

SPECIAL EDITION



Australian Government

Department of Veterans' Affairs

DVA WA UPDATE

Western Australian Office

SPECIAL BUDGET EDITION 2014-2015



MESSAGE FROM THE DC

Welcome to the Special Budget Edition of the DVA WA Update for 2014 – 2015. We received very positive feedback on the detail contained in last year's Budget Edition and feel this is an effective way to communicate budget decisions that relate to DVA clients.

On Tuesday, May 13 2014, the Minister for Veterans' Affairs, the Honourable Senator Michael Ronaldson, announced the Abbott Government will deliver more than \$12 billion in overall funding for Australia's veteran community in the 2014-15 Federal Budget. The funding will support our 310,000 clients (veterans, dependants and their families) and it will support the department in providing services to the veteran community.

The budget includes \$6.7 billion in income support and compensation; \$5.5 billion in health services; and \$102.89 million towards commemorations ahead of the Anzac Centenary.

Senator Ronaldson announced that advocacy funding for the veteran community has been restored through the provision of an additional \$1 million per year to the Building Excellence in Support and Training program over the forward estimates. The funding will support the work of veterans' advocates, pension and welfare officers to help veterans access important information and services.

A number of mental health initiatives will be implemented from 1 July 2014 including:

- Greater access to the Veterans and Veterans Families Counselling Service;
- Greater access for eligible veterans, to treatment for diagnosed post traumatic stress disorder, anxiety and depression without the need to establish that their mental health condition is related to service;
- The payment for treatment for diagnosed alcohol and substance use disorders; and
- Funding under Medicare for a new physical and mental health assessment for ex-serving personnel to help their GPs identify any mental and physical health concerns early or to treat or refer appropriately to other services.

Co-Payments: Please note that DVA Gold and White treatment card holders do not pay the co-payment. The DVA fee will continue as the full payment to the provider with no additional charge to the cardholder.

More specific detail of initiatives that impact on the wider veteran community is included in this Special Budget Edition. For even more detail please access the Federal Budget at www.budget.gov.au

Kind regards

Peter King
Deputy Commissioner
Western Australia



2014 – 2015 Federal Budget Summary

Tackling Mental Health Challenges

- A new Prime Ministerial Advisory Council (PMAC) has been established to focus on veterans' mental health.
- There will be a new focus on research under the Department's new strategic research framework.
- There will be a new approach to purchasing mental health hospital outpatient day programs.
- Ensuring the mental health workforce has the capacity to respond to the needs of contemporary clients.



Department of Veterans' Affairs Measures

- Funding has been provided for the Defence Service Homes Insurance Scheme Independent Scoping Study.
- Veterans' Disability Pensions, other than for VEA War Widow(er) claims, lodged on or after 1 January 2015 will commence from the date of lodgement of the claim.
- Additional reviews will be undertaken by DVA as part of an enhanced compliance program.
- Veterans in receipt of Incapacity Payments for in excess of 12 months will be reviewed.
- Funding has been provided to develop a detailed business case for a major interpretive centre at Villers-Bretonneux in France to ensure the service on the Western Front is appropriately recognised as part of the Anzac Centenary.
- Indexation for DVA funded services for dental and allied health care will be aligned with arrangements under Medicare.



Australian Government

Department of Veterans' Affairs

Cross-Portfolio Measures (Ones to be implemented in conjunction with other Government agencies)

These measures will be lead by either the Department of Social Services or the Health Department. Further detail on these measures is provided within this Special Budget Edition.

- Commonwealth Seniors Health Card – annual indexation of income thresholds
- Cease indexation of the Clean Energy Supplement and rename as the Energy Supplement
- Reprioritising the Aged Care Workforce Supplement
- Housing Help for Seniors Pilot reversal
- Index Pension and Pension Equivalent Payments by the Consumer Price Index (from 2017)
- Cessation of the Seniors Supplement for Commonwealth Seniors Health Card Holders and eligible Gold Card holders
- Commonwealth Seniors Health Card – include untaxed superannuation income in the eligibility assessment
- Maintain eligibility thresholds for Australian Government payments for three years (from 2017)
- Reset the Assets Test Deeming Rate Thresholds (from 2017)
- Aged Care Payroll Tax Supplement
- Personally Controlled Electronic Health Record System – continuation
- Medical Benefits Scheme – Full implementation of National Bowel Cancer Screening Program
- Medical Benefits Scheme – Pausing indexation of some Medicare Benefits Schedule fees and the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds
- Medicare Benefits Schedule – comprehensive eye examinations
- Medicare Benefits Schedule – Revised Capital Sensitivity Provisions for Diagnostic Imaging Equipment
- Medicare Benefits Schedule New and Amended Listings
- Pharmaceutical Benefits Scheme New and Amended Listings
- Pharmaceutical Benefits Scheme – increase in co-payments and safety net thresholds
- Repatriation Pharmaceutical Benefits Scheme – new and amended listings



Department of Veterans' Affairs Measures

Veterans' Disability Pensions

Amendments will be made to the backdating of disability pension claims, with the disability pension to be paid from the date the claim is lodged for claims received from 1 January 2015.

The amendments will restore equity between disability pension compensation and income support payments under –

- the Veterans' Entitlements Act 1986 (VEA) and
- Permanent impairment compensation payments under the Military Rehabilitation and Compensation Act 2004 (MRCA).

