SUPPORT FOR VETERANS THROUGH IMPROVED COMPENSATION ARRANGEMENTS – REMOVING THE STEPDOWN FOR INCAPACITY PAYMENTS – INCREASED PAYMENTS FOR VETERANS STUDYING

This measure provides former members of the Australian Defence Force (ADF) with incapacity payments at 100 per cent of their normal earnings when they are engaged in an approved full-time study program as part of their Department of Veterans’ Affairs (DVA) rehabilitation plan.

WHY IS THIS IMPORTANT?

It is anticipated that the measure will lead to more effective rehabilitation and more sustainable employment outcomes. The measure is consistent with the Australian Government’s priorities for health and measures to promote veterans’ employment and builds on the Jobs and Growth measures announced in the 2017-18 Budget.

- This measure will ensure that those former ADF members who are on a DVA rehabilitation plan and undertaking approved full-time study are fully supported by the incapacity payment system while undertaking their studies.
- Former ADF members on incapacity payments, including those undertaking an approved course of study, currently experience a reduction of up to 25 per cent in their payments after 45 weeks.
- This reduction may result in incapacitated ADF members making short-term decisions relating to employment at the expense of effective rehabilitation outcomes, including sustainable employment. Successful rehabilitation outcomes, especially those focused on returning to work, also reduce future reliance on taxpayer funded support.
- This measure aims to provide financial surety to members discharging from ADF service into rehabilitation and then into ongoing remunerative work.

WHO WILL BENEFIT?

This measure will benefit former members with service that is covered under the Military Rehabilitation and Compensation Act 2004 and the Safety, Rehabilitation and Compensation Act (Defence-related Claims) 1988 who undertake an approved course of full-time study through a DVA rehabilitation plan.

DATE OF EFFECT

This measure will start on 1 November 2018 and will run until 30 June 2022.

HOW MUCH WILL THIS COST?

The 2018-19 Budget provides $10.8 million over the forward estimates to support this initiative.