



# BUDGET

## 2016-17



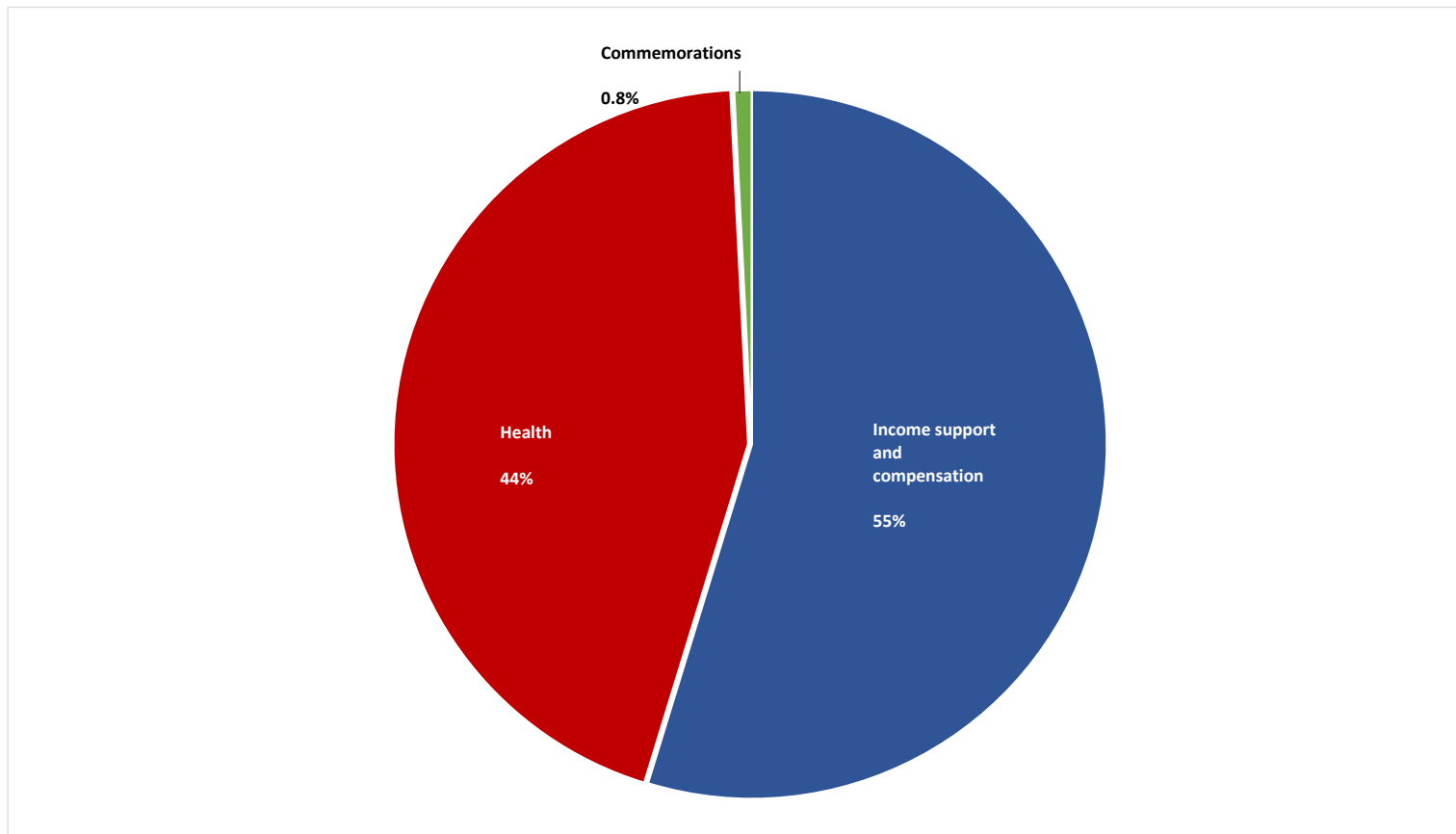
## DVA Federal Budget

\$11.7 billion has been allocated for Veterans' Affairs in 2016-17.

This will support around 298,000 clients (veterans and dependants), down from 311,000 clients last year.

Funding in 2016-17 comprises \$6.4 billion for income support and compensation and \$5.2 billion for health services.

\$93.6 million is allocated to commemorations.



