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28 July 2006

The Honourable  
Shadow Minister for Defence Personnel  
Senator Mark Bishop  
Parliament House  
CANBERRA ACT 2600

Dear Mark,

#### F-111 DESEAL/RESEAL GROUP MEETING

Thank you again for the opportunity for members of the Deseal community to meet with you and Mr. Bernie Ripoll MP at the Goodna Neighbourhood Centre on Thursday 27 July 2006.

This was the first opportunity granted to our members to personally address a member of the Senate in a forum environment. Your time and input was greatly appreciated.

The following is a summary of the issues raised at the meeting which the Support Group hopes you can address and assist in resolution.

#### 1. Ex-Gratia Payment

The Ex-Gratia Payment for over 500 personnel has stalled since December 2005. Our members have had no correspondence or indication from the Government or its Departmental officers as to when a decision will be made on the eligibility status of these personnel.

We request your assistance in seeking a speedy resolution from the Government on their Ex-gratia status so that they can know whether they can address their compensation issues as deseal related, and have some resolution to the issue so they can move forward with their lives.

This includes the recognition and inclusion of those groups of personnel whose function in the F-111 Deseal/Reseal was inadvertently or otherwise excluded such as the Sealant Hut, and members of No. 482(M) Squadron, and Nos. 1 and 6 Flying Squadrons.

## 2. Compensation

The military personnel with deseal related injuries, illnesses and diseases fall under several acts. Many have dual eligibility under both the VEA and Military Compensation Schemes. Because of the broad timeframe of exposure of almost thirty years, there is imbalance in the equity and equality of compensation provisions to our members. Those who fall under the 1971 Act for Military Compensation find that although there is provision to accept member's conditions, there is no provision to pay compensation for those same conditions. There is also difficulty with acceptance of conditions under the Veterans' Entitlements Act because the Statements of Principles system does not allow for recognition of the effects of modern day warfare technology advancements.

Therefore, we seek a solution to our recognised unique circumstances which would have a threefold benefit:

- a. the saving to the federal government and people of Australia of tens and possibly hundreds of millions of dollars in DVA departmental and legal costs by avoiding the need for VRB, Section 31, AAT reviews and any subsequent High Court costs. It may also see all current legal actions being dissolved thereby saving further legal costs to the government;
- b. the political benefit in showing the Australian public that there is care and support for injured service persons, and that it is safe to join the Australian Defence Forces because you will be taken care of if something goes wrong. Another political benefit is that this solution would also show the workers of Australia that the government leads by example in ensuring that workplace health and safety is paramount and that there are consequences to employers for failing to provide adequate protection;
- c. the F-111 Desealers would have the opportunity to state their case for individual compensation to address their personal needs for the future based on their own past losses and the degree to which their health is affected.

The solution we request is Mediation for the resolution of compensation for all members both military and civil. This would provide a fair and equitable solution for all personnel involved in this "unique" disaster.

Mediation already has a precedent with the personnel affected by the Voyager disaster and more recently with Lieutenant Commander Robyn Fahy.

## 3. Taxation

The Ex-Gratia payment has been deemed exempt from Income Tax and declared income for Centrelink and all statutory obligations. However, there may be an oversight in the exemption for which we request you seek a Determination by the Commissioner of Taxation on our behalf.

In the case of a sole trader who closed his business during the financial year 2005-2006 with losses of \$78,000.00. He was able to write back \$25,000.00 on his losses during this financial year with the remaining \$52,000.00 carried forward into the 2006-2007 financial year. However, by including the Ex-Gratia payment in the section "non-deductible income" which he is obliged to do, this effectively writes off \$40,000.00 of his losses and he loses the benefit of the Ex-Gratia payment to him personally.

We request a determination seeking exemption from declaring the Ex-Gratia for sole traders and partnerships in the 2005-2006 or any subsequent financial year in which the grant is awarded.

#### 4. Litigation

The Australian Government Solicitors office has delayed many litigation cases since 2001. On four occasions member's legal representation has had to present to Court to argue against the statute of limitations. Each time, the member's have been awarded a stay in their favour. The most recent delay was a request by the Australian Government Solicitors for an extension to release Volume 3 of the Board of Inquiry which is approximately 10,000 pages of statutory declarations and statements made to the Board. This was awarded even though the Volume was sealed and classified, and Defence stated that no part of the Board of Inquiry could be used in any Court.

We request your encouragement to the Australian Government Solicitors to cease stalling on these cases and allow our member's access to the same opportunity for justice as is awarded to all other members of the Australian community.

Again, thank you for your time, and we hope that this meeting has given you a greater understanding of the issues concerning our Deseal community. We also hope that you are able to assist us in pursuing the issues raised above and look forward to your response.

Yours truly,

Ian R Fraser  
President  
F-111 Deseal/Reseal Support Group Inc

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**Courage The ability to face that which cannot be imagined**