

16th April 2021

Committee Secretary
Senate Inquiry – TPI Payment (Special Rate of Disability Pension)
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Dear Senators and members,

RE: Senate Inquiry – TPI Payment (Special Rate of Disability Pension)

I am writing to make my submission to your inquiry and wish to make the following statements in relation to a number of areas that I believe fall into the category of payments to TPIs and their partners.

Special Rate Pension

I want to see a Benchmark figure set against MTAWWE including the current indexation measures, at the current level. This set benchmark figure to be legislated as a figure that cannot decrease below the current rate but may only increase with agreement between those may be affected by such changes i.e. TPIs.

The Senate Inquiry would also realise that in today's world that two incomes are necessary to allow the family unit to live in some comfort, yet even then it can be difficult to survive. This is also applicable to TPIs who have already lost one breadwinner and in a number of cases also lose the second breadwinner at they have to tend and care for the TPI member of the family unit.

Service Pension

I believe the main consideration that should be given is in relation to the Service Pension which is currently means tested and has been considered as welfare by some.

The following is an extract the KPMG Report into Review of TPI Payments.

Page 4, "The Service Pension is also considered a service replacement benefit for TPI veterans (i.e. compensation for veterans). This is consistent with insurance principles, and the observation that early access to a Service Pension on disability (i.e. before the Service Pension age of 60) represents compensation for lost income and is not considered welfare."

There are a number of TPI veterans that only receive part payment of the Service Pension and some that receive nothing at all. I am of the opinion that the Senate Inquiry accept the findings of the KPMG Study that the Service Pension is Compensation and that all TPIs under VEA Act 1986 should have the full payment as part of their entitlements, that it should not be means tested and that it is non-taxable.

I believe that the acceptance of this payment alone as Compensation will go a long way to rectifying the complaints of many TPIs in relation to the amount of compensation given to them and hence my earlier statement that the benchmark for MTAWs remain at its current level.

The Senators should be aware that a number of TPIs in excess of 2,600 only receive part payment of the Service Pension as they have to have their partner out in the work force to try and make ends meet. The partner in reality should be at home caring for their TPI partner. A non-means tested, tax free Compensation such as the Service Pension would go a long way to assisting not only these TPIs but all TPIs.

Gold Card for TPI Partners Aged 65 Years or Older

I considered this as a matter that should also fall under the umbrella of your inquiry as it relates to part of the compensation package for TPIs.

I believe the Gold Card should be automatically issued to the partners of TPI/SRs when the partner has reached aged 65 years. In both a written submission to the Productivity Commission – A Better Way to Support Veterans and a subsequent appearance here in Perth in February 2019), I asked for the Gold Card to be issued at age 60 years for partners of TPI/SRs. However, the Productivity Commissioner did not refer to this aspect when I appeared at the Perth hearing. I did however point out to the Commissioner that the Gold Card for partners and dependents were part of the package for those that have been made TPI.

I have been advised that the average age of Vietnam War veterans is 73 years (the majority of TPIs). Many of our partners are now over aged 65 years (most likely over 70 years) but a few of the younger Vietnam War veterans may still have partners aged between 65 and 70 years.

My main contention is that although our partners will automatically receive the Gold Card on our death, many are now suffering ill health from the many years of caring for their TPI/SR partner. This of course has an effect on the TPI/SR in that they see their partner ailing, yet they themselves can be well cared for under their entitlement of the Gold Card, while their partners suffer from their ailments and not afforded the same care. It can also be a cost in looking after their partner's needs in these later years that eats into their pension payments.

The number of Vietnam War veterans are diminishing, and the next 10 years should see our numbers reduced significantly. Surely, the government of the day can now assist these TPI/SR veterans by assisting their partners who have stood by them as their carers for many years. When PM John Howard made a captain's call and gave the Gold Card to those aged over 70 years with operational service without any hurdles to jump at DVA, he opened up a Pandora's box.

It should give TPIs and their partners quite a bit of peace of mind in their latter years of life knowing that their health is a concern they do not have to worry about. An early reward, if you like, for the partner who has in most cases given their all to their TPI partner.

I also envisage that the cost in the forward estimates would not be that significant given that there are only 27,394 TPI/SRs in September 2020 statistics and there will also be a number that have partners that do not fall into the category of age 65 years or over.

For your consideration,

I remain yours faithfully,

Rick Ryan Maj (Retd)