



## **TPI FEDERATION AUSTRALIA**

*“Disabled in our Service, United in our Cause”*

### **BRIEF FOR ADSO MEMBERS**

#### **Purpose:**

To inform ADSO Members about the issue of unfair level of compensation for TPI/SR veterans and to outline action being taken on the issue by the TPI Federation up to, and including, 2017.

#### **Background:**

The TPI Federation is the lead ADSO Organisational Member for matters concerning TPI veterans.

TPI/SR compensation is received as a single payment, but comprises two notional components: pain and suffering (+ effects on lifestyle), and economic loss. The economic loss component is compensation for the inability of a TPI/SR veteran (often forced into early retirement in their working life) to engage in paid employment, create a superannuation nest egg, or to provide the necessities of life, including housing, etc.

Since the mid-1950s the relative value of the overall TPI/SR payment has eroded considerably, where today, the economic loss component alone, only equates to approximately 65% of Australia's National Minimum Wage. The TPI Federation seeks to have this component referenced henceforth to be not less than the tax-adjusted Minimum Wage, with the total payment adjusted six-monthly, as per current arrangements. The initial cost is estimated to be \$240M p.a., as verified by the Parliamentary Budget Office.

#### **Outline of Action Taken:**

The Federation has continually engaged with members of the Parliament and media to highlight and bring this serious matter to a resolution. Amongst many initiatives, the Federation has garnered support for this initiative as follows:

- Mr. Peter Thornton has undertaken and provided the Federation and ADSO with extensive independent research and produced a number of detailed papers on this issue.
- Mr. Andrew Wilkie MP fully supports the TPI Federation; as did former Senator, Jacqui Lambie.
- With Mr Wilkie's support, a formal presentation was delivered to members of Parliament on 20 June 2017. A copy of the presentation was also sent electronically to all Parliamentarians. It is [HERE](#).
- Senator Lambie engaged the Parliamentary Budget Office to verify the costs outlined in Peter Thornton's paper.
- Senator Lambie drafted an amendment to the VEA (with Federation assistance) that explains and references the economic loss to the tax-adjusted minimum wage.
- The TPI Federation has engaged, on numerous occasions, the following key people: Minister Tehan, Senator Lambie, Andrew Wilkie MP, Amanda Rishworth MP, Bill Shorten MP, Linda Reynolds MP, Senator Brian Burston, Liz Cosson CSC (DEP SEC DVA), Lisa Foreman (DVA).
- The TPI Federation has also written to the Prime Minister and other key members of the Cabinet on several occasions, each time explaining the issue and also seeking, to no avail, a meeting to progress the case.

A key obstacle, of course, has been the continual political and bureaucratic argument of cost. Unable to thwart Thornton's research or the Federation's well founded claim, the DVA, presumably under Ministerial pressure and the influence of the "central agencies" (i.e. Finance/Treasury), has resorted to misleading and confusing statements where they proclaim that TPI/SR Veterans receive a "generous package" of [eroded] compensation, coupled with gold-card and other means-tested welfare benefits.

Despite assurances to the contrary, the Minister and key DVA staff continue to cite these misleading characterisations, as a solitary line of defence. Sadly, this cunning delaying/obfuscating and misleading "generous package" tactic has gained traction elsewhere; notably in the Prime Minister's answer to Mr. Andrew Wilkie's question in Parliament on the 17th October 2017. Whilst the Government remains intransigent, the Opposition Leader, Mr. Bill Shorten MP, immediately recognised the illogicality and offensive nature of the Government's rebuttal to what he rightly recognised as a "workers' compensation" issue - not one of "welfare". Despite DVA's equivocation and intransigence, the TPI Federation continues to press the case and seeks to personally brief the PM and other key Cabinet Ministers, so that the truth can be known.

**Conclusion:**

The case for the proper restoration of TPI/SR compensation, where the Economic Loss component of the compensation payment should reflect the tax-adjusted Minimum Wage, has been well made. The logic of the claim is broadly understood and agreed. However, the offensive notion of a “generous package” continues to stymie political will and prevent Government support to remedy the situation. Such spurious and confusing arguments serve only to deny the TPI Federations’ rightful claim.

**Recommendation:**

The TPI Federation seeks the assistance of all ADSO Member Organisations to support the Federation’s lead on this very important issue. Our most disabled TPI Veterans must have their economic loss payment referenced henceforth to be not less than the tax-adjusted Minimum Wage. ADSO Members are encouraged to draw upon the detailed arguments in the foregoing together with the detailed information contained in the papers at the web pages cited above.



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22 January 2018