



BUDGET★
PORTFOLIO BUDGET STATEMENTS 2010–11
BUDGET RELATED PAPER NO. 1.5B

DEFENCE PORTFOLIO
(DEPARTMENT OF VETERANS' AFFAIRS)

BUDGET INITIATIVES AND EXPLANATIONS
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMS BY AGENCY

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

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2010-11 Budget for the Department of Veterans' Affairs portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alan Griffin', written over a white background.

Alan Griffin
Minister

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
..	nil
na	not zero, but rounded to zero
nfp	not applicable (unless otherwise specified)
\$m	not for publication
\$b	\$ million
	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact Graeme Rochow, Chief Financial Officer, Department of Veterans' Affairs on (02) 6289 6620.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2010–11 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and Special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2010–11 (or Appropriation Bill [Parliamentary Departments] No. 1 2010–11 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be ‘relevant documents’ to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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PORTFOLIO OVERVIEW

DEPARTMENT OF VETERANS' AFFAIRS PORTFOLIO OVERVIEW

MINISTER AND PORTFOLIO RESPONSIBILITIES

The Department of Veterans' Affairs and a number of other entities that are administered by the Minister for Veterans' Affairs are formally part of the Defence Portfolio. The schedule to the annual Appropriation Acts refers to the Veterans' Affairs Portfolio and lists both the Department of Veterans' Affairs and the Australian War Memorial as receiving moneys appropriated from the Consolidated Revenue Fund. The other entities in the Veterans' Affairs Portfolio receive their funding under agreements with the Department of Veterans' Affairs, as their administrative staff are employees of the Department. These entities include:

- the Repatriation Commission
- the Military Rehabilitation and Compensation Commission
- the Veterans' Review Board
- the Veterans' Children Education Boards
- the Office of Australian War Graves
- the Repatriation Medical Authority and
- the Specialist Medical Review Council.

The entities in the Veterans' Affairs Portfolio are responsible for carrying out government policy and implementing programs to fulfil Australia's obligations to war veterans and their dependants, as well as to serving and former members of the Australian Defence Force and certain Australian Federal Police personnel with approved overseas service and those Australian participants involved in British nuclear tests in Australia.

The entities within the Veterans' Affairs Portfolio are described in more detail below. Figure 1 on page 7 shows the portfolio structure and outcomes.

THE DEPARTMENT OF VETERANS' AFFAIRS

The Australian Government serves the needs of the veteran and defence force communities through a number of bodies that make up the Veterans' Affairs portfolio.

Portfolio Overview

The Department of Veterans' Affairs (DVA) is the primary service delivery agency, responsible for developing and implementing programs that assist the veteran and defence force communities. The Department's day to day activities are directed by two Commissions – the Repatriation Commission and the Military Rehabilitation and Compensation Commission. Relevant legislation delegates to these two bodies powers that they in turn delegate to officers of the Department.

The Department provides administrative support to the Repatriation Commission and the Military Rehabilitation and Compensation Commission and is responsible for advising the Commissions on policies and programs for beneficiaries and administering these policies and programs. As well as supporting the Repatriation Commission and Military Rehabilitation and Compensation Commission, the Department administers legislation such as the *Defence Service Homes Act 1918*, under which subsidised loans for housing and housing-related benefits are provided. The Department also administers the commemorations program.

The Department is located in all capital cities and has Veterans' Affairs Network offices in regional areas. The Department enhances service delivery to veterans and their families living in rural and remote areas through agency arrangements to deliver DVA information and services where the Department has no permanent local presence.

THE REPATRIATION COMMISSION

The Repatriation Commission is responsible under the *Veterans' Entitlements Act 1986* for granting pensions, allowances and other benefits, providing treatment and other services and generally administering the Act.

The functions and powers of the Repatriation Commission are set out in Part XI of the *Veterans' Entitlements Act 1986* (sections 180 and 181).

MILITARY REHABILITATION AND COMPENSATION COMMISSION

The Military Rehabilitation and Compensation Commission (MRCC) is responsible for the administration of benefits and arrangements under the *Military Rehabilitation and Compensation Act 2004* and Part XI (except sections 143(2) and (3), 144(4), 149, 150, 153(2), 156, 158 and 159) of the *Safety, Rehabilitation and Compensation Act 1988*.

