

Senate Foreign Affairs, Defence and Trade Legislation Committee
Additional estimates 2001—2002, February 2002
ANSWERS TO QUESTIONS ON NOTICE
ISSUES ARISING FROM THE DVA ANNUAL REPORT 2000–2001
Department of Veterans' Affairs

Question 6

Outcome 1 (Compensation)

Senator Bishop asked:

When will the Gulf War Health Study be released?

Answer:

It is expected that the Gulf War Veterans Health Study Report should be available during the last quarter of this calendar year. This timing is dependent upon a forthcoming scientific assessment of the study recruitment results to date.

Question 9

Outcome 1 (Compensation)

Senator Bishop asked:

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1. In relation to the assessment of private trusts and companies, how many veterans have had their pensions reassessed to date?
2. How many are likely to have their pension (a) reduced or (b) cancelled?
3. In a full year what would the saving to budget be, and what was the original estimate?

Answer:

1. 3,450 as at 1 February 2002.
2. (a) 808 and (b) 308 as at 1 February 2002.
3. In the first full year (2002-03) the estimated saving to budget will be \$3,376,722. The original estimate was \$8,835,000.

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Question 10

Outcome 1 (Compensation)

Senator Bishop asked:

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1. What sum is currently owed to DVA from overpayments, on a state basis?
2. What are the formally approved thresholds below which recovery is not required to be pursued?
3. How many overpayments were there for each of the last 5 years on a state basis, what proportion was successfully recovered, and how many were waived?
4. What was the total value of write off in each year by state, and what proportion was above the allowed threshold.

Answer:

1. The Compensation program of the Department of Veterans' Affairs had administered expenses in excess of \$5.3 billion in 2000–2001. The value of outstanding overpayments provided in the following table is approximately 0.2% of those administered expenses.

State	Amount outstanding at 29/01/02
NSW	\$4,844,918.40
Qld	\$3,014,204.07
Tas	\$427,388.22
Vic	\$2,905,404.71
WA	\$635,851.27
SA	\$1,084,716.45
Total	\$12,912,483.12

2. Under Section 206(b)(ii) of the *Veterans' Entitlements Act 1986* the Repatriation Commission has the authority to waive or defer the right of the Commonwealth to recover a debt in a class specified by the Minister and published in the *Gazette*. The amount that has been gazetted is \$200.00. This does not mean that the Commission is automatically required to waive debts below this amount. It should also be noted that the Commission also has the power to waive debts in excess of \$200.00. Waiver of

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debts in excess of \$200.00 are determined by taking into account the specific circumstances of the case under consideration.

Prior to the introduction of an automatic processing system on 29/1/01, debt processing was manual and it was not generally considered cost effective to recover debts below this amount. Automatic processing allows debts raised against a person in payment to be pursued in a cost-effective manner. If the person is not in payment a \$50.00 threshold has been set. Manual recovery of debts below that threshold is not cost effective due to the time and human resource effort necessary to recover. Some debts, such as those raised by bereavement units, are not automatically processed and the \$200.00 threshold continues to apply.

3. The following tables provide data for 1996–97, 1997–98, 1998–99, 1999–00, 2000–01.

Information for 2000–01 is only available for the period 29/01/01 to 30/06/01. On 29/01/01 the department implemented the new debt management system, DMRS. This system has significantly improved the department's capacity to record and track debts. Information from the old system, WINPORS was transferred to DMRS. A report that provides a full answer to this question for the year 2000–01 cannot be provided at this stage because of the need to merge data in different formats from two different systems which require the services of a programmer.

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1996–1997

State	Data	Continuing	Fully Recovered	Partially recovered	Waived >\$200	Waived <\$200	Written Off	Grand Total
NSW	Number	28	1,555	70	38	762	75	2,528
	Percentage	1.11%	61.51%	2.77%	1.50%	30.14%	2.97%	100.00%
QLD	Number	31	1,180	34	30	780	43	2,098
	Percentage	1.48%	56.24%	1.62%	1.43%	37.18%	2.05%	100.00%
SA	Number	1	477	17	40	184	7	726
	Percentage	0.14%	65.70%	2.34%	5.51%	25.34%	0.96%	100.00%
TAS	Number	3	259	15	17	120	16	430
	Percentage	0.70%	60.23%	3.49%	3.95%	27.91%	3.72%	100.00%
VIC	Number	20	1,242	80	49	466	197	2,054
	Percentage	0.97%	60.47%	3.89%	2.39%	22.69%	9.59%	100.00%
WA	Number	3	401	18	140*		33	595
	Percentage	0.50%	67.39%	3.03%	23.53%		5.55%	100.00%
AUS		86	5,114	234	2,626		371	8,431

*The total number of waivers, or a complete breakdown of cases is not available for WA.

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1997–1998

State	Data	Continuing	Fully Recovered	Partially recovered	Waived >\$200	Waived <\$200	Written Off	Grand Total
NSW	Number	24	1,638	62	19	1,011	37	2,791
	Percentage	0.86%	58.69%	2.22%	0.68%	36.22%	1.33%	100.00%
QLD	Number	51	1,258	43	47	831	85	2,315
	Percentage	2.20%	54.34%	1.86%	2.03%	35.90%	3.67%	100.00%
SA	Number	7	454	20	38	345	8	872
	Percentage	0.80%	52.06%	2.29%	4.36%	39.56%	0.92%	100.00%
TAS	Number	3	191	11	1	101	8	315
	Percentage	0.95%	60.63%	3.49%	0.32%	32.06%	2.54%	100.00%
VIC	Number	21	1,424	42	57	849	135	2,528
	Percentage	0.83%	56.33%	1.66%	2.25%	33.58%	5.34%	100.00%
WA	Number	8	374	10	29	332	26	779
	Percentage	1.03%	48.01%	1.28%	3.72%	42.62%	3.34%	100.00%
AUS		114	5,339	188	191	3,469	299	9,600

