

Date: 04 July 2011

Dr K Dermody  
Standing Committee on Foreign Affairs, Defence and Trade  
Department of the Senate  
Parliament House  
PO Box 6100  
**CANBERRA ACT 2600**

Dear Dr Dermody,

## **VETERANS' ENTITLEMENTS AMENDMENT BILL 2011**

### **INTRODUCTION**

1. Thank you for your letter of 20 June 2011 seeking submissions for the Committee's inquiry into the subject Bill.
2. As you are aware, Legacy is an independent voluntary organisation dedicated to assisting widows and children of deceased veterans of war and peacekeeping organisations, and members of the Australian Defence Force, whose deaths are accepted by Clubs as being service deaths, as defined under MRCA.
3. Legacy has no comments on Schedule 1 concerning the Prisoner of War Recognition Supplement or Schedule 3 concerning Temporary Incapacity Allowance. However, Legacy is concerned about Schedule 2 dealing with 'offsetting'.

### **PREVIOUS INQUIRIES INTO OFFSETTING**

4. On 16 May 2003, in a submission to the Senate Foreign Affairs and Trade Legislation Committee, Legacy highlighted the adverse impact of 'offsetting' on war widows with a dual entitlement and recommended that:
  - a. the VEA be amended so that any DVA pension which is subject to offsetting arrangements be restored to its original value once the lump sum and reasonable interest has been recovered similar to a normal commercial loan; and
  - b. existing recipients of both a lump sum and a DVA pension for the same occurrence who have been subject to current offsetting arrangements and whose lump sum and interest has already been recovered, have their pension restored to its original value.
5. The outcome of that inquiry is summarised in the attached Media Release. It recommended no change because of the complexity of the matter.

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*Caring for the families of our deceased veterans*

6. The February 2011 Report of the Review of Military Compensation Arrangements, responding to submissions critical of the current 'offsetting' methodology, stated that the Steering Committee 'believes that these alternative models are complex and not cost effective and recommends that existing arrangements be maintained' (Vol 1, paragraph 137).

## **RECOMMENDATION**

7. In the face of the adverse impacts still being felt by veterans and war widows, it is surprising that this legislation seeks to address one relatively small matter in isolation.

8. It is recommended that the Committee agree to the amendments proposed in Schedules 1 and 3 but not agree to amendments proposed in Schedule 2 until offsetting arrangements which have an adverse impact on veterans and war widows are addressed.

9. The Legacy contact person for this submission is Legatee Ian Wills, telephone (02) 6285 1800, email: [executive@canberralegacy.com.au](mailto:executive@canberralegacy.com.au)

Yours sincerely,

**(Ian Wills)**  
**For Chairman**