 1 July 2017 to the Service and Aged pension, Income Support Supplement, Disability Pension, War Widow(er) Pension and equivalent MRCA payments.

The RSL calls on the Government to redress this inconsistency in policy by revoking the changes due to take effect on 1 July 2017.'

In a letter dated 21 January 2015, Prime Minister Abbott responded as follows:

'Thank you for your letter dated 8 December 2014 regarding the indexation of income support and compensation pensions paid to veterans and their families by the Department of Veterans' Affairs.

I want to say up-front that this government is a strong friend of Defence and is a strong friend of veterans. We respect the RSL and what it stands for.

I understand that you and the ex-service community are concerned about the implications of decisions made regarding the indexation of these pensions. I want to stress, however, that under the measures announced in the 2014-15 Budget, no pension will be cut and the Government will continue to increase pensions twice yearly.

Since you wrote to me, I understand your National Board has passed a motion critical of the Government's position on the recent pay arrangement for the Australian Defence Force.

I would like to underline to you that the Government recognises that military service is unique and we have repeatedly stated that, while we would like to pay our ADF personnel more, we simply can't give what we do not have. Australia currently faces a monthly interest bill of over \$1 billion and would have been burdened with a debt rising to \$667 billion if left unchecked. In this fiscal and economic context it would be irresponsible to borrow yet more money to pay for larger wage increases.

Since the Defence Force Remuneration Tribunal handed down its decision on the ADF pay offer, the Government has decided not to proceed with changes to discretionary leave, food and motor vehicle allowances. I also stress that the new arrangement does not change any overseas conditions of service for deployed ADF members, who will continue to receive additional remuneration and preferential tax treatment, reflecting the nature of the operation on which they are deployed.

I have copied our correspondence to the Minister for Veterans ' Affairs, Senator the Hon Michael Ronaldson, and the Minister for Defence, the Hon Kevin Andrews MP, who have portfolio responsibility for these matters.

I thank you again for taking the time to write to me.'

The Prime Minister included a pen script to his letter stating his willingness to meet to further discuss these issues. I am hopeful this meeting will take place in the next couple of weeks.

2. RSL submission to the Defence Sub Committee of the Joint Committee Foreign Affairs Defence and Trade inquiry into the Defence Annual Report 2013/2014

Our examination of the Defence Annual Report 2013/2014 brought to light issues which the National Board considered should be brought to the attention of this Joint Sub-Committee of the Commonwealth Parliament.

The text of the RSL submission reads as follows:

‘Introduction

The National Board and Members of the Returned & Services League of Australia (RSL) welcome the opportunity of making a submission to the Defence Sub-Committee of the Joint Standing Committee on Foreign Affairs & Trade into the Annual Report of the Department of Defence for the year 2013-2014 (DAR 13/14).

The RSL has a proud record of consistent support for the men and women of the Australian Defence Force (ADF) and of the need for Australia to maintain an adequately financed, fully manned, highly effective and fully combat capable defence force able to be deployed rapidly in harm’s way in high intensity war to protect the nation. The freedoms and liberty Australians enjoy in our vibrant democracy are too precious to be put at risk. They have been protected and preserved by the sacrifices of many and must never be taken for granted.

Committee Terms of Reference

The RSL acknowledges the importance of the civilian component of the Defence organisation, supports the leadership diarchy concept and respects that DAR 13/14 covers the totality of the organisation. That said, this submission comments only on the ADF.

It addresses the issues identified in the Terms of Reference for the Inquiry but because of their fundamental importance commences with comment on ADF personnel matters such as remuneration.

Personnel Matters

Remuneration of the ADF

In Chapter 8 of DAR 13/14 under the major heading Remunerating People and the sub heading ADF Remuneration it is noted that “the independent Defence Force Remuneration Tribunal established under Section 58H of the Defence Act 1903 is responsible for setting pay and pay-related allowances for ADF members” Thereafter the report notes that the ADF Workplace Remuneration Arrangement 2011-2014 was a “key component of the ADF remuneration framework and is consistent with the Government’s broader workplace relations policies.”

DAR 13/14 then asserts that “the arrangement is part of the ADF remuneration initiative aimed at attracting and retaining military personnel...” It goes on to assert that “the Workplace Remuneration Arrangement increases salary and salary related allowances in return for improvements in organisational efficiency and productivity.”

The RSL has concerns about some of these assertions.

One is that the Defence Force Remuneration Tribunal (DFRT) is perceived as being only nominally independent.

Another is the assertion that the Workplace Remuneration Arrangement (WRA) is part of the ADF remuneration initiative aimed at attracting and retaining military personnel.

The ADF Opinion

RSL soundings from ADF personnel before and after this pay case was heard in 2011 indicated dissatisfaction with what was put before the DFRT in a case agreed both by the ADF leadership and the Public Service Commission representing the Government. In making this point the RSL reminds the Committee that thousands of ADF members are also members of the RSL. It is also pertinent that other ADF conditions of service such as housing are a considerable factor in seeking to attract and retain ADF personnel.