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1998–1999

State	Data	Continuing	Fully Recovered	Partially recovered	Waived >\$200	Waived <\$200	Written Off	Grand Total
NSW	Number	66	1,886	49	32	1,072	36	3,141
	Percentage	2.10%	60.04%	1.56%	1.02%	34.13%	1.15%	100.00%
QLD	Number	94	1,257	43	53	517	67	2,031
	Percentage	4.63%	61.89%	2.12%	2.61%	25.46%	3.30%	100.00%
SA	Number	18	566	14	23	296	11	928
	Percentage	1.94%	60.99%	1.51%	2.48%	31.90%	1.19%	100.00%
TAS	Number	2	259	9	2	86	5	363
	Percentage	0.55%	71.35%	2.48%	0.55%	23.69%	1.38%	100.00%
VIC	Number	32	850	35	22	696	137	1,772
	Percentage	1.81%	47.97%	1.98%	1.24%	39.28%	7.73%	100.00%
WA	Number	14	356	5	9	297	6	687
	Percentage	2.04%	51.82%	0.73%	1.31%	43.23%	0.87%	100.00%
AUS		226	5,174	155	141	2,964	262	8,922

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1999—2000

State	Data	Continuing	Fully Recovered	Partially recovered	Waived >\$200*	Waived <\$200*	Written Off	Grand Total
NSW	Number	106	1,719	41	129	5,302	48	7,345
	Percentage	1.44%	23.40%	0.56%	1.76%	72.19%	0.65%	100.00%
QLD	Number	135	897	39	68	2,378	156	3,673
	Percentage	3.68%	24.42%	1.06%	1.85%	64.74%	4.25%	100.00%
SA	Number	37	536	5	17	1,012	6	1,613
	Percentage	2.29%	33.23%	0.31%	1.05%	62.74%	0.37%	100.00%
TAS	Number	28	170	17	48	200	5	468
	Percentage	5.98%	36.32%	3.63%	10.26%	42.74%	1.07%	100.00%
VIC	Number	34	1,344	27	28	725	114	2,272
	Percentage	1.50%	59.15%	1.19%	1.23%	31.91%	5.02%	100.00%
WA	Number	31	390	14	22	291	6	754
	Percentage	4.11%	51.72%	1.86%	2.92%	38.59%	0.80%	100.00%
AUS		371	5,056	143	312	9,908	335	16,125

*** The increase in the number of waived debts in 1999/2000 reflects the increase in overpayments resulting from the commencement of the 'Date of Effect' initiative. The Integrated Payment System, designed to correctly process claims made under 'Date of Effect', was implemented after the commencement of this initiative. As a result there was an increase in the number of overpayments raised. Where a processing delay resulted in an overpayment, and the claimant had otherwise fulfilled all his/her obligations debts were waived. Where the claimant had not fulfilled his/her obligations recovery action was initiated.*

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2000–01*

State	Data	Continuing	Fully Recovered	Waived >\$200*	Waived <\$200*	Written Off	Grand Total
NSW	Number	2385	2375	88	45	39	4932
	Percentage	48.35	48.16	1.78	0.92	0.79	100.00 %
QLD	Number	1514	1009	31	33	37	2624
	Percentage	57.71	38.45	1.18	1.25	1.41	100.00 %
SA	Number	620	636	8	34	10	1308
	Percentage	47.40	48.63	0.61	2.60	0.76	100.00 %
TAS	Number	238	237	7	9	3	494
	Percentage	48.18	47.97	1.42	1.82	0.61	100.00 %
VIC	Number	1685	1108	13	57	22	2885
	Percentage	58.41	38.41	0.45	1.97	0.76	100.00 %
WA	Number	302	374	9	31	2	718
	Percentage	42.06	52.09	1.25	4.32	0.28	100.00 %
AUS		6744	5739	156	209	113	12,961

Note: the continuing column in this table is a cumulative total of all debts carried forward from 1999/2000 into this financial year and new debts raised in this financial year.

*2000/01 these are the DMRS statistics for the period 29/1/01 (the implementation of DMRS) to 30/6/01.

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4. A debt is normally written-off where it is not possible or cost effective to recover it. Unlike a waiver, the decision to write off a debt does not affect the Commonwealth's right to recover at a later date. Debts are written off only after all appropriate recovery action has been taken, recovery is not possible, and where it is not appropriate to provide a waiver. A written-off debt can be re-raised at any time where a debtor's capacity to repay improves.

There is no threshold amount with regard to written-off debts as the Commonwealth has not relinquished its right of recovery. The following table provides information on the number and value of written-off debts. Some information for 2000–01 is available (please refer to point 3 for explanation).

State		1996/7	1997/8	1998/9	1999/00	2000/01*
NSW	Number of write-offs	75	37	36	48	39
	\$ Value of debt	92,332.5 9	26,072.9 8	151,230. 79	56,205.0 9	65,877.4 4
QLD	Number	43	85	67	156	37
	\$ Value of debt	26,590.8 4	51,496.8 9	48,619.2 8	86,090.0 1	22,171.3 4
SA	Number	7	8	11	6	10
	\$ Value of debt	2,740.41	4,114.70	4,995.67	2,089.30	6,188.38
TAS	Number	16	8	5	5	3
	\$ Value of debt	19,052.4 6	6,394.42	2,412.40	9,136.47	34,962.4 1
VIC	Number	197	135	137	114	22
	\$ Value of debt	140,355. 01	214,309. 10	119,811. 30	79,524.6 5	24,653.2 7
WA	Number	33	26	6	6	2
	\$ Value of debt	23,895.5 6	13,900.9 1	7,969.73	1,649.40	1,803.10
Totals	Number	371	299	262	335	113
	\$ Value of debt	304,966. 87	316,289. 00	335,039. 17	234,694. 92	155,655. 94

*2000/01 these are the DMRS statistics for the period 29/1/01 (the implementation of DMRS) to 30/6/01.

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Question 11

Outcome 1 (Compensation)

Senator Bishop asked:

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1. What was the estimated cost of extending benefits as a result of the Mohr Report?
2. How many claims have been made to date and what was the actual cost to 31/12/01?

