HOUSE OF REPRESENTATIVES

VETERANS' ENTITLEMENTS AMENDMENT (DIRECT DEDUCTIONS AND OTHER MEASURES) BILL 2004

Second Reading

SPEECH

Monday, 21 June 2004

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
The Australian Labor Party supports the Veterans' Entitlements Amendment (Direct Deductions and Other Measures) bill 2004. Indeed, we cannot understand why it sat on the Notice Paper for a couple of months. Some time ago we indicated to the minister's office that we supported it and we expected it to have been dealt with before this. The bill is an omnibus bill extending a range of minor benefits. It also makes a number of technical changes. Part 1 of the bill makes provision for direct deductions. This extends the facility of direct deductions from the current limited range of pensions to include disability pensions and war widows pensions. This will mainly benefit those paying rent to state housing authorities and the ATO. This facility has taken far too long to implement, simply because it should have been provided at the same time as pensions were paid directly into bank accounts. As we know, pensions have not been paid by cheque for a long time. This amendment is very convenient to the Commonwealth and it has cut overheads enormously.

It also needs to be realised that computer technology take-up has not been extensive among the older generation. BPay for example, which we all now take for granted, is not an option for many veterans and war widows. Increasingly, too, mobility is a major issue. Many veterans are now in their 80s, and getting to the bank, keeping a cheque account and paying bills is becoming difficult. At least now some will be able to make key payments automatically. Families will not need to worry either. We simply mention, however, that the department needs to make sure that veterans are fully aware of the deductions being made. Similarly we need to be sure that deductions cease properly when required and that full acquittal is made. These are very complex matters for older people, and for most the nature of the pension is such that at the end of a fortnight there is little left over.

Part 2 of the bill provides for an increase in and indexation of the VC allowance. It also amends some redundant provisions with respect to gratuities and makes some minor technical changes. This amendment increases the rate of payment of the Victoria Cross allowance from $2,808 to $3,230 per annum and indexes it by CPI. Again, this is a long overdue change. There are only two Victoria Cross recipients alive at present: Mr Ted Kenna and Mr Keith Payne. We can be sure that they also believe that this added recognition is long overdue. A number of decorations are added to the list set out in section 102 as being eligible for the payment of the decoration allowance. These include the Star of Gallantry and the Medal for Gallantry.

Part 3 of the bill provides for the automatic grant of income support supplement. This amendment extends automatic provision of the income support supplement payable by DVA to all war widows, rather than the current limited range, thus removing an unnecessary anomaly. This amendment will remove a provision whereby widows whose age pensions were paid by DVA on behalf of Centrelink will no longer have to make separate application for ISS. Instead, ISS will be paid automatically, as is currently the case for widows who are paid direct by DVA. This is an important provision in that it streamlines the provisions. It also helps rationalise the methods of payment and processes for war widows as they switch from Centrelink to DVA. This underpins the importance of having all widows cared for by one agency.

Part 4 of the bill provides for the calculation of disability pension arrears. This amendment corrects an inconsistency in the calculation of arrears of disability pension where a partner's Centrelink payments need adjusting. Currently the actual date of payment and the decision date on a claim do not coincide—and they should, for accurate assessment. Once again, this is a sensible amendment to remove a problem which is typical of legislation which is complex and which often does not mesh properly with the Social Security Act.

Part 5 of the bill deals with another inconsistency, this time with respect to Norfolk Island. Currently veterans pensions are payable to qualified people who live on Norfolk Island. However, social security benefits are not payable unless there is 10 years residency of Australia. The criteria for the payment of a veteran's partner pension and a widows pension is satisfaction of the Social Security Act, but this excludes those who live on Norfolk Island. This amendment simply removes that anomaly by providing eligibility for veterans' partners and widows who are currently excluded.
Part 6 of the bill provides for changes to the calculation of rent assistance. The payment of rent assistance to veterans is subject to a means test in which disability pension is included as income, but the act is not clear how this calculation applies to those on the partnered rate of pension where only one partner receives disability pension. This amendment remedies a drafting shortcoming and will provide a common means of assessment. Part 7 of the bill provides for changes to the calculation of arrears. Because the veterans disability pension is always paid in arrears from the date of claim, the recovery of overpaid rent assistance is necessary. The act, however, does not allow that recovery to be made from partners where the disability pension is treated as income for the married rate of pension. This amendment corrects that shortcoming.

Part 8 of the bill seeks to close a loophole which has been identified with respect to the treatment of assets in the deeming provisions. As the result of an AAT decision the loophole has been created whereby encumbrances from capital assets can be deducted before the calculation of deemed income. This approach is intended to apply only to the assessment of assets. Its extension by the AAT to deeming provisions needs to be countered. The same amendment is also to be made to the Social Security Act. Part 9 of the bill clarifies the definition of income for returns accrued but not paid from financial investments. Currently it is possible that accrued payments may also be treated as actual deemed income, thus double-counting the return. This amendment removes that possibility.

Part 10 deals with the exemption of superannuation assets from the means test. At present there is an inconsistency between the Social Security Act and the Veterans’ Entitlements Act. This concerns the ministerial discretion to exempt superannuation assets from the assets test for the service pension in some circumstances, where the person would be otherwise disadvantaged. This amendment will bring the VEA into line with the SSA. Part 11 also refers to means test exemption but with respect to other superannuation accounts and rental income. Again the Veterans’ Entitlements Act needs to be brought into line with the Social Security Act with respect to the treatment of small superannuation accounts and private rental income in the means test for the service pension. This is the result of an oversight in 1995, whereby only the SSA was amended.

