



Australian Government
Department of Veterans' Affairs

Mr David Sullivan
Committee Secretary
Senate Standing Committee on Foreign Affairs, Defence and Trade
Parliament House
CANBERRA ACT 2600

Dear Mr Sullivan,

I am writing to you about information I provided to the Foreign Affairs, Defence and Trade (FADT) Committee at its Supplementary Budget Estimates Hearing on 22 October 2014.

I refer to questioning from Senators Gallacher and McEwen on the Government's 2014-15 budget measure to cease the three month backdating of disability pensions. This discussion is referenced on page 110 of Hansard. The Senators asked about the impact of this measure on a veteran applying for a disability pension at the special rate and extreme disablement adjustment rates. My response to the Senators was that I did not have figures available at the hearing, however I indicated that the impact of the measure on these payments would likely be between \$3,000 and \$4,000. The correct answer to the questions is that a veteran applying for the extreme disablement adjustment would no longer receive a backdated payment of \$4,707 and a veteran applying for the special rate would no longer receive a backdated payment of \$8,523, based on current fortnightly pension rates.

It is important to understand that the number of claims received for the special rate and extreme disablement adjustment pensions that would be impacted by this measure is low. Many individuals in receipt of these pensions have previously been on a lower rate of pension and reassessed to these higher rates as a result of a worsening of their accepted service related conditions. As these do not represent new disability claims they are not impacted by this budget measure.

I would be grateful if you could pass on to the Committee my sincere apology for providing an inaccurate estimate of the likely impacts of this budget measure.

Yours sincerely

Mark Harrigan
Assistant Secretary
Policy Support Branch

27 November 2014