Answer:

1. The estimated additional costs of extending benefits as a result of the Mohr report were:

	2000–01	2001–02	2002–03	2003–04
Outcome	\$,000	\$,000	\$,000	\$,000
Departmental Outputs	1,074	867	867	864
Administrated Expenses	15,079	35,538	36,069	35,950
TOTAL	16,153	36,405	36,936	36,814

Reference: Page 19 of the Portfolio Budget Statements 2000–2001 (Review of service entitlements anomalies with respect to South East Asian Service 1955–1975)

2. Implementation of the Mohr Report recommendations added to the number of people eligible for a service pension in respect of deployments to overseas areas by extending qualifying service.

It is not possible to distinguish between those previously eligible and those who have become eligible following implementation of the Mohr Report recommendations. Determining the actual cost of implementing the recommendations would require an extensive search of individual claims and the resources are not available to do this.

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Department of Veterans' Affairs

Question 12

Outcome 1 (Compensation)

Senator Bishop asked:

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1. Has any consideration been given to re-rating Timor service to non-warlike, or is it assumed that the level of risk from hostile forces remains high?
2. How many claims have been made under the VEA and the MCRA from Timor servicemen and women to 31/12/01, by category of injury?
3. How many ADF personnel are estimated to have participated in Operations Plumbob, Trek, and Pomelo?

Answer:

1. At present, Australian Defence Force (ADF) personnel deployed to East Timor as part of Operation Tanager are on warlike service. The nature of the service and the risks of this deployment are assessed monthly by the Australian Defence Force.
2. Claims in respect of service in East Timor may be lodged under the *Veterans' Entitlements Act 1986* (VEA) or the *Safety, Rehabilitation and Compensation Act 1988* (SRCA)

Claims under the *Veterans' Entitlements Act 1986*:

- Depending on their date of enlistment, ADF personnel may only be entitled to claim under the VEA in respect of their period of deployment to East Timor.
- Others may have other additional eligible service under the VEA. Without examining individual cases it is not possible to say that the conditions claimed were caused by service in East Timor or other service.

The table below details claims made by each group by condition:

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Decision **	East Timor service Only				East Timor and other eligible service			
	ACC	NIF	REJ	Total	ACC	NIF	REJ	Total
Circulatory System	1		1	2			12	12
Congenital Anomalies	1		1	2			3	3
Digestive System	16		8	24	1		12	13
Endocrine			1	1	1		3	4
Genitourinary	3			3			3	3
Ill-Defined Conditions	4	30		34		48	1	49
Infectious	88		4	92	2		2	4
Injury and Poisoning	119	1	21	141			30	30
Mental Disorders	80		20	100	11		14	25
Musculoskeletal	121		39	160	9	1	89	99
Neoplasms	5		1	6	1		5	6
Nervous System/Sense Organs	59		12	71	5	4	12	21
Respiratory System	3		1	4			3	3
Skin and Subcutaneous	18		4	22	1		6	7
No ICD Code	37	1	7	45			4	4
	555	32	120	707	31	53	199	283

** ACC = condition accepted as being due to or aggravated by eligible service

NIF = the claimed condition was not found to be present.

REJ = condition refused as not being due to or aggravated by eligible service

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Claims received under the *Safety, Rehabilitation and Compensation Act 1988*:

Decision	Liability Accepted	Liability Rejected	Total
Circulatory system	5	1	6
Digestive system	13	2	15
Infectious and parasitic diseases	57	6	63
Injury and poisoning	198	8	206
Mental disorders	40	8	48
Musculoskeletal system and connective	24	0	24
Neoplasms	1	0	1
Nervous system and sense organs	12	3	15
Respiratory system	3	1	4
Skin and subcutaneous tissue	6	2	8
Other diseases	61	18	79
Total	420	49	469

3. The following numbers of ADF personnel have been deployed on the Operations:

Plumbob (Guadalcanal evacuation)	917 approximately	This includes ships crew of 817 plus members who were supernumerary, plus the force element. (The latter two elements were estimated at about 100.)
Trek (Solomons monitoring group)	700 approximately	
Pomelo (Ethiopia/Eritrea liaison)	4	In February 2001 the Government committed 6 personnel over a period of two years. Personnel go two at a time—four have been deployed so far.

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Question 13

Outcome 1 (Compensation)

Senator Bishop asked:

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1. How many ADF personnel are known to have served in Kosovo?
2. Has a ministerial determination been made for this service?
3. With which forces were the personnel attached?
4. How many claims for compensation have been made to date?
5. Could a copy of each disallowable instrument made under S.88(A)(1) be provided?

Answer:

1. The Department of Defence has advised 36.
2. Yes—Two Determinations concerning Operation Agricola dated 14 April 1999 and 24 August 1999 and one Determination concerning Operation Allied Force dated 24 August 1999. These Determinations are attached.
3. The Department of Defence advises that ADF personnel were attached to British and US forces.
4. No claims have been received in respect of service in Kosovo under either the *Veterans' Entitlements Act 1986* or *Safety, Rehabilitation and Compensation Act 1988*.
5. Attached are copies of the two disallowable instruments made under s. 88A(1) to date:
 - Veterans' Entitlements Treatment (Anxiety and Depressive Disorders) Determination 2000;
 - Veterans' Entitlements Treatment (Unidentifiable Condition) Determination 2000.

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Question 14

Outcome 1 (Compensation)

Senator Bishop asked:

Page 52. What is the distinction made between exemption from the GST for spare parts for cars and for motor cycles?

Answer:

Section 38–505 of the *A New Tax System (Goods And Services Tax) Act 1999* provides an exemption from the GST that applies to *car parts* for a veteran who:

- (a) has served in the Defence Force or in any other armed force of Her Majesty; and
- (b) as a result of that service:
 - (i) has lost a leg or both arms; or
 - (ii) has had a leg, or both arms, rendered permanently and completely useless; or
 - (iii) is a veteran to whom section 24 of the [*Veterans' Entitlements Act 1986*](#) applies and receives a pension under Part II of that Act; and

A *car* means a motor vehicle (except a motor cycle or similar vehicle) designed to carry a load of less than 1 tonne and fewer than 9 passengers.

