

Chapter 2

Prisoner of war supplement

2.1 In its Budget statement, the government announced that it would provide \$27.8 million over five years to recognise the severe hardship and suffering experienced by former prisoners of war (POWs) of Japan and Europe from the Second World War, and former POWs from the Korean War.

2.2 Due to commence on 20 September 2011, this measure, if passed, will introduce a Prisoner of War Recognition Supplement of \$500 per fortnight for eligible former POWs. This new, non-taxable payment will complement an existing range of special benefits available to former POWs and be made to former military personnel and civilians alike who were interned as prisoners. All known ex-prisoners will receive the payment automatically the first being paid from 6 October 2011.¹ It is not to be counted as assessable income for the purposes of means testing of other government payments administered by the Department of Veterans' Affairs and Centrelink.² The payment will also be indexed annually in line with the consumer price index.³

2.3 According to the Budget statement, the capital cost of \$0.5 million for this measure will be met from within the existing resources of the Department of Veterans' Affairs.

Background

2.4 This is not the first time that the government has provided assistance to Australia's ex-prisoners of war in recent times. Since World War II, the community and successive Australian governments have recognised that veterans who were POWs deserve special benefits to assist the repatriated POW and his/her carer in the provision of care.

2.5 In 2001, all former Japanese POWs received a \$25,000 tax-free ex gratia payment from the Australian Government. The government made this payment in recognition of the unique suffering and hardships that POWs endured as a group

1 See second reading speeches: Mr Michael McCormack, *House of Representatives Hansard*, 20 June 2011, p. 6474; the Hon Warren Snowdon, Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health, *House of Representatives Hansard*, 20 June 2011, p. 6478.

2 Mrs Natasha Griggs, *House of Representatives Hansard*, 20 June 2011, p. 6469.

3 Mr Rob Mitchell, *House of Representatives Hansard*, 16 June 2011, p. 6345.

under the Japanese over and above those experienced by other POWs. The payment was not intended as an additional benefit to all POWs.⁴

2.6 During its inquiry, the Review of Veterans' Entitlements (the Clarke review) received submissions from former prisoners of war held captive in Europe (POWs(E)) and in Korea (POWs(K)) and their war widows/war widowers. The submissions argued that these POWs should also receive compensation payments on the basis that they experienced similar levels of deprivation and hardship.⁵ In their view, the failure to recognise the suffering of POWs(E) and POWs(K) was inequitable and they did not receive the same level of public attention and sympathy.⁶

2.7 In January 2003, after a comprehensive examination of veterans' entitlements, the report of the Clarke review found significant evidence that POWs(K) as a group did experience treatment and circumstances similar to POWs(J). It formed the view that an extension of the \$25,000 one-off payment would be consistent with the government's original intention to make a one-off payment to POWs(J). As a consequence, it recommended that an ex-gratia payment be extended to all surviving Australian POWs held captive by the North Korean Forces during the Korean War and to the surviving widows of those who have died.

2.8 Soon after, former Korean POWs received a similar payment to that granted to former Japanese POWs.

2.9 With regard to POWs held captive in Europe, the Clarke review found that their experiences could not equate with those of POWs(J) and considered that a one-off payment of \$25,000 would not fulfil the government's intention behind the payment to POWs(J). Consistent with this view, the review recommended that:

...an ex-gratia payment should not be made to all surviving Australian POWs(E), civilian detainees and internees who were held by the German-Italian forces during World War II, or to their surviving widow/ers.⁷

2.10 Nonetheless, in 2007 the ex-gratia payment was extended to former POWs interned in Europe during World War II.⁸

4 Review of Veterans' Entitlements (J Clarke, chair), *Report of the Review of Veterans' Entitlements*, Department of Veterans' Affairs, January 2003, vol. 1, p. 14.

5 Review of Veterans' Entitlements (J Clarke, chair), *Report of the Review of Veterans' Entitlements*, Department of Veterans' Affairs, January 2003, vol. 1, p. 13.

6 Review of Veterans' Entitlements (J Clarke, chair), *Report of the Review of Veterans' Entitlements*, Department of Veterans' Affairs, January 2003, vol. 2, p. 417.

7 Review of Veterans' Entitlements (J Clarke, chair), *Report of the Review of Veterans' Entitlements*, Department of Veterans' Affairs, January 2003, vol. 1, p. 14.

2.11 POWs and their families are also entitled to other benefits including residential aged care packages, which provide care similar to low-care residential facilities in the veteran's home, fees for extended aged care at home, which provide care similar to high-care residential facilities in the veteran's home, automatic gold card and funeral benefits, and granting of war widow/war widowers pension to the partner on the death of the former POW.⁹

Eligibility for, and payment of, POW supplement

2.12 All former POWs who are still alive on 20 September will be entitled to receive the payment. According to DVA the payment is 'not dependent on the person having suffered a war-caused injury or disease and is not considered compensation. The department estimates that up to 900 former civilian and veteran POWs who are either residing in Australia or overseas and are alive on 20 September 2011 will receive the initial payment.¹⁰ To be eligible for the supplement, a civilian must have been domiciled in Australia immediately before their internment. This provision is consistent with those governing the ex-gratia payments. The department noted that domiciled in Australia has not the same meaning as 'resident in Australia' and generally a person's domicile 'is the place that they considered to be "home"'.

2.13 The majority of those who are eligible are already known to the department as a result of the \$25,000 ex-gratia payment and will be paid the supplement automatically. The department recognises, however, that it may not be aware of all former POWs entitled to the supplement. Those unknown to the department can apply and be assessed on the eligibility criteria. The department informed the committee that a number of new claims have been received following the budget announcement of the supplement. It explained that those POWs previously unknown to the department and who are eligible will also receive the lump sum of \$25,000 in addition to the supplement.

2.14 Although war widow or widowers of former POWs were entitled to the lump sum payment of \$25,000, they will not be eligible for the POW Supplement. Also, those imprisoned or detained during a conflict, period of hostilities or peacekeeping missions other than World War II or the Korean War are not eligible for the supplement. The payment of the supplement is intended to recognise the severe hardships and deprivations endured by the POWs in World War II and the Korean War.

8 The Hon Pat Farmer, Parliamentary Secretary to the Minister for Education, Science and Training, *House of Representatives Hansard*, 9 May 2007, p. 1. See also Second reading speeches: Mr Stuart Robert, *House of Representatives Hansard*, 16 June 2011, p. 6341; Mrs Natasha Griggs, *House of Representatives Hansard*, 20 June 2011, p. 6469; Mr Michael McCormack, *House of Representatives Hansard*, 20 June 2011, p. 6474.

9 Mr Rob Mitchell, *House of Representatives Hansard*, 16 June 2011, p. 6346.

10 The Hon Justine Elliott, Parliamentary Secretary for Trade, *House of Representatives Hansard*, 20 June 2011, p. 6466.

2.15 As noted earlier, the supplement of \$500 per fortnight would be made in addition to the payments and benefits currently received by former POWs from the Commonwealth. The payment will not be an income support payment and not subject to the income test. The payment will not be subject to the offsetting provisions of the VEA.

Support for the measure

2.16 This measure had strong bipartisan support in the House of Representatives with members from both sides commending the supplement.¹¹ Submissions to the inquiry raised no concerns with this Schedule.

2.17 The committee joins with the ex-service community in welcoming this measure.

11 See second reading speeches: Mr Stuart Robert, *House of Representatives Hansard*, 16 June 2011, p. 6341; the Hon Bruce Scott, *House of Representatives Hansard*, 16 June 2011, p. 6355.