The functions of the Military Rehabilitation and Compensation Commission are set out in Chapter 9, Part 3 of the *Military Rehabilitation and Compensation Act 2004* and section 142 of the *Safety, Rehabilitation and Compensation Act 1988*.

Under the direction of these Commissions, DVA provides wide-ranging programs and services that can be broadly grouped into three main areas: care, compensation and commemoration.

THE VETERANS' REVIEW BOARD

The Veterans' Review Board (VRB) reviews certain decisions of the Repatriation Commission and the Military Rehabilitation and Compensation Commission. The Board was established by the *Repatriation Legislation Amendment Act 1984* and commenced operations on 1 January 1985. The *Veterans' Entitlement Act 1986* preserves the continuing role of the VRB, as does the *Military Rehabilitation and Compensation Act 2004*.

The classes of decision of the Repatriation Commission that the Board may review under the *Repatriation Legislation Amendment Act 1984* fall into two broad classes: 'entitlement' cases where a claim for pension other than a service pension was decided; and 'assessment' cases where the rate of pension payable for an accepted incapacity was assessed. Under the *Military Rehabilitation and Compensation Act 2004*, the Board may review decisions of the Military Rehabilitation and Compensation Commission and decisions of the service chiefs of the respective arms of the defence force in respect of liability for injury, disease or death and compensation for such issues. Compensation will extend to rehabilitation and other benefits.

Persons dissatisfied with a decision of the VRB may lodge an appeal with the Administrative Appeals Tribunal.

THE VETERANS' CHILDREN EDUCATION BOARDS

The Boards are responsible to the Repatriation Commission and Military Rehabilitation and Compensation Commission for matters concerning the administration of the Veterans' Children Education Scheme and the *Military Rehabilitation and Compensation Act 2004* Education and Training Scheme in each state and territory.

OFFICE OF AUSTRALIAN WAR GRAVES

The Office of Australian War Graves (OAWG) manages the War Graves program and has three main functions. Firstly, it is responsible for the individual commemoration of Australia's war dead. For those who died in the two world wars, OAWG is linked to the Commonwealth War Graves Commission and maintains the Commission's war cemeteries and other commemorations in Australia, Papua New Guinea, the Solomon Islands and Norfolk Island. This responsibility is covered by a formal agreement between Australia and the Commission, signed on 1 January 1975. Under this

Portfolio Overview

agreement, OAWG also maintains war graves and cemeteries in Australia that contain the graves of foreign service personnel and civilian internees.

For those Australian service personnel who have died in conflicts subsequent to the two world wars, OAWG maintains individual commemorations in cemeteries overseas relating to a particular conflict, or in Australia.

Because of its expertise, OAWG also arranges the periodic maintenance of the graves and memorials to former Prime Ministers and Governors-General of Australia as negotiated with the Department of Environment, Water, Heritage and the Arts.

As its second major responsibility, OAWG implements government policy for the perpetual commemoration of Australian veterans whose deaths after a war or conflict are accepted as being due to their war service.

Finally, on behalf of the Australian Government, OAWG constructs and maintains memorials overseas at sites significant to Australia's military history.

THE REPATRIATION MEDICAL AUTHORITY

The Repatriation Medical Authority (RMA) is an independent statutory body whose role is to determine statements of principles in relation to medical or scientific evidence connecting injuries, diseases or death with the circumstances of a particular veteran's service.

