



Media Release

The Hon Alan Griffin MP
Minister for Veterans' Affairs

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GOVERNMENT MOVES TO REVIEW MILITARY COMPENSATION

The Rudd Government is acting on another of its election commitments by commencing its promised review of military compensation arrangements.

The Minister for Veterans' Affairs, Alan Griffin, emphasised the importance of the review in ensuring the Government is providing appropriate support and compensation to Australia's veterans and ex-service personnel.

"This review is a significant step by the Government towards addressing long standing issues with military compensation, including disparities and perceived inequities between systems and difficulties encountered by those transitioning out of the services or making claims," Mr Griffin said.

"The Government has already moved to address some of these issues, but this review is critical in identifying solutions for wider problems relating to military compensation and support."

The review will examine the operation of the current military compensation schemes, with specific reference to the *Military Rehabilitation and Compensation Act 2004*.

"The review is especially timely as the *Military Rehabilitation and Compensation Act 2004* – intended to incorporate the best elements of the two earlier systems – has not been examined since its creation in 2004.

"This work is in response to numerous concerns expressed by the veteran and ex-service community about the operation of, and support provided by, the current military compensation system."

The Minister today released the Terms of Reference for the review and called for interested members of the public and organisations to make submissions.

The review will be undertaken by a Steering Committee of senior Commonwealth Government officials and members of the community with appropriate expertise, and chaired by the Chair of the Military Rehabilitation and Compensation Commission. The Committee will report directly to the Minister.

"The review will make recommendations around any legislative and administrative changes that may be needed, as well as compensation available for members of the Australian Federal Police who have deployed overseas," Mr Griffin said.

"We want to make sure that the arrangements we have for rehabilitation, compensation and support are appropriate for the nature of modern service."

Submissions close 30 June 2009.

Details of the terms of reference and review are available online at www.dva.gov.au/pensions/milcompreview/.

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TERMS OF REFERENCE FOR THE REVIEW OF MILITARY COMPENSATION ARRANGEMENTS

Background

In response to requests from the Defence and Ex-Service community, the Government will examine the military compensation system.

Review of Military Compensation Arrangements

A Steering Committee will be established to conduct a Review of Military Compensation Arrangements (the Review) in partnership with the Military Rehabilitation and Compensation Commission (the MRCC). The Steering Committee will be comprised of senior representatives of the Australian Government and other members of the community with appropriate expertise or experience. It will be chaired by the Chair of the MRCC. The Steering Committee will manage the Review, supported by a joint Department of Veterans' Affairs (DVA) and Department of Defence review secretariat.

The Steering Committee will seek input from Chief of the Defence Force, Service Chiefs, members and former members of the Australian Defence Force (ADF) and the Department of Defence, Ex-Service Organisations (ESOs), key agencies such as the Department of Education, Employment and Workplace Relations and other stakeholders.

In examining issues and developing recommendations, the Steering Committee will seek submissions from and meet with members and former members of the ADF, ESOs and other interested parties at the appropriate time.

In its deliberations the Steering Committee will need to bear in mind the commitment of the Government to responsible economic management.

The Review will commence 1 July 2009. However, it will be open for submissions effective immediately. The closing date for submissions will be 30 June 2009. Recommendations to the Minister for Veterans' Affairs will be finalised by 31 March 2010 with consideration of any Budget implications to occur after that in the Budget context. This timetable is subject to the need for a flexible approach which allows priority issues to be addressed in a timely way as required.

Terms of Reference

The Review will:

Examine the operation to date of the Military Rehabilitation and Compensation Act 2004

- Consider legislative and policy issues identified by stakeholders relating to the *Military Rehabilitation and Compensation Act 2004* (MRCA), including the quantum of benefits payable for death and serious injury.
- Document and examine past military compensation operational performance ideally from 1 July 2004 until 30 June 2009 and report on factors impacting on performance.

- Recommend possible legislative and policy changes relating to the MRCA and improvements to claims administration and service delivery.

Examine the legislative schemes that govern military compensation prior to the MRCA and identify any anomalies that exist

- Consider unintended differences identified between the MRCA and the *Safety, Rehabilitation and Compensation Act 1988* (SRCA), Defence Determination 2000/1, the *Military Compensation Act 1994* (MCA), and the *Veterans' Entitlements Act 1986* (VEA).
- Consider legislative and policy issues identified by stakeholders relating to transitional arrangements between the VEA/SRCA and the MRCA.
- Recommend possible changes to address unintended differences identified by stakeholders between the MRCA and the SRCA, Defence Determination 2000/1, the MCA, and the VEA and issues relating to transitional arrangements between the VEA/SRCA and the MRCA.

Examine the level of medical and financial care provided to Defence personnel injured during peacetime service

- Consider what level of financial and medical care is available to people with warlike and non-warlike service which is not available to people with peacetime service only.

Consider the implications of an ADF compassionate payment scheme for non-dependents

- Consider the implications of a compassionate payment scheme for the family members of a deceased ADF member, where those family members were not economically dependent on the member prior to his or her death.

Consider the suitability of access to military compensation schemes for members of the Australian Federal Police who have been deployed overseas

- Consider whether the current arrangement to develop an 'enhanced' scheme under the SRCA remains appropriate.
- Consider whether it is appropriate for members of the Australian Federal Police who have been deployed on high-risk overseas operations to have access to the MRCA.
- Consider whether it is appropriate to develop a standalone compensation scheme for members of the Australian Federal Police who have been deployed on high-risk overseas operations.

Out of Scope

Issues falling outside the above Terms of Reference are out of scope of the Review. This includes the following issues:

- determinations relating to non-warlike service or warlike service made by the Minister for Defence;
- functions and powers of the Repatriation Medical Authority, the Specialist Medical Review Council and the Veterans' Review Board;
- commemorative issues including the presentation of medallions;
- issues relating to the *Defence Service Homes Act 1918*; and

- services provided by the Department of Defence to serving and discharging ADF members, including the presentation of service medals.

The Government has committed to a number of other inquiries and investigations which may impact on the military compensation system. Though the outcome of these may educate and inform the Steering Committee as they conduct the Review, the subject of those inquiries and investigations will not be the principal focus of this Review. This includes, for example, the Government's commitment to revisit the recommendations of the Clarke Review, the Parliamentary Inquiry into former F-111 Deseal/Reseal workers, and Government's Pension Review and Review of Australia's Future Tax System.

By their very nature the different Acts which govern military compensation contain a number of differences. However, it should be noted that not all differences are unintended. If a submission raises an issue which might be concerning an unintended difference it will be investigated. If the issue is determined to be an intended difference between the different Acts this will be explained and noted.

Whole-of-Government Working Group

The Review will work in conjunction with the Whole-of-Government (WOG) Working Group which is focussed on key areas of administrative and legislative policy and administrative processes as they affect discharging ADF members and their families. It is expected that some issues will cross over between the Review and the WOG Working Group. Where this is the case, referrals between the two reviews will be necessary.