



**Wayne Swan MP** MEMBER FOR LILLEY

30 June 2010

Mr Ken Ziebarth  
5 Rigg Place  
McDowall QLD 4053

Dear Mr Ziebarth,

Thank you for your recent message concerning the indexation of your Defence service pension.

I appreciate your service defending our great country.

Recently, the Government honoured a commitment by conducting an independent review on the Indexation of Australian Government and Military Superannuation pensions, the Matthew's Review. The Review determined that superannuation pensions arising from these schemes should continue to be indexed by the Consumer Price Index (CPI) as this is the most suitable indexation arrangement relevant at this time.

Labor Governments have a good record on military superannuation. It was the Hawke Government that established the current Military Superannuation and Benefits Scheme in 1991. Given our strong record in this area the Government will continue to support a strong and vibrant military superannuation system.

In fact, we are making progress in reforming some areas of the superannuation system where we can – for example, reforms concerning compulsory retirement age which will benefit some widows and families of deceased members. However, we will continue to examine opportunities to improve the current arrangements.

We view military superannuation as a key component of the employment package for ADF members.

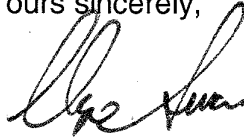
Our military superannuation scheme compares very well against the military schemes in most western countries; very few of these continue to provide defined benefit schemes.

We are considering a range of issues in relation to military superannuation. These include the impact of a difficult global economic environment and the Review into Military Superannuation Arrangements (The Podger Review). Importantly, the current military superannuation scheme remains a stable and well-performing one, and we are determined to ensure it stays so.

I know superannuation is very important in the later years of life and that's why we want to get the balance right for all Australians who are impacted by the indexation of these pensions.

Again, thank you for writing to me and please do not hesitate to contact my office at Nundah on 3266-8244 should you require any assistance in the future.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Wayne Swan', written over a horizontal line.

Wayne Swan MP  
Federal Member for Lilley