Division of Department of Veterans' Affairs  
2016 – 17 budget



## What we will cover

1. DVA Budget measures
2. Cross-portfolio measure – Department of Social Services
3. Cross-portfolio measures – Department of Health
4. Cross Portfolio measure – Department of Foreign Affairs and Trade/Department of Finance



## DVA Measures

1. Mental Health Treatment for Current and Former Members of the Australian Defence Force – improved access
2. Veteran Suicide Awareness and Prevention Programs – continuation of Operation *Life*
3. Support Services for Children of Veterans
4. Business Case for Veteran-centric Reform
5. Improving Processing Systems
6. Veterans' Review Board – Alternative Dispute Resolution and Case Management System
7. Reversal of Decision to Remove Backdating of Veterans' Disability Pension Claims

Cont.



## DVA Measures cont.

8. Incapacity Payments – Improved Support for Veterans
9. Repatriation Pharmaceutical Benefits Scheme – New Listings and Price Amendments
10. Refurbishment of War Graves and Memorials – Honouring our War Dead
11. Spirit of ANZAC Centenary Experience Travelling Exhibition – continued funding
12. Establishing a Single Appeal Path under the *Military Rehabilitation and Compensation Act 2004*
13. New Veteran Public Hospital Pricing Agreements



## **Mental Health Treatment for Current and Former Members of the Australian Defence Force – improved access**

\$37.9 million to extend eligibility for non-liability health care to all current and former permanent members of the Australian Defence Force (ADF) for treatment of:

- post-traumatic stress disorder
- anxiety
- depression
- alcohol and substance use disorders.

A DVA White Health Card will provide additional benefits, including access to counselling from the Veterans and Veterans Families Counselling Service (VVCS).



## Veteran Suicide Awareness and Prevention Programs – continuation of Operation *Life*

\$1 million to:

- continue Operation *Life* workshops to train members of the broader ex-service community to recognise and assist those at risk of suicide
- pilot an alternative suicide prevention product to support a more targeted approach to suicide prevention in Australia's ex-service community.





## Support Services for Children of Veterans

\$2.1 million over two years to the Australian Kookaburra Kids Foundation to develop and evaluate a pilot program for the children of current and former serving members of the Australian Defence Force affected by mental illness.



## Business Case for Veteran-centric Reform

\$24.8 million in 2016-17 to develop a business case for the transformation of DVA from claims processing to a veteran centric paradigm.

- DVA will receive \$18.7 million and will consult with the Veteran Community and DHS on the design and priorities for the transformation.
- \$6.1 million is allocated to DHS to design the modern ICT that will underpin the business case and integrate the solution with their new payments system.



## Improving Processing Systems

\$23.9 million over two years to enable DVA to maintain and improve its critical compensation processing systems while developing the broader detailed veteran-centric transformation program.

The improvements will include:

- improving the reliability of the ICT systems
- improving consistency through more automated workflow and calculations
- streamlining processing through digital and electronic documentation management.



## **Veterans' Review Board – Alternative Dispute Resolution and Case Management System**

\$2.7 million for the national rollout of an alternative dispute resolution (ADR) model. This includes a new VRB case management system that will streamline processes and reduce backlogs.



## Reversal of Decision to Remove Backdating of Veterans' Disability Pension Claims

This 2014–15 measure was to remove the three month backdating provision applicable to new claims for Disability Pension.

This measure will **NOT** proceed.

By not proceeding with this measure, Disability Pension claims will continue to be backdated up to three months prior to the date of claim.



## **Incapacity Payments – Improved Support for Veterans**

### **Increase in Incapacity Cut-Off Age to Align with Age Pension Eligibility**

Ensures that eligible veterans continue to receive incapacity payments under the *Military Rehabilitation and Compensation Act 2004* and *Safety, Rehabilitation and Compensation Act 1988* through to 'pension age'.

### **Interim Incapacity Payments at 100% of Normal Earnings**

Enables interim incapacity payments to be made to eligible discharging members of the ADF at a level that matches their regular weekly earnings immediately prior to injury.



## Repatriation Pharmaceutical Benefits Scheme – new listings and price amendments

An additional \$0.3 million expenditure over the forward estimates.

New listings and price amendments for RPBS-only items include:

- enhanced wound care management options
- additional medicines for the treatment of benign prostatic hyperplasia (enlarged prostate)
- antifungal treatments.



