The principal Acts (the REPATRIATION ACT 1920, as amended, and the SEAMAN’S WAR PENSIONS AND ALLOWANCES ACT 1940 as amended) provide for war and service pensions and also deal with administration and appeals. The Acts are based primarily on the principle of compensation to servicemen and their dependants for injury or death related to war service.

PURPOSE of Bill is to:

- increase the rates of disability and service pension as announced in the Budget: T.P.I., Intermediate, General, War and Defence Widows and Service pensions will increase on the pension day 4 November 1976.
- provide for automatic twice yearly increases in repatriation pensions according to movements in the Consumer Price Index.
- introduce, with effect from 25 November 1976, a new income only test to replace the existing means test which takes into account both income and assets in determining eligibility for service pensions.

IMPLICATIONS:

Indexation

- the provision for indexation and consequent regular pension increases is in line with the L/NCP policy announced prior to the 1975 election.
- the intention of the indexation proposal is to counter the impact of inflation, but, should the CPI fall at any time there will be no reduction in pension levels.
- the provision for automatic increases will eliminate the need for further legislation.

Income Test

- the simplified and more easily administered income test will also determine eligibility for fringe benefit entitlement.
- while the new test will increase the entitlement of many pensioners, those who may be disadvantaged by the provision are protected by the Bill from a pension reduction.
- the simplified income test should eliminate the practice of disposing of assets in order to come within the means test and so receive the pension but losing that other element of financial security.