

Dear FADT Secretary/Senators

There were questions regarding the cost of proposals at last Thursdays (20th May) Hearing . For the 'Veterans Network' this is what we know.

Subject: Costings for Service Pension Change additional information for presentation to the Senate Inquiry into TPI Veterans Compensation

There is no definitive answer as we don't have the information requested from DVA.

- As said in Hearing, neither Minister Chester or his Department have responded to Ben Morton MPs letter of late Feb asking for the costings on the 'Networks' proposal of removing the Welfare means test from the Service Pension.

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- Page 35 of the KPMG study says:

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7.3.1 "Approximately 2,000 (6 per cent of all TPI Veterans) do not receive a Service Pension due to being assessed under the means test".

7.3.2 "Data provided by DVA indicates that around 40 per cent of TPI Veterans are currently receiving 100 per cent of the Service Pension, and the remaining receive amounts below 100 per cent".

- Senator Ronaldson when Veterans Minister said 20% of TPIs received no SP , 40% received part SP and 40% received full SP.
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- DVAs Submission to the current Senate Inquiry says of TPIs: "67.56% receive Service Pension , 7.93% receive another Income Support (confusingly they do not specify between full SP and part SP) and 24.51% receive nothing".

However, as I told the Hearing and said in Submission these extra costs do not disappear just because the Commonwealth avoids paying the full Compensation for loss of earnings. That Compensation underpayment is covered by the TPI Veterans savings and investments and the wives' earnings and superannuation all to the detriment of the family in its inability to prosper to their full ability. Prosperity bought for the peoples of Australia with the deaths and disability of the members of our Armed Forces.

At the very highest in theory to bring all TPI Veterans to the same amount as the top 40% receive today calculated on the Single Service Pension for simplicity.

for those with no ISP	5,500 X full ISP @ \$24,750 pa	\$136 million
for those with part ISP say 50%	11,000 X half ISP @ \$12,375 pa	\$136 million

\$272 million per year in theory maximum , however this would never be reached as some TPIs would still have the ISP reduced by having Mill Super payment for invalidity this is to prevent double dipping also in the KPMG study aligning with general 'Insurance Loss Industry' practices.

NB. Attrition of TPI cohort: DVA statistics show the TPI Veterans will steadily reduce to half the current numbers by the end of this decade, in nine years.

Pleas bear in mind this is to repay the debt the nation owes to our Returned Servicemen and Servicewomen for their wounding resulting in 'suffering loss of earnings' while relieving their private savings and wives' earnings and retirement superannuation being garnisheed by a welfare means test against the Service Pension allowing the Commonwealth acting on behalf of the people to avoid paying the full Compensation for losses incurred.

Conclusion: A Fair , Just and Equal TPI Veteran Compensation system where all TPIs receive the same compensation amount for 'suffering loss of earnings' will in practice cost less than the TPI Federations division of the TPI cohort into three payment groups.

Hope that helps somewhat but as said only DVA have , hopefully, as the paymasters know who gets what.

Frank, Jock O'Neill

DISABLED VETERANS of AUSTRALIA NETWORK

We served so you may live in peace and prosperity

