

### Regarding DVA Submission to FADT Inquiry into TPI Payment

Dear Senators, our 'Network' wishes to comment on the Range of Benefits written into the Department of Veterans Affairs submission to the Inquiry posting last Friday. The Department lists an array of entitlements, allowances, and subsidies that TPI Veterans are provided with in addition to their Compensation TPI rate of \$732 per week for loss of earnings. However, the Department fails to provide the reasons for these benefits or the number of TPI Veterans who receive such or the dollar value to the veteran. Many of the nation's 27,500 TPI Veterans receive none of these benefits some receive one or two. No TPI Veteran receives more than a few. While many of the gratuities mentioned are also common too, low income, disabled and aged within the general community.

The Departments headlining of these benefits without explanation or stating amount or to whom they apply casts TPI Veterans as privileged, feted members of our community. When in fact they are twice disabled, once by enemy action and second by the Commonwealth under-payment of compensation.

Networks response to DVAs missing information indented in dot form.

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Page 6. The service pension is paid under the VEA and provides an income and assets tested pension that is payable at age 60, earlier than the Commonwealth age pension.

- commonly known as the 'Burnt-Out Diggers Pension' paid earlier as the life expectancy for veterans is shortened by arduous war service. Reduced by increments to zero by a means test against wives' earnings and superannuation.

Page 6. Superannuation Invalidity Pension.

- A search of term on the DVA website and the VEA legislation fails to show this Pension. A search of Commonwealth Superannuation website shows the term mentioned in litigation in the Administrative Appeals, Family and High courts on only ten occasions over the last thirty-five years.

Page 6. Clothing Allowance.

- Paid to Veteran amputees, prosthesis wearers or use aids that cause wear and tear on clothing paid at a rate between \$3.35 to \$7.25 per week.

Page 6. Decoration Allowance for TPI Veterans.

- For Gallantry, undertaking acts of bravery or courage beyond the call of duty during war service, predominantly in measures of saving lives. Paid at \$1.05 per week.

Victoria Cross allowance is paid at \$4,614 per annum. There are four living VC recipients.

Page 10. the VEA sets the Special Rate payment as a single standard amount regardless of the level of lost actual or potential earnings of an individual veteran, and the only differentiation between the GR and the AGR was for the purpose of indexing the payment. the VEA makes no mention of economic loss or non-economic loss.

- the TPI rate under the VEA is a single payment for ‘suffering loss of earnings. There is no mention of noneconomic loss in the legislation.

Page 17. The VEA also provides eligible veterans, including Special Rate veterans, with assistance for the purchase of motorcycles.

- There is no monetary assistance to purchase a motorcycle. There is a GST exemption on the purchase cost of the motorcycle as there is with a motor car.

Page 17. Free and confidential counselling is available to Special Rate veterans and their families through Open Arms – Veterans and Veterans Families Counselling.

- Again, the alternative is for the TPI Veteran and their family to pay for their own counselling for trauma caused in service to the Commonwealth. The veterans counselling services were initiated by Vietnam Veterans for Veterans founded by volunteers.

Page 17. The children of Special Rate veterans receive non-means tested education assistance for primary, secondary, and tertiary full-time study within Australia through the Veterans’ Children Education Scheme (VCES) under the VEA.

- This scheme is similar in style to ADSTUDY.

Page 19. Superannuation Veterans and their families can also access invalidity and death insurance benefits through military superannuation schemes, which is provided through CSC. ADF members can receive superannuation benefits from one of three funds, all of which offer Government-funded invalidity and death insurance. It is a defined benefits scheme that provides a lifetime pension for members who have served a set number of years — **usually 20 years.**

- the average **length of engagement in the ADF is 7.5 years**. That engagement time has not altered significantly from the Vietnam War to today's conflicts.
- the Department gives no figures a TPI Veterans receive these benefits or dollar value.

Page 20. Taxation the Australian Taxation Office operates a scheme for the supply of motor cars or car parts free of Goods and Services Tax (GST) to Special Rate veterans.

- the Department gives no figures of TPI Veterans receiving this benefit or the dollar value.
- TPI Compensation of \$732 per week is unlikely to provide funds regular or expensive changes of motor cars.

Page 20. Veterans may also receive family tax benefits if they have children as part of the social security system as ordinary Australians.

- the Department gives no figures of TPI Veterans receiving this benefit or the dollar value. Ordinary Australians have the same benefit.

Page 20. In addition, Gold Card holders do not pay the Medicare levy.

- the alternative to Repatriation Health care is for Disabled Veterans to fund the cost of their own bandages for wounding, medication for disease and counselling for suicidality.

Page 20. The VEA Special Rate is non-taxable.

