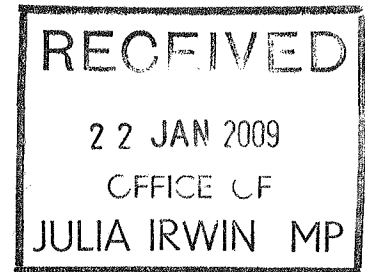


The Hon Alan Griffin MP
Minister for Veterans' Affairs
Federal Member for Bruce



Mrs Julia Irwin MP
Chair
Standing Committee on Petitions
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Mrs Irwin

Thank you for your letter of 29 October 2008 concerning a petition regarding the partner service pension.

The Government recognises the contribution that partners of veterans make to the support of the veteran community. For this reason, the partner of a veteran with qualifying service is eligible for partner service pension on the basis of their age five years earlier than they would be eligible for age pension. There is further concession on the age requirement where the couple have a dependent child, or the person is the partner of a veteran who receives disability pension at more than the general rate. As well as meeting one of these eligibility criteria, income and assets must be below certain amounts for the pension to be payable and Australian residence criteria must also be met.

In recognition of the special circumstances of veteran families, no other requirements must be met to receive partner service pension from the Department of Veterans' Affairs (DVA). I would like to emphasise that similar dependency-based payments for non-veteran families under social security law began to be phased out many years ago. Non-veteran families claiming an income support payment under social security law must meet additional requirements.

The 2008 Budget included a measure to cease partner service pension for all partners who had separated from their veteran spouse. The pension was to cease from the earlier of twelve months after the date of separation, or from when the veteran commenced a new de facto relationship. The measure was to commence on 1 January 2009. It should be noted that, where a couple is recognised as being separated due to illness, the partner retains their eligibility for partner service pension.

Prior to introducing the legislation into Parliament, approval was obtained to provide an exemption for separated partners who have reached age pension age (currently 63.5 years for females and 65 years for males) by the time twelve months have passed since separating from the veteran. Generally, these partners would have been eligible for age pension under the social security law at the same rate of payment. Thus, in recognition of the age of this group, and the administrative effort required in transferring this group to age pension for a cost neutral outcome in administered expenditure, it was considered to be appropriate to exempt them from this measure.

The partner service pension measure was passed by the Parliament on 1 December 2008, with three important modifications to the original legislation, and received Royal Assent on 9 December 2008.

Firstly, implementation has been delayed by six months so that it will now commence on 1 July 2009. The delay is to ensure that those affected have adequate notification and time to adjust their circumstances.

Secondly, separated partners will retain eligibility for the full twelve months after separation even if the veteran commences a new de facto relationship. This means that all partner service pensioners will benefit from the full twelve month period of grace after a partner separates from a veteran. The twelve month period of grace gives the partner time to adjust their circumstances and arrange for alternative sources of income, whether through workforce participation, or through income support payments under social security law. The change also ensures that a separated partner's eligibility for partner service pension is based solely on their own circumstances rather than on the circumstances of their former spouse.

Thirdly, an exemption will apply to those partners who have not reached age pension age but who separated due to an unsafe or abusive domestic environment for them or their children, where the veteran has an accepted mental health condition, including post-traumatic stress disorder (PTSD). This is in recognition of the extreme trauma often experienced by those in a violent or abusive relationship and the difficulties they face in re-establishing themselves on leaving the relationship.

There are up to 580 separated partners who will be affected by the changes to partner service pension on 1 July 2009.

I would like to emphasise that the twelve month period of grace is unique for income support payments in the Australian welfare system. All other income support payments cease immediately when eligibility criteria cease to be met. In this case, the period of grace is further recognition of the contribution that partners have made to the support and well-being of their veteran partner.

The changed eligibility criteria for partner service pension reflect current community expectations regarding eligibility for taxpayer funded income support payments. There are no plans to create a new category of service pension as requested by the petitioners.

Thank you for referring this petition to me for comment.

Yours sincerely

Alan Griffin

19 JAN 2009