Paragraph 6 of the *Veterans' Entitlements (Special Assistance—Motorcycle Purchase) Regulations 2001* provides eligibility for reimbursement of the GST component of the purchase price of a *motorcycle part* for the same classes of veterans who are eligible for a GST exemption on *car parts*.

In essence, the only distinction is that motorcycles parts are covered by a GST rebate arrangement, while car parts are GST exempt.

Question 15

Outcome 1 (Compensation)

Senator Bishop asked:

Page 55. Is the outcome of the SMRC's second review of Malignant Neoplasm of the Prostate available yet? If so, what did it conclude?

Answer: No, the review has not been completed.

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Question 16

Outcome 1 (Compensation)

Senator Bishop asked:

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How many war widows who remarried prior to 1984 have applied to have their pension restored?

What was the original Budget estimate?

What publicity has been made to reach possible claimants?

Answer:

- As at 7 February 2002, 2445 applications for restoration of war widows pension had been received by the Department of Veterans' Affairs. Of these 1809 have been granted and are in payment, 217 have been refused, and 419 applications are being considered.
- The Budget estimate projected a take up over three years as follows:

2001–02	2002–03	2003–04	Total
2,628	490	301	3,419

- In addition to the Budget announcement which received extensive media coverage, the initiative was publicised in the June, September and December issues of *Vetaffairs*.

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Question 17

Outcome 1 (Compensation)

Senator Bishop asked:

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1. How many departmental advocates are employed by DVA in each state, either permanently or on contract, to represent the Repatriation Commission before the AAT?
2. Of those how many are legally qualified?
3. What is the current number of appeals to the AAT awaiting hearing in each state?
4. For each of the last 5 years how many appeals were made by veterans to the AAT, and of those how many were (a) withdrawn, (b) conceded, (c) or concluded (i) in the Commission's favour or (ii) the veterans' favour?
5. In each year what percentage of AAT appeals were funded by Legal Aid (by state)?
6. What was the cost of legal aid in the AAT veteran's jurisdiction in each of the last 5 years, excluding overheads?

Answer:

1. & 2. The number of advocates employed by the Department to appear before the AAT and their qualifications are:

State	Advocates with legal qualifications	Advocates without legal qualifications	Total
Qld	1	4	5
NSW	6	1	7
Vic	5	2	7
Tas	1	0	1
SA	0	2	2
WA	1	0	1
TOTAL	14	9	23

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3. The number of appeals to the AAT lodged by veterans outstanding at 31 January 2002 was 1662.

State	Number Outstanding
Qld	355
NSW	482
Vic	60
Tas	113
SA	62
WA	590
TOTAL	1662

4. A numbers of appeals to the AAT lodged by veterans over the last 5 calender years are:

Year	Applications
1997	1849
1998	1997
1999	2149
2000	1747
2001	1592

Detailed statistics are:

Year	Withdrawn	Conceded	Affirmed (Commission's favour)	Set aside (Veteran's favour)	Total determined in year
1997	512	892	91	65	1560
1998	428	787	121	91	1427
1999	542	645	117	90	1394
2000	641	753	250	192	1836
2001	446	542	161	202	1351

Note: Applications received in a given year are often determined in later years. Hence the sum of Withdrawn, Conceded, Affirmed and Set Aside decisions do not sum to the total of applications received for the same year.

5. The Attorney General's Department should be approached for this information.
6. The Attorney General's Department should be approached for this information.

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Question 18

Outcome 1 (Compensation)

Senator Bishop asked:

Page 63. What is the current position with respect to the negotiations with Westpac for the management of the Home Support Loan program? When will the facility be available and what was the original estimated cost for 2001—2002?

Answer:

Negotiations are completed. A contract was signed by the previous Minister for Veteran's Affairs on 28 September 2001. The facility has been available to veterans from 1 October 2001. The estimated cost to the Department for 2001—2002 is \$270,000.

Question 19

Outcome 1 (Compensation)

Senator Bishop asked:

Page 63. How many claims have been received by the DSH for damage and loss in the recent fires? What has been the average time for processing each claim, and what is the estimated cost of claims?

Answer:

To date 24 claims have been received with estimates of damage totalling \$320,285.75. Defence Service Homes Insurance has issued claim forms to all clients within 24 hours of reports of damage.

No claim has been finalised as yet. Clients are either awaiting repair work to be completed or quotations to be obtained. The average time for processing DSH claims, from time of the reporting of damage to the time of payment for repair work, is about 8 weeks.

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Question 25

Outcome 1 (Compensation)

Senator Bishop asked:

Page 140.

1. Could I have a breakdown of the 6% error rate in income support claim processing, identifying the proportion in the veterans' favour?
2. What estimates are available of the cost to the taxpayer of this error rate?
3. What remedial measures are being taken to get performance within the target?

Answer:

1. & 2. The 6% critical error rate was from a 5% sample from all income support business processed during 2000–2001. The sampling methodology is based on selecting a higher proportion of the more complex case types, and includes claims for an income support pension as well as reviews of the pensions of existing pensioners. Errors do not necessarily involve an incorrect rate of pension and may relate to other issues such as the standard of communication about the outcome of the claim.

The current reporting system does not record a corrected rate of pension if the error is an incorrect rate of pension. The system cannot identify the proportion of errors in the veterans' favour or an estimated cost of the discrepancy between the incorrect and correct rates. A new reporting system that is expected to be fully operational by the end of the 2001–02 financial year will provide this data.

3. Remedial measures in place to reach the target 5% critical error rate include:
 - providing feedback to individual decision makers on the quality of their work and the nature of errors that have occurred;
 - identifying training needs and developing and delivering training that addresses the identified need;
 - identifying and implementing improved work practices;
 - conducting periodic exercises to validate the outcomes of QA assessments;
 - maintaining a team of expert Quality Assurance Officers to conduct QA assessments and provide feedback to staff; and
 - providing specific training in relation to quality decision making. In 2000–01 465 service delivery staff participated in the *Quality Decisions Every Time* training package.