- The unrealistic Compensation for loss of earnings of a trained member of our ADF at TPI rate amount to \$38,000 pa. The combined TPI rate and the full Invalidity Service Pension at \$62,300 pa is approximately three thousand dollars less than the **after-income tax FTAAWTE** amount.

Page 20. Other Government Benefits and Concessions Special Rate veterans may also receive a range of Federal, State, and local Government concessions on services such as council rates, electricity, water and sewerage rates and public transport.

- Most of these concessions are also available to low income, civilian disabled and aged pensioners.

Page 20. There are also many ex-service organisations (ESOs) that provide a range of support and services to all veterans, extending beyond advocacy support. ESOs may also assist veterans and their families with wellbeing support, seeking financial assistance.

- Repatriation Compensation for loss of earnings should be of sufficient amount to prevent the Veteran from seeking charity and or welfare assistance to provide for their family. If not so then the compensation is not fit for purpose it is designed for.

Page 20. Special Rate veterans are also supported **by many** private businesses which also provide additional benefits, services, supports, and discounts based on their status as a TPI/Special Rate veteran.

- Some private enterprises appreciate the sacrifice in disability and loss of earnings that TPI Veterans have suffered which provide the conditions for business and citizens to thrive and prosper.

Page 24. All Special Rate veterans are entitled to receive the Gold Card which entitles the holder to free treatment for all medical conditions. The Gold Card does operate to reduce the cost of living for veterans and their families.

- Again, the alternative to Repatriation Health care (Gold Card) is for TPI Veterans and their families to fund the cost of their own bandages for wounding, medication for disease and counselling for suicidality.

Page 24. Special Rate veterans with qualifying service (essentially service in a conflict or war) can also be entitled to the Service Pension. The Service Pension is an income support payment for eligible veterans and eligible partners and is similar to the age and disability support pension provided to the general population.

- The 'Invalidity Service Pension' as administered by DVA is considered a means tested Welfare payment. Findings by the International Accounting Firm, KPMG reviewing TPI Veterans Compensation expose the practice of underpayment of compensation to many TPI Veterans. DVA contracted KPMG to carry out the study and produce findings. DVA prevented KPMG from providing recommendations in the terms of reference. Of the review. However, the KPMG findings were damning of the practice of ascribing means tested Welfare to the 'Invalidity Service Pension' saying it was part of the TPI Veterans compensation for loss of earnings. KPMG advise that in the Insurance Loss Industry there is no understanding for reducing the insured persons compensation against their savings or investments or the savings, investments, earnings or superannuation of the insured persons spouse or partner.

Page 25. Special Rate veterans who have severely reduced mobility as a result of their Veterans' Entitlements Act 1986 (VEA) accepted condition(s) can receive help under the Vehicle Assistance Scheme (VAS).

- This is the same scheme as our civilian disabled can access and under the same degree of severity of disability. The alternative would be in many cases for these severely immobilised veterans to be confined to home.

Page 24. Special Rate veterans may also be eligible for financial support for their home loan, in the form of a subsidy. Currently there are two schemes, the Defence Service Home (DSH) loans which provides eligible veterans a subsidy that offers a reduced interest rate on \$25,000 of a home loan for 25 years through an interest rate reduction.

- 1.5% reduction on a \$25,000 loan to purchase a home, minimum service three years which makes National Service conscripts ineligible. The loan has been \$25,000 since 1980s when the medium cost of a house was \$70,000.

Page 24. Secondly, the Defence Home Ownership Assistance Scheme (DHOAS) assists current and former Australian Defence Force (ADF) members and their families to achieve home ownership.

- Must be accessed within five years of leaving service and have over four years of engagement.

Page 24. Special Rate veterans may also access a range of insurance products including, for example, home building, contents, landlord and car insurance. Under the Defence Service Homes Insurance Scheme.

- Defence Service Insurance is a reseller for QBE Insurance Products.

All Special Rate veterans (except those living outside Australia) are also eligible for an Energy Supplement and receive the highest rate of Energy Supplement per fortnight.

- As are low income, disabled and aged members of the public.

Pages 24 and 25. Appendix B Benefits

- Remote, Energy, Attendance allowances and supplements are the same for low income, disabled or aged of the community.

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There are also concerns of what the Departments submission fails to acknowledge: eg.

- in the number of TPI Veterans who do not receive or receive a reduced Invalidity Service Pension (ISP).

- the impression that only the TPI Federation made submission to the Tune and KPMG reviews into TPI Veterans Compensation when this 'Network' also made submission to both these reviews.
- the findings by KPMG of under payment of compensation regarding the means testing of the ISP prompted by the 'Networks' submission.
- the impact wives' earnings and superannuation has on of TPI Veterans ISP component of Compensation for loss of his earnings.