

**SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE
LEGISLATION COMMITTEE**

SUBMISSION

**Inquiry into aspects of the Veterans' Entitlement Act and
the Military Compensation Scheme (MCRS)**

Submission no	5
Organisation making submission	N/A
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No of pages (including cover)	4
Attachments	1

From: Dave Howe [mailto:howed@iinet.net.au]
Sent: Thursday, 15 May 2003 9:52 PM
To: FADT, Committee (SEN)
Subject: Dave Howe Senate Enquiry 15 05 03

Dave Howe
39 Ardrossan Loop
Kingsley 6026
08 93092958

15 May 2003

**Senate Foreign Affairs, Defence
and Trade Legislation Committee**

**Inquiry into aspects of the *Veterans' Entitlement Act 1986* and the
Military Compensation Scheme (MCRS)**

Dear Sir

Thank you for conducting this enquiry into offsetting calculations applied to veterans and ex-service personnel who opt to receive a pension in lieu of a previously paid lump sum.

It is long over due, for many years I have heard from people in the same predicament as myself. They cannot believe the government could inflict such a cruel financial punishment on its disabled former employees. While all agree they should not be paid twice for the same injury and their pension should be reduced until the lump sum compensation is re-paid. Everyone is shocked when told they will never repay the lump sum or return to a normal rate of disability pension. They will in some cases repay as much as double the original lump sum they received. When we enquired about why this happens, we are told the government works, on the plan that if it had invested the money and interest from the compensation you received, it never has to return you to the normal rate of disability pension. Everyone I have spoken to was not told this, when encourage accept the lump sum payment.

I was injured on my way to work, when involved in a motor vehicle accident (MVA). Although I had other injuries from my military service, the injuries sustained in the MVA aggravated the old injuries and were quiet simply the straw that broke the camels back. I sustained a broken right leg, torn anterior cruciate ligament, neck and back injuries. I was required to submit a claim to the motor vehicle insurance trust (MVIT) and advised to get a solicitor.

This I did, the catch now is I have no choice. I have to take the compensation payment, or find the money to pay for my legal advice out of my pension. My legal fees ended up being \$20,000, which came out of my compensation payment. My solicitor at my request, asked about the effect of me receiving a lump sum payment? We were told my pension would be reduced until the lump sum had been re-paid, I

was not told the reduction in my pension was for life. When I thought I had re-paid the compensation payment, I contacted DVA and was told how the government worked its repayment scheme. I could re-apply to MVIT for additional loss of earnings compensation, but this would reduce my disability pension again, eventually I would end up with no pension at all.

My case is even more complicated by the fact that MVIT disallowed some of my injury claims saying they were caused by my military service and DVA did the same, claiming they were caused in the MVA. The end result was I receive a lesser compensation payment, then because I was entitled to a DVA pension it was further reduced. Then this DVA pension, is reduced because I had taken a lump sum and this has to be re-paid by a reduction in my pension. **CATCH 22**

The government treats the men and women who serve in the ADF, who because of injuries have accepted a compensation payment, harsher than someone who had been injured while on the dole and accept a compensation payment. They can claim the dole again once the compensation payment equals what they would have received in compensation.

Thank you again for your enquiry into this issue

Dave Howe

See attachment below.

GPO Box F352, Perth. WA. 6001



Commonwealth Department of
Veterans' Affairs

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23 December 1997

YOUR FILE NUMBER IS WSM01832

Dear Mr HOWE

All disability pension limitations are currently being reviewed. Your limitation has now been increased to the current 55% rate of \$132.88 per fortnight. The overpayment has been waived.

This change to your payments is effective from 15 January 1998

PAYMENTS TO DAVID R HOWE

TOTAL FORTNIGHTLY PAYMENT	\$509.32
This is made up of :	
- Disability pension	636.80
- Pharmaceutical allowance	5.40
Less compensation	132.88

If you have any questions about any of the above matters please contact this office at the address or telephone number shown at the top of this letter. If you telephone, we may ask you to confirm information in writing or to send us certain documents which are related to the matter.

Yours sincerely,

Jim Dalton

Deputy Commissioner as Delegate of the Repatriation Commission