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Question 26

Outcome 1 (Compensation)

Senator Bishop asked:

Page 149. Table 24 shows extreme variation between acceptance rates for disability claims between states. What analysis is available and what explanation is there? Likewise for table 26.

Answer:

The variability in acceptance rates for disability claims is probably in part due to the different mix of claimants in the various States. For example there are more younger veterans from conflicts such as Vietnam in Queensland, Western Australian and Tasmania and more older veterans from conflicts such as World War II in New South Wales and Victoria. Younger veterans tend to suffer from different disabilities than older veterans. For example, there is a greater incidence of post traumatic stress disorder and alcohol dependence or alcohol abuse amongst those under 70 whereas in those over 70 osteoarthritis and ischaemic heart disease are more prevalent. Also acceptance rates vary considerably amongst the different disabilities (see Table 25, page 149 of the Annual Report).

Other factors that may be impacting on acceptance rates are factors such as differences in the strength and operation of representational bodies in the various States. There is anecdotal evidence suggesting that the acceptance rates amongst claimants with representation are greater than amongst those not represented. The Department actively encourages claimants to seek representation and maintains two programs, TIP and BEST, to facilitate ex-service organisations in providing advocacy services.

For war widows/widowers, the majority of claimants are widows of World War II veterans and therefore the differences in acceptance rates would not be as influenced by factors such as age and conflict, however they would still be expected to be influenced by representational factors described above.

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Question 28

Outcome 1 (Compensation)

Senator Bishop asked:

Page 220. How many vehicles does the Repatriation Commission and DVA lease, and how many are 4, 6 and 8 cylinder?

Answer:

The Department has 137 vehicles on lease of which 22 are 4 cylinder, 114 are 6 cylinder and one is 8 cylinder.

Question 29

Outcome 1 (Compensation)

Senator Bishop asked:

Page 254.

1. Noting that 2519 grants of Special Rate (T&PI) in 2000/1 (see Page 151) what projections does DVA have of the number of Vietnam veterans being T&PI in the next 10 years?
2. What explanation is available for the significantly higher proportion of T&PI among Vietnam veterans compared with all other groups?
3. Of all veterans with a disability pension, what proportion have PTSD as an accepted condition?
4. What proportion are currently undergoing treatment?

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Answer:

1. Over the last 4 calendar years the number of T&PI grants to Vietnam veterans were as follows:

Calendar year	Grants
1998	1543
1999	2054
2000	2228
2001	2169

It is anticipated that this level of grants, i.e. around 2000 per calendar year, will continue for the next few years. The Department has not made a projection for the next ten years.

2. Most recent grants of T&PI were cases where PTSD was the dominant disability suffered. The diagnosis of PTSD only appeared in the manual of diagnostic criteria in the 1980s and has only begun to be regarded by the majority of the psychiatric profession as credible in the last five years or so.

Studies indicate that the rate of PTSD is consistently high for combat veterans (in particular) of all conflicts. However, many veterans of WW2 or Korea for example would never have received such a diagnosis and may never re-present to a clinician for a review of a previous diagnosis, such as personality disorder, alcoholism or depression.

3. At 26 January 2002 there were 161,928 veterans receiving a disability pension. 20,085 (12.40%) of these have Post Traumatic Stress Disorder (PTSD) accepted under the VEA.

4. Exact figures of Vietnam veterans with PTSD undergoing treatment are not available to the Department for a number of reasons:

- Veterans seek mental health care, including treatment of PTSD, from the Vietnam Veterans Counselling Service, which retains specific rules about confidentiality and privacy. Client files cannot be shared with the Department. In the last financial year more than 16,000 individual clients attended the VVCS. More than 35% of help seeking veterans have a diagnosis of PTSD.
- Veterans may seek help from a general practitioner, but data from GP attendances is insufficient to identify whether the presenting problem is PTSD or some other disorder.
- Veterans may also seek treatment for PTSD from private practitioners through Medicare or private health fund arrangements.
- In some instances veterans have chosen alternative therapies

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- Veterans may also present to clinicians with conditions that are co-morbid with PTSD (anxiety, depression, and/ or substance abuse) where the identified problem is the co-morbid condition, not PTSD.

Question 35

Outcome 1 (Compensation)

Senator Bishop asked:

What was the response of state ministers to the request that veterans in receipt of the POW payment not be penalised in their rent assessments?

Answer:

With the exception of the NSW Minister for Housing, all relevant state and territory ministers have replied to the request. The responding Ministers agreed that the lump sum payment will not be taken into account when determining housing assistance for recipients of the payment. Any income earned or derived from investment etc of the lump sum ex-gratia payment, whether deemed or actual, will be taken into account when determining the level of housing assistance.

The response to follow up requests to the office of the NSW Minister for Housing was that the request is under consideration.

Question 39

Outcome 1 (Compensation)

Senator Bishop asked:

Page 34, PBS. What specific payments were made for defective administration in each of the last three years?

Answer:

A summary of the defective administration payments and total expenditure for the last three financial years is listed below:

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FINANCIAL YEAR	NUMBER OF PAYMENTS	TOTAL EXPENDITURE
1998–99	5	\$14,877.90
1999–00	11	\$24,905.52
2000–01	7	\$13,473.33

Question 40

Outcome 1 (Compensation)

Senator Bishop asked:

Page 38, PBS. How many applications have been made by allied servicemen for Invalidity Service Pension in each of the last 3 years, by state? What were the respective acceptance rates?

Answer:

A total of 732 invalidity service pension applications have been received from allied veterans over the past three financial years. A state breakdown of these cases, with the exception of Tasmania where there were no cases, is as follows:

State	1998–99	1999–00	2000–01
NSW	147	116	137
Vic	55	61	88
Qld	11	9	21
SA	15	21	9
WA	10	13	19
AUST	238	220	274

Of the 732 applications received, 68 were withdrawn, 22 were merged (ie processed simultaneously with another claim from the same veteran) and 2 are still being investigated. The remaining 640 applications were processed.

