



The Australian Federation of Totally and Permanently Incapacitated Ex-Servicemen & Women
Ltd (Incorporated in the ACT) ACN 008 591 704 ABN 61 008 591 704

Patron-In-Chief: His Excellency General the Honourable David Hurley AC DSC (Retd)

TPI FEDERATION AUSTRALIA

"Disabled in our Service United in our Cause"

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17 March 2024

Standing Committee On Community Affairs - Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Chair & Committee Members

INQUIRY INTO THE SOCIAL SERVICES AND OTHER LEGISLATION AMENDMENT (MILITARY INVALIDITY PAYMENTS MEANS TESTING) BILL 2024

References:

A. [Statement of Facts Issues and Contentions Submission - Peter Thornton 2021-9795 - dated 4 Mar 2024.pdf](#)

The TPI Federation welcomes the opportunity to provide input into this important inquiry.

By way of introduction, the Totally and Permanently Incapacitated Ex-Service Men & Women Federation (Federation) is a longstanding Ex-Service Organisation (ESO) that has a formal mandate to exclusively represent the interests of all TPI Veterans and their families. There are currently, as at 31 December 2023, 26,170 TPIs recipients under the Veterans' Entitlement Act (1986) and in 2019 there were 60 SRDP recipients¹ covered under the Military Compensation & Rehabilitation Act (2004).

In regards to this inquiry and the broader issues surrounding the Douglas case, the Federation openly admits that it doesn't fully comprehend and understand the immense complexity underpinning the matter now under review by the Community Affairs Committee, or the broader interrelationships and workings of Social Security provisions to that of other public sector Superannuation and Compensation provisions, as provided under separated legislative arrangements.

However, against a backdrop of growing discontent within our broader constituency, it has become increasingly obvious to the Federation, and dare we say to the broader ESO community as well, that since the Douglas Case it appears that we have either singularly or collectively been grossly misled by Government Ministers and their staff about what the "original policy intent" was surrounding public sector invalidity benefits.

The detailed and ongoing exacting research conducted by TPI Veterans Mr. Peter Thornton and Mr Bradley Campbell, as shown in Reference A, clearly demonstrates what the broad policy intent was, dating not least from 1992 onwards, where no one in receipt of a compensatory invalidity superannuation payment was to financially disadvantaged due to their permanent incapacity to work.

As Annex H to Ref A., and other compelling correspondence reveals, the true policy intent was articulated in a series of policy documents² and subsequent legislative measures, many of which interacted in a quite complex interleaving manner.

¹ Independent Review into the TPI Payment 2019 – David Tune AO PSM – page 9

² Examples are the 1990 Cole Review and Treasurer Dawkins 1992 policy document - 'Security In Retirement – Planning For Tomorrow Today'



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Whilst the Federation and other ESOs attempt to grapple with this complexity, one thing is becoming quite obvious, and that is, that regardless of the Douglas Court case outcome, a significant number of the Federation's constituents have suffered a significant financial deprivation, not only in having to pay a higher rate of withholding tax than they were legally obligated to pay, but in large part, many have been denied their rightful entitlements to provisions under the Social Security system, as a consequence.

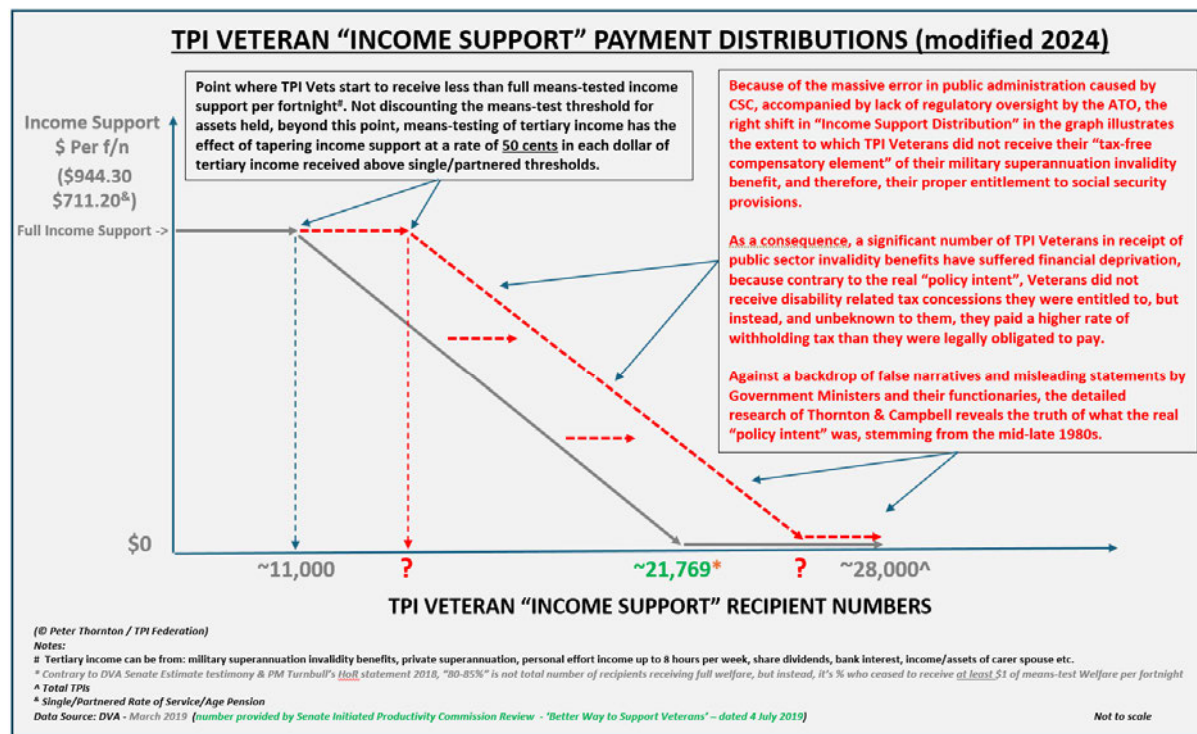


Figure 1 – TPI Veteran Income Support Payment Distribution

On the back of other longstanding Federation research into the number distribution of those in receipt of "income support" and/or "welfare" payments, Figure 1 illustrates convincingly the effect upon all members who have been denied either full or partial income support supplementation, because of the long-term respective failures of the Commonwealth Superannuation Corporation (CSC) and the Commissioner of Taxation (ATO).

Importantly, a straw poll conducted by the ACT TPI Association back in 2016 revealed that approximately 40% of those present were in receipt of a public sector invalidity benefits from schemes other than that of military related superannuation schemes (i.e. 1922, CSS, PSS, PSSap etc)³.

As a consequence of not receiving their lawfully binding tax concessions for invalidity, then constituent members and, dare we say the broader Veteran and public sector community, has also been denied the "ductible amount" being equally applied against income for Social Security means-testing assessments, the subject of which, is currently under review by this Committee.

In conclusion, the Federation is incensed that it has been deceived by unsubstantiated statements that it was always the "original policy intent" that the invalidity benefits of constituent members were to be "normal superannuation pensions", when detailed and exacting research and evidence shows completely the opposite.

Given the gravity of this matter, the TPI Federation would welcome the opportunity to discuss this very serious matter greater detail with the Committee at a Public Hearing.

Yours sincerely

Ms Pat McCabe OAM
President

³ 1922 Superannuation Scheme (1922), Commonwealth Superannuation Scheme 1976 (CSS), Public Sector Superannuation Scheme 1990 (PSS), Public Sector Superannuation Accumulation Plan Scheme 2005 (PSSap)