

18 January 2018

JOINT MEDIA STATEMENT

ROYAL COMMISSION INTO MISCONDUCT IN THE BANKING, SUPERANNUATION AND FINANCIAL SERVICES INDUSTRY

Call to include the Commonwealth Superannuation Corporation

The Returned & Services League of Australia (RSL) and the Alliance of Defence Service Organisations (ADSO) call on the Government to include the Commonwealth Superannuation Corporation (CSC) in the Terms of Reference of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

CSC administers military and other superannuation funds for over 700,000 people, including 230,000 serving and former servicemen and women. Unlike members of Industry Super Funds who have the ability to switch funds if they are dissatisfied, ex-service members of the CSC do not. They are reliant on an external moderator to ensure fairness and justice. The Royal Commission is the ultimate arbitrator.

Given the magnitude of the CSC influence on the wellbeing of former servicemen and women the RSL and ADSO members consider this represents a compelling reason to include CSC within the Terms of Reference. CSC is the only significant superannuation entity in Australia to avoid examination.

Allegations exist that CSC is not fully compliant with the Superannuation Industry Supervision Act. For example, some in the veteran community claim that CSC misreports invalidity benefits (paid to servicemen and women discharged for medical reasons) to both the Australian Taxation Office and to the Family Court. And, all too often, veterans report that CSC fails to respond convincingly to valid approaches by them seeking clarification of their concerns. A consequence of this practice could result in veterans (and their families) already suffering trauma being subjected to unwarranted financial and further emotional hardships.

These and other allegations clearly require the same scrutiny as would similar assertions involving industry superannuation funds. The voices of 230,000 serving and former servicemen and women should be heard, not be silenced.

The RSL and ADSO call on the Government to amend the Royal Commission's Terms of Reference to include an examination of the military superannuation funds administered by the Commonwealth Superannuation Corporation.

Contacts

National President RSL:
Robert Dick 0448 889 848

ADSO National Spokesman:
Kel Ryan 0418 759 120



DEFENCE FORCE WELFARE ASSOCIATION

Patron-in-Chief: His Excellency General The Honourable Sir Peter Cosgrove AK MC (Retd)

NATIONAL OFFICE

18 January 2018

DFWA DOT POINTS

OVERARCHING POINT.

- a. CSC is not administering superannuation payments made to Veterans in accordance with the law.
- b. Classifying superannuation recipients as employees to circumvent provisions of the SIS Act relating to the garnishing of such payments.

FAMILY LAW.

- c. Splitting of compensation payments in family law proceedings.
 - Incorrect information provided to parties that leads to incorrect valuation of reviewable payments.
 - Payments are valued as lifetime, when in fact can be reviewed and cease.
 - Non-veteran spouse (no injury) receives payments for life, when the veteran with the injury can still be reviewed and payments cease.

TAXATION

- d. No recognition for the compensatory nature of these payments.
 - Compensation ordinarily has a tax free element
 - CSC incorrectly report payments which leads to Veterans paying tax they are not legally required to pay.
 - Not advising beneficiaries of rights. (Failure to advise the ability to use the taxation election)

FIDUCIARY DUTY.

- e. CSC is failing to act in the best interest of its beneficiaries.
 - Trust deed states it must act in the best interest of its members and the Government. This is a conflict of interest.
 - Not in the best interest of a member to pay tax they are not legally required to pay.
 - Refuse to provide legislative basis for reporting payments the way they do to the ATO.
 - Failure to provide full medical file to their Medico legal Doctors when assessing Veterans for injury. (Led to report saying no medical evidence of injury despite surgical reports in members medical file).
 - Refuse to acknowledge facts in litigation. (Campbell v SCT and CSC)

MEDICAL FILES

- f. Failure to provide full medical file to MLCOA doctors when assessing injured Veterans. This leads to a biased report stating no physical evidence of injury. (even though members medical file has surgical reports)

Kel Ryan

National President

Defence Force Welfare Association