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The respective acceptance rates (by state) are as follows:

State	1998–99	1999–00	2000–01
	%	%	%
NSW	78.2	67.9	51.2
Vic	37.0	50.0	44.3
Qld	50.0	85.7	81.3
SA	58.3	71.4	88.9
WA	75.0	50.0	31.3
AUST	66.0	63.1	51.3

Question 2

Outcome 2 (Health)

Senator Bishop asked:

Page 32. Reference is made to \$14 m paid for services delivered to veterans, including presumably the cost of undertaking the assessments of 19,912 veterans and widows.

1. Given that some veterans transferred from HACC, what offsetting savings are available?
2. When will it be possible to say whether the forecast savings to pay for this program have been forthcoming? (See Page 50, PBS).
3. What were the findings of the evaluation due to be presented in January 2002?
4. Can a list of 'assessment and coordination' organisations be provided together with payments made to each to date?

Answer:

1. None. There was no reduction to the Home and Community Care (HACC) appropriation as a result of veterans transferring from HACC to Veterans' Home Care (VHC).
2. It is expected that a cost effectiveness analysis by the Social Policy Research Centre of the University of New South Wales (UNSW) will be available at the end of June 2002.

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3. A draft report of the first-stage findings of the UNSW is due to be presented to the Evaluation Reference Group (made up of representatives from the Departments of Veterans' Affairs, Finance and Administration, Health and Ageing and Prime Minister and Cabinet) in February/March 2002.
4. Attached is a list of contracted VHC assessment and coordination agencies, including payments made from January 2001 to January 2002.

VETERANS' HOME CARE REGIONAL ASSESSMENT AGENCIES			
State	Region	Agency name & address	Payments Jan 2001 to Jan 2002
Qld	Darling Downs/ South West	St Vincent's Community Services 366 Bridge Street Wilsonton Qld 4350 PO Box 9062	\$48,500
Qld	Northern	Blue Care 99-100 Evan Street Mackay Qld 4740 PO Box 314	\$35,600
Qld	Central	Blue Care Shop 3, 51A Woongarra Street Bunderberg Qld 4670	\$86,200
Qld	North Brisbane	Blue Care Shop 5, 734 Gympie Road Chermside Qld 4032 PO Box 2459	\$289,600
Qld	South Brisbane	Blue Care 163 Ingram Road Acacia Ridge Qld 4110	\$160,000
Qld	Peninsula	St Vincent's Community Services 197 Draper Street	\$31,000

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State	Region	Agency name & address	Payments Jan 2001 to Jan 2002
		Cairns Qld 4870 PO Box 7754	
Qld	West Moreton/South Coast	RSL (Qld) War Vets Home 465 Hellowell Road Sunnybank Hills Qld 4109 PO Box 1156	\$166,900
SA	North West Country	Helping Hand Aged Care Shop 3, 106 Florence Street Port Pirie SA 5540	\$31,700
SA	North West Metro Region South East Metro Region South East Country Region	Aged Care & Housing Group 507 Lower North East Road Campbelltown SA 5074	\$301,000
NT	Operations North Operations Central	Red Cross Home Care Service Darwin Red Cross Hostel Katherine NT 0850	\$7,200
NSW/ACT	South Eastern Sydney	Calvary Hospital PO Box 261 Kogarah NSW 1485	\$110,900
NSW/ACT	ACT	ACT Community Care GPO Box 825 Canberra ACT 2601	\$69,900
NSW/ACT	Central Coast	Central Coast Area Health PO Box 361	\$117,900

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State	Region	Agency name & address	Payments Jan 2001 to Jan 2002
		Gosford NSW 2250	
NSW/ACT	Northern Rivers	Northern Rivers Health Service Locked Mail Bag 11 Iluka NSW 2466	\$97,000
NSW/ACT	Illawarra	Illawarra Health Service 33 Five Islands Road Port Kembla NSW 2505	\$70,000
NSW/ACT	Mid North Coast	Mid North Coast Area Health Service The Parsonage Albert Street Taree NSW 2430	\$110,500
NSW/ACT	Central Sydney Far West Greater Murray Hunter Macquarie Mid West Northern Sydney Sth West Sydney Wentworth Western Sydney	Home Care Level 3/6 Parkes Street Parramatta NSW 2150	\$628,480
NSW/ACT	New England	Clarence Valley Community Program 49 Queen Street Grafton NSW 2460	\$63,747
NSW/ACT	Southern	Daleford Meadows Pty Ltd 61 Shoalhaven Street Nowra NSW 2541	\$59,700

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State	Region	Agency name & address	Payments Jan 2001 to Jan 2002
WA	North Metro	City of Joondalup (no longer contracted) Community Vision Inc. PO Box 1682 Wangara WA 6947	\$53,700 \$42,900
WA	South East Metro	Australian Flying Corps & RAAFA Air Force Memorial Drive Bullcreek Drive Bullcreek WA 6149	\$60,500
WA	Midwest Wheatbelt Goldfields South West Great Southern	Silver Chain 6 Sundercombe Street Osborne Park WA 6017	\$58,520
WA	South West Metro East Metro	Aged Care Services Australia 44 Rome Road Myaree WA 6154	\$119,700
WA	Kimberley	Kimberley Aged Care Services (no longer contracted)	\$0
WA	Pilbara	Pilbara Aged Care Services (no longer contracted)	\$300
Vic	Grampians	Ballarat City Council PO Box 655 Ballarat Vic 3353	\$37,100
Vic	Loddon Mallee	Mildura Rural City Council 74-84 Deakin Avenue	\$140,300

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State	Region	Agency name & address	Payments Jan 2001 to Jan 2002
		Mildura Vic 3500	
Vic	Gippsland	Latrobe Community Health Service PO Box 960 Morwell Vic 3840	\$90,800
Vic	Hume	City of Greater Shepparton 90 Welmsford Street Shepparton Vic 3630	\$79,100
Vic	Barwon South Western	Vision Australia Foundation 229 Moore Street Warnambool Vic 3280	\$124,600
Vic	Southern Metro Eastern Metro Northern Metro Western Metro	RALLY C/- Royal Talbot Rehabilitation Centre Yarra Boulevard Kew Vic 3101	\$703,900
Tas	South	Care Assessment Coordinators' 52 Bellevue Parade New Town Tas 7008	\$111,800
Tas	North	St Luke's Private Hospital 24 Lyttleton Street Launceston Tas 7250	\$51,600
Tas	North West	Family Based Care North West PO Box 510 Burnie Tas 7320	\$23,500
		TOTALS	\$4,184,147

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Question 3

Outcome 2 (Health)

Senator Bishop asked:

1. What Departmental savings have been identified as a result of the removal of prior approval processes for private hospital access?
2. What sum has been paid to private hospitals in each of the last 5 years?
3. How many treatment claims were lodged from each private hospital in each of the last 5 years?

