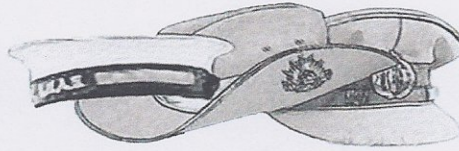


FAIR GO!



FACT SHEET 2

EQUITABLE TREATMENT OF VETERANS' DISABILITY PENSIONS

The Federal Government has said it understands the impact of rising costs of living and the importance of ensuring that entitlements do not erode in value. It says it is committed to making sure that our disabled war veterans have their pensions adjusted to take account of "***not just the cost of living but also the standard of living***".

The Harmer Review of Pensions (2009) confirmed that, at certain times, the rate of change in out of pocket living costs experienced by age pensioner households has moved faster than the rate of change in living costs of households as measured by the CPI.

In 2007 the Parliament recognised this in relation to Veteran Disability Pensioners and provided a welcome "one off" catch up increase and also brought their indexation arrangements into line with the other pensions.

But this "one off" increase did not fully recover the erosion suffered by Veteran Disability Pensioners particularly in the previous 10 years when indexation reform was introduced for Age and Service Pensions.

Changes to the Age Pension announced in the 2009/2010 budget were designed, rightly, to address particular concerns for our most disadvantaged elderly community members. These changes have our full support.

The exclusion of the Veterans' Disability Pensions from the 2009/10 Budget initiative further accentuated the existing disparity for Veterans' Disability Pensioners who suffered a disability as a result of their service to the nation. The relative value of Veterans' Disability Pensions measured against other pensions has diminished.

Proposal: That the Government remove the remaining level of erosion to the value of Veterans' Disability Pensions by adjusting Veterans' Disability Pensions (including general rate, EDA, intermediate rate, temporary special rate and special rate) to reflect increased community living standards since 1997, as it has for Age and Service pensioners.

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