Part 12 provides for changes to war widows’ pensions to remove an important anomaly. Currently there is an anomaly between the way a war widow’s pension and income support supplement are calculated in combination, and the way a war widow’s pension and service pension are calculated where there is a third party compensation payment. That is, there is a difference where the widow is also a service pensioner in her own right rather than the partner of a deceased veteran. In the former, the ceiling rate of income support supplement is adjusted upwards to compensate for the offsetting of the third party payment. In the latter, the frozen rate of service pension is not so adjusted. This is an anomaly caused by a legislative omission in the past. This amendment removes the anomaly.

Part 13 relates to offences. This is a minor technical change to provide that an offence can also be committed where a part pension is payable rather than just a whole pension, as is currently the case. Part 14 repeals a provision which was made incorrectly in 2002 for the treatment of deprived assets in the means test for the service pension. If left in the VEA it could result in deprived assets being counted twice where they were disposed of prior to 2002.

Part 15 deals with compensation recovery. This is a minor technical change to bring the Veterans’ Entitlements Act into line with the Social Security Act with respect to the definition of periodic compensation payments. This is the result of an AAT decision which, if allowed to stand, would have an implication in a small number of cases. The Social Security Act has already been amended. Part 16 provides for a range of minor technical amendments. These are all minor drafting changes to clarify definitions, remove redundant wording, correct references and standardise some expression. They are of no consequence in their effect.

These amendments are all justified and raise no major policy issues. It is noted, however, that those amendments which affect the treatment of the disability pension in the means test under the Social Security Act would not be necessary if that pension were ignored as income under that act. Instead of taking that path, the government has decided to pay an allowance in lieu of the value of the current pension reduction. This is extraordinarily messy and complex and could have been avoided by a simpler amendment to the SSA. The reason, as we know, is that there has been a standoff in the government which has not been resolved.

In short, the Minister for Family and Community Services has refused to exempt the veterans disability pension from the means test in the Social Security Act. Instead, the Department of Veterans’ Affairs will pay an allowance to all those with the disability pension, equivalent in value to the deduction currently made. This will also have to be paid to partners where joint income is assessed, even though they may not be clients of DVA. This is an absurd arrangement and really demonstrates a dysfunctional government. At least veterans will not be disadvantaged, although, no doubt, many will be dreadfully confused.
I just want to touch on one other issue as this is, as I described, an omnibus bill which touches on a whole range of veterans’ issues. I want to deal with an issue which the minister raised. Following the fact that no-one from the opposition chose to question the minister during appropriations, she got in a bit of a pique about things and put out a press release claiming that the opposition had snubbed the veteran community. I want the Minister for Veterans’ Affairs to clearly know that it was not the veteran community that was being snubbed but the minister. Quite frankly, we are sick of asking questions and getting no answers, and we are sick of seeing the veteran community being constantly ignored by this minister when they write letters to her, not of a political nature but simply seeking information, advice or the current status of certain things that they might be involved in, only to have those matters ignored for months and months.

I want to draw to the attention of the House a particular case which explains exactly what I am talking about and why there is so much frustration with this minister. I have a copy of an email sent by Mr Andrew Wilby, who is the Treasurer of the Injured Service Persons Association in Queensland. He wrote the email to Mr Latham and it has been passed on to me. It says:

Dear Mr Latham

I writing to tell you about the ongoing battle for military compensation that myself and everyone else who require carers to look after us face. I was left a quadriplegic 15 years ago in the military and I am still fighting for compensation. One of my main concerns is that anyone who require carers to look after them faces the added financial burden because everywhere we go or everything we do costs us double, we have to pay for our carers as well as ourselves.

I had a meeting with Danna Vale at the Caboolture RSL Club on the 23rd of February 2004, we discussed several things, one of which was how severely injured personnel who require carers to look after them face extra financial burden because they not only have to pay their way but they have to pay for their carers as well.

For instance if I fly anywhere I require a carer to fly with me, therefore I am up for the price of their flight as well. She said she was going to personally look into the situation and get back to me. As yet I have had no response to that meeting or the four letters that I have sent every month since.

It is signed—

Still waiting

Andrew Wilby
Treasurer
Injured Service Persons Association Queensland Inc.

I am not going to keep the House on this issue. We have already explained that we support this bill. But, as it is an omnibus bill, I wanted to bring up this situation because it is a fair example of why the veteran community, as I have said, is so frustrated with this minister. Indeed, I believe that many people on both sides of the House are frustrated with this minister. I say that because I know that the office of Mal Brough, the Minister Assisting the Minister for Defence, has also intervened in this matter on behalf of Andrew Wilby and has sought those responses that were personally promised by the Minister for Veterans’ Affairs but which are yet to see the light of day. Mr Wilby is just another ex-serviceman frustrated by incredible delays and, indeed, an ignorant silence.

I think, when a minister gives a personal commitment to look into something on behalf of an injured soldier, that is a pretty strong commitment to give. On behalf of Mr Wilby, I want to ask the minister to get him a reply. I ask her at least to let him know that the issues she thought were so important to give him a commitment about, face to face, are still issues which—in the confines of her office, with all of her staff and with all of those resources at her fingertips—she thinks are important enough to at least live up to the personal commitment that she gave. I think there is always going to be room for politics in our game, but you do not play politics with the needs, concerns and vulnerabilities of injured service personnel. The minister should get back to this man within a very short period of time. As I said, the ALP supports this legislation.