Answer:

1. Departmental savings have not been specifically identified as resulting from removal of the prior approval processes for access to the majority of private hospitals contracted by the Department.
2. The removal of prior approval for admission to most private hospitals has allowed the Department to refocus these resources on contract management, including post-payment monitoring of the services provided by private hospitals and other Departmental activities.

1996–97	\$354m
1997–98	\$420m
1998–99	\$504m
1999–00	\$615m
2000–01	\$669m

3. Generally, there is one treatment claim made by a hospital in relation to each patient separation although some hospitals may make more than one treatment claim in respect of an episode particularly where a patient has an extended length of stay. (A separation is the process by which a patient completes a stay in hospital—in the past this was informally referred to as a discharge.)

The Repatriation Commission is concerned that releasing each individual hospital's separation figures would provide commercially sensitive information and accordingly, the following table provides a summary by state of the private hospital separations over the past 5 years.

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Number of separations in Private Hospitals

	1996–1997	1997–1998	1998–1999	1999–2000	2000–2001
NSW/ACT	38,606	49,683	57,374	62,708	65,366
Vic	21,068	28,121	33,369	47,094	51,003
Qld	49,290	49,517	52,186	60,055	70,628
SA/NT	5,461	6,063	7,106	9,500	11,805
WA	12,878	15,165	17,025	18,745	18,011
Tas	3,720	4,757	5,692	6,224	6,667
TOTAL	131,023	153,306	172,752	204,326	223,480

The following table provides expenditure figures on a broadly comparable basis.

Expenditure includes both inpatient and non-inpatient services and varying levels of medical and allied health services and prosthetics. The Department currently has in the order of 400 Private Hospital and Day Procedure Centre contracts throughout Australia. To provide information for each individual Private Hospital for the past 5 years will be resource intensive and therefore, State by State total expenditure figures have been provided. If more specific information is required it can be provided on request.

Expenditure (\$m) in Private Hospitals

	1996–1997	1997–1998	1998–1999	1999–2000	2000–2001
NSW/ACT	98.4	129.9	160.1	191.0	200.5
Vic	63.0	78.1	98.3	137.6	149.3
Qld	131.5	144.4	163.2	185.9	199.1
SA/NT	9.2	10.0	12.2	18.7	31.8
WA	43.5	46.7	55.1	65.1	66.3
Tas	8.7	10.6	14.5	17.0	21.8
TOTAL	354.3	419.7	503.4	615.3	668.8

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Department of Veterans' Affairs

Question 4

Outcome 2 (Health)

Senator Bishop asked:

Could a copy of the Health Promotion Strategic Plan be provided?

Answer:

A copy of the Health Promotion Strategic Plan booklet is attached.

(Booklet was provided to the Committee. Not available on the website. Contact the secretariat for details.)

Question 5

Outcome 2 (Health)

Senator Bishop asked:

Page 35. What progress has been made in the commencement of the repeat Vietnam veterans' health study announced in May 2001?

Answer:

The May announcement referred to a repeat of the Vietnam Veterans' Mortality Study, rather than the Vietnam Veterans Morbidity (Health) Study.

Plans are well advanced for the repeat mortality study. It is intended that the Department establish a consultative forum comprising the major ex-service organisations and a scientific advisory committee, with representatives from a variety of disciplines.

It is anticipated that the study will commence in March/April 2002 and require 18 months to complete.

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Question 20

Outcome 2 (Health)

Senator Bishop asked:

Page 82. Could I be supplied with a list of the current funded health research projects under the Health and Medical Research Program, including proponent, time frames, costs and identified outcomes?

Answer:

There are nine research grants (sponsored research) currently active that will incur expenditure during the current financial year. In addition, there are eleven approved applied research projects (commissioned research).

Research Grants (sponsored research)

1. Care and outcomes of potentially curable prostate cancer in younger men

Principal investigator: Professor Bruce Armstrong

Institution: New South Wales Cancer Council

Time frame: January 2000–December 2002

Total cost: \$457,077

Outcomes: The researchers will investigate the costs and outcomes of current management of potentially curable prostate cancer in men under 65 years of age. The results will enable them to measure how effective the different treatments are. It will provide information on the costs and benefits of the treatment options and assist in decisions on what treatment to offer and what to accept.

2. Randomised control trial of a tailored intervention to improve alcohol related outcomes following elective surgery

Principal investigator: Dr Paul Haber

Institution: University of Sydney

Time frame: January 2000–December 2002

Total cost: \$253,079

Outcomes: The major purpose of this project is to evaluate the influence of a systematic approach to improved pre-operative care amongst individuals consuming alcohol at unsafe levels, on post-operative outcomes. The findings will be important in the pre-operative assessment of surgical risk.

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3. The relationship between the major hallmarks of Alzheimer's disease

Principal investigator: Dr James Vickers
Institution: University of Tasmania
Time frame: January 2000—December 2002
Total cost: \$145,162

Outcomes: The objective of this project is to determine the fundamental cellular mechanism leading to nerve degeneration in Alzheimer's disease which will lead to an effective therapeutic strategy to slow or prevent the most common form of age-related dementia.

4. CNS specific delivery of therapeutic factors using genetically modified memory T lymphocytes in an MS-like disease model

Principal investigator: Professor Claude Bernard
Institution: La Trobe University
Time frame: January 2001—December 2003
Total cost: \$418,000

Outcomes: The hypothesis is that by genetically modifying white blood cells, the migratory properties of such cells can be exploited to have them enter the brain, secrete the necessary therapeutic factors at the site of the multiple sclerosis (MS) lesion and thereby suppress the attack and effect repair of this region. The researchers will test the efficacy of such treatment in a rodent model of MS.

