



Totally and Permanently Incapacitated Veterans - DFISA payments

This initiative brings forward the commencement of elements of a 2020-21 Budget measure to 1 January 2022, which were due to commence on 20 September 2022. These elements will simplify and better target support for the most severely injured veterans, and rename the disability pension to Disability Compensation Payment.

Why is this important?

The Government listened to feedback from veterans, their families and the community that they wanted to see earlier implementation of the measure announced in the 2020-21 Budget.

As a result of this feedback, the implementation timeframe has been revised, and elements of the measure will now commence on 1 January 2022. This will bring benefits to the most severely impaired veterans sooner.

The provisions starting on 1 January 2022 include:

- removing the disability income rent test, which results in severely disabled veterans receiving less rent assistance than those with lesser disabilities, because of the amount of compensation they receive;
- exempting the disability pension from the Social Security Act income test, which means that the payment of the Defence Force Income Support Allowance (DFISA) will no longer be required; and
- renaming the Disability Pension to the Disability Compensation Payment. This will clearly identify that the Disability Pension is not an income support pension but is instead a compensation payment.

These changes will simplify the way income support payments are calculated and administered by the Department of Veterans' Affairs (DVA) and Centrelink.

Once the measure is implemented, a veteran's social security payment will be equal to the sum of their current reduced social security payment and their current DFISA payment. Some private renters may receive more than they previously did.

No veteran will be worse off as a result of the abolition of DFISA.

Some veterans paying private rent may receive an increased rate of Rent Assistance depending on their individual circumstances.

Who will benefit?

All veterans who would benefit from the changes to payments will benefit from the commencement being brought forward.

Under the original initiative, veterans who receive Disability Pension, Rent Assistance and an Income Support payment may benefit from this measure.

Date of effect?

1 January 2022.

How much will this cost?

\$7.4 million over four years.