

**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	11
Organisation making submission	N/A
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(verbatim text of handwritten letter received 23 May 2003)

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Offsetting under the VEA and MCRS

I am an Advocate training by DVA and sponsored by several ex-service organisations. I have been assisting veterans with their claims for a number of years. I have found the current dual eligibility and the offsetting for lump sums very unsatisfactory.

Recently I assisted a wounded veteran on his return to Australia from Afghanistan at the request of his unit. He was in considerable pain having lost a substantial part of his lower leg. After a period of time he was discharged from hospital to the care of his young partner. She had to then nurse him at home. He was wounded on the 17 January 2002.

His International Campaign Allowance was stopped and he had to apply under MCRS to recover it. The Section of the SCRA 1998 quoted was Section 19(2) for the period 30.01.02 to 25.04.02. His total entitlement for the period was \$17,360.00 from which \$1,830.08 was recovered as an overpayment of his disability pension under the VEA. The letter was dated 19 April 2002. I have not included his personal details for privacy reasons.

I have made several approaches to have the deducted amount refunded to him but it has been deemed a lump sum payment. I see this amount as merely his allowance and not really a lump sum payment in the generally accepted idea of a lump sum. An amount paid for loss of limbs etc.

The quick removal of his allowance and then the delay in having it repaid, a process of approximately three months, created a great deal of anxiety for the veteran who was making a very slow and painful recovery, and his new partner who was now classed as his nurse as well. It is a situation that creates undue tension and ill-will towards the Department of Defence.

I have concluded that this is far too unwieldy a system and needs improvement. I would therefore recommend that all veterans retain their International Campaign Allowance until the unit returns to Australia, with the possible exception of those guilty of disciplinary breaches. This would streamline the administration of the Allowance and remove the animosity that is generated at the moment.

The lump sum as it would commonly be accepted, in this case, has not yet been taken. The delay in repaying the allowance makes it an amount resembling a lump sum. He will no doubt have to pay an offsetting amount should he decide to take a lump sum in the future.

As a general comment, the system is far too complicated and this section highlights this weakness. Many servicemen and ex-servicemen see this as the Government trying to dodge its responsibilities.

I hope this submission could help to simplify the system hopefully retrospectively for this soldier's sake.

Yours faithfully

(Signed)

J F O'Keefe