Independence of the DFRT

Although legislation established the DFRT as independent, it is reasonably perceived that the Tribunal's independence has been compromised by successive Governments of different political persuasions requiring that ADF WRA cases be agreed by the ADF leadership representing service personnel and by the Public Service Commission representing the Government before they are put to the DFRT. This was the case for WRA 2011-2014 and again, more recently, for WRA 2014-2017.

The point the RSL makes is that the DFRT needs not only to be independent but to be perceived by the men and women of the ADF as independent. Though it is possible for the DFRT to come to a finding which is at odds with "agreed" cases put before it, this is highly unlikely. The Tribunal must make findings based on the evidence put before it and when both the ADF and Government present agreed evidence there are scant grounds upon which the Tribunal could find otherwise.

There are two other major disadvantages of presenting "agreed" cases. The first is that it constrains the Chief of the Defence Force (CDF) from acting in the best interests of the men and women in the ADF. As was clearly demonstrated in the public backlash against the DFRT findings in the 2014 WRA pay case, service personnel considered the ADF leadership was unable to put forward their legitimate claim for a pay increase to recompense them for their increased cost of living.

The second disadvantage is that a key reason for establishing the DFRT, the removal of pay setting for ADF members from party politics, has been compromised. During the long period at the end of the last century where cases put before the DFRT were contested, there were few if any politically controversial ADF pay case outcomes. All sides of politics respected the fact that the DFRT was a neutral, independent umpire. This is no longer the case. It is not credible for any Government to claim that it is not responsible for ADF pay outcomes when successive Governments have required WRA cases going to the DFRT be previously "agreed".

Nor is there any validity in the argument that major ADF pay cases must be "agreed" before being placed before the DFRT for decision so as to ensure compliance with Government pay setting policies. The legislation makes clear

that in arriving at its decisions the DFRT must take account of the incumbent Government's wage and salary fixing policies.

Finally it is worth recalling that the men and women of the ADF are quite different "employees" from any others paid by the Commonwealth. They may not withdraw their services either for personal or collective reasons. They must obey their superiors even at the risk of their lives. They must work whenever required so to do and have constraints on their personal lives not imposed on others. To equate their pay fixing to the work place arrangement model used in the last two pay cases is to attempt to do the impossible – to liken them to all other Commonwealth employees.

The RSL contends that the practice of presenting ADF pay cases as work place arrangements demanding evidence of such matters as improvements in productivity and organisational efficiency as justification for increases in remuneration is a travesty of the military ethic. Men and women of the ADF engaging the enemy are oblivious to civilian workplace benchmarks. They fight for our nation, our freedoms, their families, their mates and their lives. They do not fight for pay rises linked to productivity increases or improvements in organisational efficiency.

For these reasons the RSL urges abandonment of the practice of requiring the ADF to agree major pay cases with the Department representing the Government before they are presented to the DFRT.

Attracting and retaining ADF personnel

The heart and soul of the ADF are the men and women who together make up the force. Attracting Australians of the calibre needed by our armed forces to be fully effective when sent in harm's way requires certainty that their conditions of service will be appropriate and assured over their periods of service.

Retaining trained and experienced members of the ADF is essential for the ongoing fighting effectiveness of the ADF. It is also economically sensible. The taxpayers' investment in recruiting, training and developing the experience of each member of the ADF is very significant. Common-sense suggests that the nation should do all that is reasonable to retain each member of the ADF until such time as there has been a reasonable return on this investment.

Housing for the men and women of the ADF and their families is a key factor in the ongoing quest to retain effective and experienced members of the ADF. This

is of particular importance when the exigencies of service life demand relatively frequent geographic relocation. ADF members posted from one locality to

another have the reasonable expectation that the availability and quality of service housing will be as good as or if not better in the new locality than in the area they leave.

The housing outlook for ADF members has improved over the past couple of decades due in part to the establishment of the Defence Housing Authority (DHA). This entity has a wealth of knowledge and experience about the needs of ADF personnel and seeks to meet their expectations. As the makeup of service families change so too do their accommodation needs. This is not to state that the DHA always meets expectations. Housing stocks inevitably lag behind changes in the makeup of service families and the ongoing quest of all involved is for continuous improvement.

The RSL has monitored the housing situation for members of the ADF for decades and is in no doubt that the retention of the DHA as a government entity will continue to assist the retention of ADF personnel. The RSL has made it known to those charged with investigating whether the DHA should be sold to private enterprise that there is no compelling evidence supporting such a change. To the contrary, the evidence is that the housing needs are being met in a cost effective manner by DHA, an organisation focused on the needs of ADF members and not on the demands of shareholders.

Critical categories of employment

The RSL supports the initiative of the Services allowing for varied pay rates to promote retention in those parts of the ADF with critical shortages. In giving effect to this measure it will be important the Chiefs of Service have the flexibility to adjust quickly and have the authority to act as circumstances dictate. Financial offsets will need to be identified to allow for this expenditure. An offset which commends itself to the RSL is money which could be recouped by significantly reducing the numerical size of the ADF leadership group.

