



Totally and Permanently Incapacitated Veterans – rent assistance

This measure will simplify and better target support for the most severely injured veterans, streamlines the indexation of disability compensation, renames disability pension to Disability Compensation Payment, and explores options for sharing information across government agencies.

WHY IS THIS IMPORTANT?

The *Independent Review into the TPI Payment* by Mr David Tune AO PSM recommended more targeted support for the most severely impaired recipients of the disability pension and a more streamlined administration of the disability pension.

This will simplify the way income support payments are calculated, indexed, and administered by the Department of Veterans' Affairs and Services Australia. The initiative will exempt the disability pension from the Social Security Act income test and the rent assistance test under the Veterans' Entitlements Act.

This means that the existing Defence Force Income Support Allowance (DFISA) can be abolished as it is no longer necessary, and will result in some individuals receiving higher rates of rent assistance. Abolition of DFISA aligns with recommendation 15.1 of the Productivity Commission report *A Better Way to Support Veterans*.

No veteran will be worse off as a result of the abolition of DFISA. A veteran's social security payment (eg age pension) will be equal to the sum of their current reduced social security payment and their current DFISA payment.

For some veterans who are eligible for rent assistance, the new payment rate will be higher than the sum of their current payments.

Renaming the disability pension to 'Disability Compensation Payment' will provide clarity as to the purpose of the payment. Exploring the feasibility of better information sharing across agencies will facilitate better targeted support for the most seriously impaired veterans.

WHO WILL BENEFIT?

Veterans in receipt of disability compensation payments, especially those who are the most seriously impaired and those on low incomes paying private rent.

DATE OF EFFECT

There will be a staggered introduction of the various components between 1 July 2021 and 20 September 2022.

HOW MUCH WILL THIS COST?

\$25.9 million over the forward estimates.