



2014–15 Budget

Department of Veterans' Affairs

The Government has provided \$12.3 billion for Veterans' Affairs in 2014–15, supporting around 310,000 veterans and dependants. This funding includes \$6.7 billion for income support and compensation pensions and \$5.5 billion for health services.

Recognising the unique nature of military service, the 2014–15 Budget provides:

- Funding to deliver the Government's election commitment to index DFRB and DFRDB military superannuation pensions by movements in the better of the Consumer Price Index (CPI), Male Total Average Weekly Earnings, and Pension and Beneficiary Living Cost Index from 1 July 2014 for superannuants age 55 and over.
- Restoration of funding to the Building Excellence in Support and Training (BEST) programme, providing an additional \$1 million per year over the forward estimates period.
- The \$7 GP co-payment will not be applicable to Department of Veterans' Affairs (DVA) Gold Card and White Card clients for those conditions covered.
- Veterans eligible to access the Veterans' Pharmaceutical Reimbursement Scheme will be reimbursed for out-of-pocket pharmaceutical expenses arising from the one off increase in the concessional pharmaceutical co-payment of 80 cents and the increase to the safety net threshold.

The Budget is part of the Government's Economic Action Strategy to build a strong, prosperous economy and a safe, secure Australia.

2014–15 Budget measures for DVA include:

- Amendments will occur to the backdating of disability pension claims with the disability pension to be paid from the date the claim is lodged for claims received on or after 1 January 2015. Backdating provisions for *Veterans' Entitlements Act 1986* War Widow(er) pension claims will remain unchanged.
- There will be an increase in the number of Enhanced Compliance Programme (ECP) reviews per financial year from 12,000 to 20,000. These additional reviews are aimed at ensuring clients are receiving the level of income support they are entitled to and will focus on clients who are at high risk of changes to their circumstances.
- DVA clients who have been in continuous receipt of incapacity payments for 12 months or more under either the *Safety, Rehabilitation and Compensation Act 1988* or the *Military Rehabilitation and Compensation Act 2004* will undergo a specialist review to confirm if their service related condition continues to impact their ability to work. Over a two and a half year period, around 500 clients with a single condition will be reviewed.
- \$6.9 million will be allocated towards a detailed business case and design for an interpretive centre in France to ensure the sacrifice of Australians on the Western Front during the First World War is appropriately recognised.

- The Health Provider Fee Indexation budget initiative between DVA and the Department of Health (DoH) will align indexation arrangements between Medicare and DVA arrangements. These measures will not change the current health care entitlements for DVA Gold and White Card holders.
- A Defence Service Homes Insurance Scheme (DSHIS) Independent Scoping Study will consider options for the future management and operations of the DSHIS and include advice from an industry expert.

Other whole of Government measures concerning veterans include:

- The Repatriation Pharmaceutical Benefits Scheme (RPBS) will include new and amended listings and updates to the Medicare Benefits Scheme (MBS) that will flow through to DVA automatically.
- Annual indexation of the current income threshold for the Commonwealth Seniors Health Card (CSHC) by the CPI will occur from 20 September 2014.
- From 1 July 2014, the Clean Energy Supplement will be known as the Energy Supplement and the payment will no longer be indexed as the carbon tax will be removed and will no longer contribute to price pressures.
- The Seniors Supplement will be abolished for holders of the CSHC and the DVA Gold Card, from 20 June 2014, while the Energy Supplement and a concession card will still be available to eligible seniors who do not receive a pension.
- The closure of the Pension Bonus Scheme to new registrations has been deferred to 1 July 2014.
- The Housing Help for Seniors pilot has been reversed.
- The Education Entry Payment will be abolished from 1 January 2015.
- From 20 September 2017, the Service Pension (and other DVA pension payments) will be indexed according to the CPI only. This will make indexation arrangements consistent across social security payments and equivalent Veterans' Affairs payments. Pensions will continue to be indexed twice per year.

- The income test for the CSHC will be changed to include untaxed superannuation income in the assessment, treating untaxed superannuation more fairly for CSHC holders from 1 January 2015.
- The deeming rate thresholds will be reset to \$30,000 for a single and \$50,000 for a couple from 20 September 2017.
- Eligibility thresholds will be maintained for Australian Government payments and a pause in indexation of all means test thresholds for income support pensions and allowances for three years will occur from 1 July 2017.
- Reprioritising of the Aged Care Workforce Supplement funding will increase the payments that can be made to Veterans' Home Care, Community Nursing and residential aged care providers from 1 July 2014.
- The Aged Care Payroll Tax for some residential aged care providers will be abolished from 1 January 2015.
- The indexation of some MBS fees, the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds will be paused. DVA medical arrangements will be brought into line with the existing MBS arrangements.
- The MBS comprehensive eye examination will reduce the time interval for eye examinations for those over 65 from every second year to every year, and from every second year to every third year for those under 65.
- The MBS will include new and amended listings and updates to the MBS that will flow through to DVA automatically.
- Personally Controlled Electronic Health Record funding will be allocated to support DVA in communicating with the veteran community about electronic health records.
- A full implementation of the National Bowel Cancer Screening Programme for all Australians aged 50–74 years will occur by 2020.

More information

For more information about DVA Budget measures, please visit www.dva.gov.au

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