

Submission to the Productivity Commission re Compensation and Rehabilitation for Veterans

Thank you for the opportunity to provide comment.

I was medically discharged from the Australian Army in February 2018, after almost 25 years service (7 as a Reservist, 18 as ARA). I had operational deployments to Iraq and Afghanistan as well as two deployments on Border Protection. I am age 43.

I am only a recent recipient of DVA assistance and have been generally satisfied with the level of support. I see no benefit in removing DVA and placing its functions under a new ministerial and departmental function; the Government would merely be moving public servants from one department to another, potentially at the expense of accumulated organisational memory.

My submission relates to the financial aspect of DVA support. Due to the conditions that led to my medical discharge, I am unable to work and am in receipt of a Class A pension from the Commonwealth Superannuation Corporation (CSC). For the first 45 weeks, DVA provided financial payments bringing my total payments (CSC and DVA) to my fulltime Army wage prior to my medical discharge. After 45 weeks, the DVA payments reduced to only bring my total pay (DVA topping up the shortfall in my CSC pension) to 75% of my previous fulltime wage. My concern is that I am no longer able to work due to my accepted service related conditions, yet am now required to exist on 75% of my previous wage. Additionally, the Australian Taxation Office (ATO) provides no tax relief until I reach my 'retirement' age of 60.

I understand there are limitations on the Commonwealth budget, however my submission suggests:

1. On the provision of suitable medical evidence that the former service member is not able to undertake employment, DVA payments (in addition to any CSC payments) total 100% of the former members fulltime wage.
2. If this is not possible, the ATO regulations are amended to allow medically discharged members who are unable to undertake employment (as shown by suitable medical evidence) be considered as 'retired' and receive the immediate tax benefits that they would otherwise be unable to access until reaching their 'official' retirement age.

The significant decrease in earnings places a significant psychological burden on members who are medically deemed unable to work. These are members who through service to their nation are no longer have the potential to increase their income while concurrently meeting existing financial commitments on a significantly reduced income.

Thank you for allowing me the opportunity to comment.

Kind regards,
Rory Patterson