Backdating provisions for VEA War Widow(er) pension claims will remain unchanged.



Smaller Government – Defence Service Homes Insurance Scheme (DHIS)

A scoping study on the future management and operations of the DSHIS will be undertaken. The study will include advice from an industry expert and will consider options for the future.



Increased Compliance Program

There will be an increase in the number of Enhanced Compliance Program reviews from 12,000 to 20,000 reviews per financial year.

The additional reviews will focus on recipients of income support who are at high risk of changes to their circumstances.



Veterans' Incapacity Payments

DVA clients who have been in continuous receipt of incapacity payments for 12 months or more either under –

- the *Safety, Rehabilitation and Compensation Act 1988* (SRCA) or
- the *Military Rehabilitation and Compensation Act 2004* (MRCA)

will undergo a review by a medical specialist to confirm that their service related condition continues to impact their ability to work.



Around 500 clients with a single condition will be reviewed over two and a half years. Clients will be required to provide a report from their treating medical specialist, or will be referred to a medical specialist to assess their level of incapacity.

Entitlement to Permanent Impairment payments will not be affected by the reviews.

Western Front Interpretive Centre – Villers-Bretteneux, France

In addition to the funds already committed to the commemoration of the Anzac Centenary, this budget provides \$6.9 million towards a scoping study to ensure the sacrifice of the Western Front is appropriately recognised.



Health Provider Fee Indexation

Consistent with the Medicare Benefits Schedule (MBS), indexation for DVA dental and allied health care providers will be deferred to 1 July 2016.

There will also be a pausing of some MBS fees with the continued suspension of indexation for fees for medical and related services, including DVA medical services (excluding GP services). Indexation will occur on 1 July 2016.



Cross Portfolio Measures – These are measures being managed through other agencies but which will have an impact on DVA clients

Commonwealth Seniors Health Card (CSHS)

Annual indexation of income thresholds commences on 20 September 2014.

The measures will index the income limit annually against the Consumer Price Index (CPI). The measure will result in additional clients becoming eligible for the CSHS.

CSHS – Untaxed superannuation income in the eligibility assessment of Deemed income will be calculated based on the account balance of account based income streams using the same deeming rates and thresholds as for service pensions and income support supplements.

Account based income streams held by current CSHS holders on commencement of the new rules will be grandfathered.

All other income streams will be assessed under the deeming rules.



Cease Indexation of the Clean Energy Supplement

From 1 July 2014 the payment will be known as the Energy Supplement.

Rates will be fixed at their current levels and the payment will no longer be indexed as the Carbon Tax will be removed and will no longer contribute to price pressures.

Cessation of the Seniors Supplement – CSHS Holders

The Seniors Supplement is paid to Commonwealth Seniors Health Card holders and to Gold Card holders who have reached pension age and do not receive an income support payment.

The payment rate is \$876.20 per annum (single) or \$660.40 (each eligible member of a couple).

While the Energy Supplement will continue to be paid, the last payment of the Seniors Supplement will take place on 26 June 2014.

Deferral of the Pension Bonus Scheme

The Pension Bonus Scheme was to close on 1 March 2014 but implementation has been deferred until 1 July 2014, thereby providing a further four months to lodge their application for registration in the Scheme.

Following closure of registrations, registered members will continue to be able to claim their pension bonus at the same time as they claim their income support pension.



Housing Help for Seniors

Last year's measure to encourage older Australian's to downsize their home has been reversed as there is no evidence to support that the measure would achieve its goal.

Maintain Eligibility Thresholds for Australian Government Payments for Three Years

The income free area, asset values limits and deeming thresholds for income support pensions are indexed once a year on 1 July. Indexation will not occur in 2017, 2018 and 2019 but will recommence on 1 July 2020.

Reset the Asset Test Deeming Rate Thresholds

The deeming thresholds are currently \$46,600 for a single person and \$77,400 for a couple combined.

These amounts will continue to be indexed until indexation is paused on 1 July 2017.

On 20 September 2017, the deeming thresholds will be reduced to \$30,000 for a single person and \$50,000 for a couple combined. Indexation for the reset amounts will commence on 1 July 2020.



Index Pension and Pension Equivalent Payments by the Consumer Price Index (CPI)

From 1 July 2017 the Male Total Average Weekly Earnings and the Pensioner and Beneficiary Living Cost Index will no longer be used in the indexation of age and service pensions.

Indexation changes will align pension indexation with those for other social security payments.

The change will flow through to affect the rate of the income support supplement, disability pension and war widow(er) pension and equivalent MRCA payments.



Abolish Aged Care Payroll Tax

Payroll tax supplements for residential aged care providers will cease from 1 January 2015.

Repurpose the Workforce Supplement

This measure will increase payments that can be made to Veterans' Homecare and Community Nursing providers.



Pharmaceutical Benefits Scheme

A one off increase to the concessional pharmaceutical copayment of 80 cents will occur on 1 January 2015.

The pharmaceutical safety net will increase by 2 prescriptions per year over 4 years from 1 January 2015.

Veterans eligible for the Veterans' Pharmaceutical Reimbursement Scheme will be reimbursed the additional costs.



Other Health Related Measures

The Medical Benefits Schedule (MBS) – Optometry will provide for a comprehensive eye examination.

There will be new and amended listings within the MBS as there will also be in the Repatriation Pharmaceutical Benefits Scheme.

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