In promoting this option the RSL accepts that a small part of the growth of the number of star rank officers in the ADF over the past two decades has been due to their secondment to areas other than Defence and to star rank officers filling positions in allied or coalition headquarters in overseas areas of operations. Despite these considerations the size of the ADF leadership group appears to be out of all proportion to the numerical size of the ADF.

DAR 13/14 Table 8.1 lists the numerical strength of the ADF as 57,036. Table 8.17 shows that the star rank officers leading this modestly sized defence force include 9 officers holding three star rank and 43 officers holding two star rank and 137 officers with one star rank. By any yardstick this is far too large a leadership group for a numerically modestly sized defence force.

Recruiting and employment of women

The RSL notes the shortcoming that DAR 13/14 does not appear to include statistics about the recruitment of women into the ADF. This is unfortunate given the stated intention of the ADF to be proactive in recruiting women and in opening all employment categories to women.

Table 8.17 of DAR 13/14 notes there are only 13 women out of 190 star rank officers in the ADF. The RSL trusts that this number will rise over time and encourages the leaders of the ADF to take whatever actions are needed to foster the prospects of more women joining the senior ADF leadership group.

Cultural reform and the Pathway to Change

The RSL commends the ADF leadership for the progress that is being made in establishing diversity in the membership of the ADF. Increased recruitment of indigenous Australians and cultural reform in all the services are welcome developments.

Reserve Policy and Project Suakin

The integration of the Air Force and Navy reserve forces into the whole force has been a significant and welcome development. So too has been the acceptance of Project Suakin which has been supported consistently by the RSL during its development.

Military Justice

The current system of military justice may not be ideal but it is constitutionally safe. More to the point, trials by Courts Martial are well understood and respected. Though they are not jury trials they are trials by more than one person. Restricted Courts Martial are comprised of a minimum of 3 persons and General Courts Martial are comprised of a minimum of 5 persons. As such Courts Martial have come to be accepted as de facto jury trials.

The RSL will continue to try to persuade those elected to the Australian Parliament to ensure that any change to Australian military justice legislation mirrors to the extent possible the norms of Australian civil law and that it is not in conflict with or perceived to be in conflict with the Constitution of the Commonwealth of Australia. In making this point the RSL affirms its continued opposition to the formerly failed legislation known as The Military Court of Australia Bill 2012.

The RSL contends that any change to the system of military justice in Australia must avoid any possibility of serious service charges being tried by persons appointed as Military Judges acting alone. Such a possibility is so at variance with the norms of justice in the nation as to be dangerous.

First Principles Review

The RSL accepted the invitation to forward a submission to the First Principles Review Committee and commends this document to the Defence Sub Committee undertaking this inquiry. A copy is attached.

The 2015 White Paper and Force Structure Review

The RSL accepted the invitation to forward a submission to those charged with compiling the 2015 Defence White Paper and Force Structure Review and commends this document to the Defence Sub Committee undertaking this inquiry. A copy is attached.

Capability developments and major projects

The RSL National Defence Committee with a membership including former ADF star rank officers and whose Deputy Chairman is a member of the RSL National Board seeks to ensure that the RSL National President and National Board are kept current to the extent possible given security considerations, about ADF capability developments.

One major capability development of considerable concern to the RSL is the future submarine project. RSL concerns include:

- the need for a competitive tender process and that to the extent possible this be sufficiently transparent to gain and maintain public support*
- the need to thoroughly compare competitive overseas submarine designs taking account of strengths and weaknesses in meeting the ADF requirement for future submarines*
- the essentiality of ensuring a skills transfer program is a part of any contract with an overseas submarine designer or builder*
- recognition of the importance of ensuring that any overseas designed or built submarine is able to be sustained through life in Australia and that it would not be subjected to interruptions in the supply of essential parts due to unforeseeable changes in international relations*
- acceptance of the essential need for Australia to acquire a comprehensive locally based technically expert team able to ensure future submarines are kept operational*
- the wisdom of planning to cope with challenges in cooperatively developing high technology defence equipments with nations whose cultures and languages are significantly different from Australia*

3. RSL Sponsors Australian Contingent to Canadian Allied Winter Sports Camp 2015

For the third consecutive year the Returned & Services League is sponsoring the attendance of the Australian Defence Force contingent of wounded, injured and ill serving members to the Canadian Forces Allied Winter Sports Program. This will assist these brave men and women in travelling to Whistler Blackcomb British Columbia Canada in February with the aim of reintroducing them to a more active life.

The 40 service personnel who hail from Canada, the U.S., the U.K. and Australia will attend the camp and take part in alpine skiing, snowboarding, curling and sledge hockey.

The camp will be run by Canadian personnel and sports experts who'll also host the visitors on extracurricular snowmobiling and dog-sledding trips.

This program aims to improve self-confidence, which benefits the rehabilitation and recovery process. It also helps members to transition back to a more active lifestyle including doing more with their families.

Rear Admiral Ken Doolan AO RAN (Retd)
11 February 2015