



Mrs Louise Markus MP

Shadow Minister for Veterans' Affairs

MEDIA RELEASE

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War veteran pensioners and their spouses could be worse off under Rudd's Tax Review

Kevin Rudd has not ruled out leaving veterans who served Australia in war worse off under Recommendation 84 of the Henry Tax Review.

Louise Markus MP, Shadow Minister for Veterans' Affairs, said the Treasury Secretary had left the door open to changing service pension indexation that could adversely affect veterans' pensions.

"Service pensioners could be left worse off under recommended changes to pension indexation arrangements", Mrs Markus said.

"The Henry Tax Review has recommended aligning indexation arrangements across Australia's income support and transfer payments system.

"But the Henry Tax Review doesn't say that indexation should be brought up to the best measure, or whether it should be taken down to a lower measure.

"Mr Rudd says he won't 'Reduce indexation of the **age** pension', but says nothing about veterans' pensions like the service pension, war widows' pension or veterans' disability pensions.

Mrs Markus said the Rudd Labor Government had created a new indexation measure, the Pensioner Beneficiary Living Cost Index (PBLCI), which increased payments by more than the CPI, but less than movements in Male Total Average Weekly Earnings (MTAWE).

"Kevin Rudd promised fair indexation of veterans' pensions. Unless this is just another broken promise, he needs to repudiate Recommendation 84 of the Henry Tax Review for benefit of Australia's veterans.

"Given some pensioners were left out of the last review of pensions, veteran affairs pensioners have a right to feel anxious about Labor's intentions on pension indexation.

"The Henry Tax Review points to the ageing of the population as a major threat to the cost of the income transfer system. Our pensioners, particularly those who fought for the nation we have today, must not be the ones to pay for Mr Rudd's fiscal irresponsibility and reckless spending.

Mrs Markus urged pensioners to contact the Minister for Veterans' Affairs to ensure they would not be left worse off by Recommendation 84.

"The Coalition will not make changes to the veterans' pension system that will adversely affect pensioners or their families.

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