## Refurbishment of War Graves and Memorials – Honouring our War Dead

\$7.5 million to:

- refurbish and rebuild grave memorials that have deteriorated in Australia and Papua New Guinea (\$2.7 million)
- undertake essential safety and maintenance work at the Hellfire Pass Memorial Museum in Thailand to accommodate the significant number of visitors who visit this commemorative site (\$4.6 million)
- commission a scoping study for a major refurbishment of the Australian War Memorial in London, which is becoming increasingly difficult and expensive to maintain (\$0.2 million).





## Spirit of ANZAC Centenary Experience Travelling Exhibition – continued funding

- The 2016-17 Budget provides \$10 million to continue the flagship community project—the Spirit of Anzac Centenary Experience.
- The exhibition is travelling to 23 metropolitan and regional centres around Australia.
- It aims to improve our understanding of Australia's wartime experience, its impacts, its lessons, and to carry forward the Anzac spirit and values.



## **Establishing a Single Appeal Path under the *Military Rehabilitation and Compensation Act 2004 (MRCA)***

- The 2016-17 Budget provides \$0.3 million to allow awarding of costs at the Administrative Appeals Tribunal for MRCA appeals through the Veterans' Review Board (VRB) under a proposed single appeal pathway.
- This encourages full disclosure of information by claimants in the appeals process through the Commission or VRB.



## New Veteran Public Hospital Pricing Agreements

- DVA to move to a national policy by adopting the National Efficient Price for the payment of veterans' services in public hospitals.
- This price is calculated by the Independent Hospital Pricing Authority (IHPA).



## **Cross Portfolio measure – Department of Social Services (DSS)**

### **National Disability Insurance Scheme (NDIS) Savings Fund**

- Energy supplement will be abolished from 20 September 2016.
- Existing recipients grandfathered while they continue to receive an energy supplement underlying payment.
- Savings from the closing of the Energy Supplement will be deposited into the NDIS Savings Fund Special Account.



## Cross Portfolio measures summary – Department of Health

1. Aged Care Provider Funding improving the targeting of the Viability Supplement for regional aged care facilities
2. Aged Care Provider Funding further revisions of the Aged Care Funding Instrument
3. MBS – New and Amended Listings
4. MBS – Healthier Medicare removing obsolete services from the MBS
5. MBS – pause indexation
6. MBS – Listing of Photography with Non-Mydriatic Retinal Cameras
7. MBS – Magnetic Resonance Imaging of the Breast
8. PBS – New and Amended Listings
9. PBS – Price Amendments



## **Aged Care Provider Funding improving the targeting of the Viability Supplement for regional aged care facilities**

DVA will receive an increase of \$4.6 million to improve funding for aged care services in rural and remote areas under the Department of Health initiative, *A Better Aged Care System for Older Australians*.

The new funding arrangements will begin on 1 January 2017.



## **Aged Care Provider Funding further revisions of the Aged Care Funding Instrument**

This measure will redesign the Aged Care Funding Instrument so that funding outcomes better align with contemporary care practices.



## MBS – New and Amended Listings

A saving of \$3.7 million as a result of consolidation and amendment to Medicare Benefits Schedule (MBS) items for certain procedures.





## **MBS – Healthier Medicare removing obsolete services from the MBS**

This is part of the ongoing Medicare Benefits Schedule Review.

The particular Medicare items have been removed that no longer have a clinical purpose in current practice.



## Medicare Benefits Schedule – pause indexation

Extends the indexation freeze of Medicare fees for a further two years, until 1 July 2020.

This will have an impact on DVA-funded medical services and optometry.



## **MBS – Listing of Photography with Non-Mydriatic Retinal Cameras**

Listing of retinal photography with non-mydriatic retinal camera in people with diabetes.



## **MBS – Magnetic Resonance Imaging of the Breast**

The measure extends access to Magnetic Resonance Imaging to improve local staging and/or early treatment monitoring and planning in the treatment of breast cancer.



## PBS – New and Amended Listings

Additional expenditure for new and amended listings of medicines on the PBS, and subsequently available under the RPBS. These include:

- for treatment of non-Hodgkin's lymphoma and melanoma
- expanding available treatment for persons with severe asthma
- extending the listing of Fentanyl to patients under going palliative care for cancer
- additional medicines for the treatment of type 2 diabetes.



## **PBS – Price Amendments**

Price amendment to certain PBS listed items.



## **Cross Portfolio measure – Department of Foreign Affairs and Trade/Department of Finance**

### **Trans-Pacific Partnership**

\$300,000 to improve the transparency of reporting on procurements conducted through limited tendering procedures.