THE SPECIALIST MEDICAL REVIEW COUNCIL

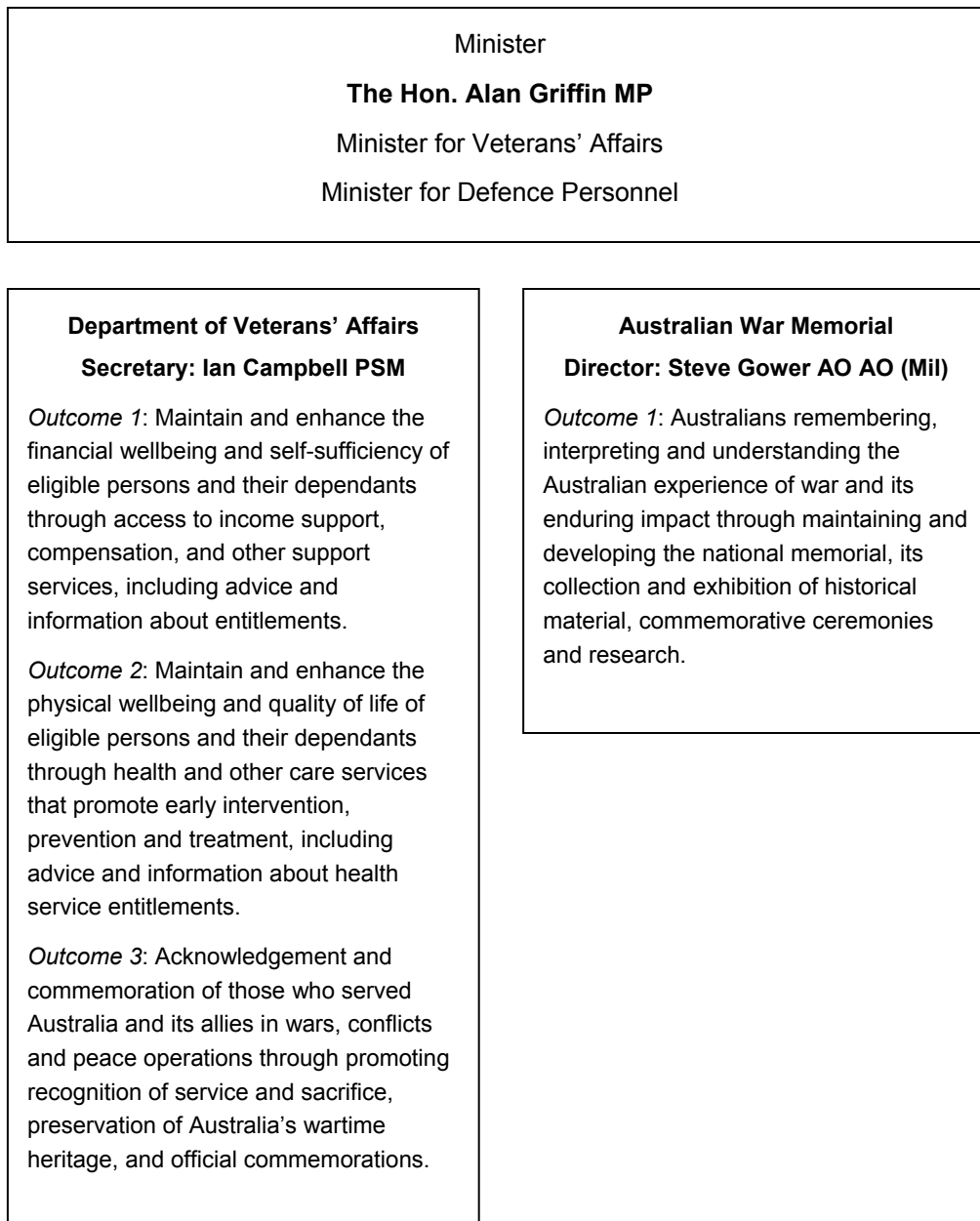
The Specialist Medical Review Council (SMRC) is an independent statutory body whose role is to review the contents of a statement of principles or a decision of the Repatriation Medical Authority not to issue such a statement on application.

THE AUSTRALIAN WAR MEMORIAL

The Australian War Memorial (AWM) was established as a body corporate under the *Australian War Memorial Act 1980*. It operates within the Veterans' Affairs Portfolio as a discrete agency.

The AWM is responsible for maintaining and developing the national memorial to Australians who have died on or as a result of active service, or as a result of any war or warlike operations in which Australians have been on active service. It also develops and maintains a national collection of historical material; exhibits, or makes available for exhibition by others, the historical material in its possession; and conducts and fosters research into Australian military history.

Figure 1: Department of Veterans' Affairs portfolio structure and outcomes



PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2010-11 budget year, by agency.

Table 1: Portfolio resources 2010-11

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of Veterans' Affairs					
Administered appropriations	89.6	-	11,608.2	-	11,697.8
Departmental appropriations	304.4	26.9	-	34.5	365.8
Total:	393.9	26.9	11,608.2	34.5	12,063.6
Australian War Memorial					
Departmental appropriations	30.9	7.2	-	8.2	46.3
Total:	30.9	7.2	-	8.2	46.3
Portfolio Total	424.8	34.1	11,608.2	42.7	12,109.9