5. Motor neuron degeneration: is there a role for the low-affinity neurotrophin receptor?

Principal investigator: Dr Surindar Cheema
Institution: Monash University
Time frame: January 2001—December 2003
Total cost: \$231,000

Outcomes: The hypothesis is that a protein called p75NTR (75-kilodalton low affinity neurotrophin receptor) has a role in motor neuron degeneration. The aim of the project is to investigate how p75NTR gene activity contributes to motor neuron degeneration in mice, and to develop and test a new class of drug to modulate p75NTR gene activity. Success will give rise to novel paradigms for the treatment of several degenerative disorders of the central nervous system including motor neuron disease.

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6. Post transcriptional regulation of the androgen gene in prostate cancer

Principal investigator: Associate Professor Peter Leedman

Institution: University of Western Australia

Time frame: January 2001—December 2003

Total cost: \$478,500

Outcomes: The aim is to determine the role of recently identified proteins in the control of androgen receptor production. These studies will provide new information about how testosterone controls its own receptor in prostate cancer, and as a consequence may lead to the development of new treatment strategies to prevent disease progression.

7. Role of stellate cells in the pathogenesis of alcohol-induced pancreatic fibrosis

Principal investigator: Associate Professor Jeremy Wilson

Institution: University of New South Wales

Time frame: January 2001—December 2003

Total cost: \$429,000

Outcomes: The aim of the project is to examine the effect of chronic alcohol consumption on pancreatic stellate cells by examining the biology of these cells in the pancreas of rats fed alcohol. Elucidation of the mechanisms responsible for alcohol induced scarring in the pancreas may enable the development of therapeutic strategies to prevent its onset or progression in heavy drinkers.

8. Pharmacological, metabolic and therapeutic implications of the oxygen diffusion barrier hypothesis of ageing in the liver

Principal investigator: Professor Allan McLean

Institution: University of Sydney

Time frame: January 2002—December 2004

Total cost: \$264,000

Outcomes: This study will investigate a major ageing change that may contribute to the susceptibility of older people to adverse drug effects and many diseases. It may lead to The development of new preventive strategies for diseases of old age.

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9. The role of estrogen in prostate disease

Principal investigator: Associate Professor Gail Risbridger

Institution: Monash University

Time frame: January 2002—December 2004

Total cost: \$214,500

Outcomes: The outcome of the research will lead to the understanding of the mechanisms triggering prostate disease and its progress with time. The data obtained may contribute to the development of new early markers of prostate disease before clinical symptoms are apparent in ageing men.

Applied Research Projects (commissioned research)

1. Stage 2 of Vietnam Veterans Health Study

Proponent: Health Division

Time frame: 1999—2002

Total Cost: \$257,892

Outcomes: Verification of the true incidence of specific health problems identified in the initial health study.

2. Gulf War Health Study

Proponent: Compensation and Support Division

Time frame: 1999—2002

Total Cost: \$606,076

Outcomes: Determination of the health status of Australian Gulf War veterans.

3. Stage 2 of Future Needs of Veterans

Proponent: Health Division

Time frame: 1999—2002

Total Cost: \$124,904

Outcomes: Quantification of the future needs of veterans for health care services.

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4. Evaluation of Australian Health Care Plans

Proponent: Health Division

Time frame: 1999—2002

Total Cost: \$365,953

Outcomes: Evaluation of the effectiveness of health care plans.

5. Co-distillation of various chemicals in laboratory simulation of evaporative water distillation

Proponent: Compensation and Support Division

Time frame: 2001—2002

Total Cost: \$50,000

Outcomes: Determination of whether toxins can contaminate RAN drinking water.

6. The vascular consequences of snoring and obstructive sleep apnoea

Proponent: Health Division

Time frame: 2001—2004

Total Cost: \$288,493

Outcomes: Given the recognition of snoring as an independent risk factor for stroke and hypertension, this study will have wide ranging implications for the future management of snoring in the prevention of these vascular diseases.

7. Investigation of post-malaria and post-dengue syndromes in Operations Warden, Tanger and Bel Isis veterans

Proponent: Health Division

Time frame: 2001—2003

Total Cost: \$70,000

Outcomes: Development of treatments for recurrent malaria, identification of markers for resistant vivax malaria to direct more appropriate treatment, definition of 'true post-malaria', the risk factors and possible management of that malaria and definition of the association between risk factors, dengue infection, clinical dengue and post-dengue syndromes to direct prevention efforts.

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8. Survey of providers of health services to the veteran community

Proponent: Health Division

Time frame: 2001—2003

Total Cost: \$100,000

Outcomes: Provision of information which will allow DVA to develop and improve their relationship with health care providers, and thereby ensure that members of the veteran community have access to high quality health care.

9. Toxic effects of combinations of chemicals

Proponent: Compensation and Support Division

Time frame: 2001—2004

Total Cost: \$357,883

Outcomes: Determination of whether the combinations of chemicals used in military settings have toxic effects.

10. Korean Veteran Cancer Incidence Study

Proponent: Compensation and Support Division

Time frame: 2001—2002

Total Cost: \$40,000

Outcomes: Determination of the incidence of cancer in Australian Korean war veterans.

11. Korean Veteran Mortality Study

Proponent: Compensation and Support Division

Time frame: 2001—2002

Total Cost: \$15,000

Outcomes: Determination of the causes of mortality amongst Australian Korean War veterans.

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Question 21

Outcome 2 (Health)

Senator Bishop asked:

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- (1) How much has been spent on the development of DMIS to date and how much is planned for the current year?
- (2) What evaluations if any, have been conducted to date?
- (3) What were the original cost/benefits identified for the project and to what extent have they been achieved?

Answer:

- (1) Amount spent on DMIS to date:

1998–99	\$934,000	Funded internally by DVA
1999–00	\$3,236,000	Funded internally by DVA
2000–01	\$5,822,000	Budget Funded
2001–02	\$7,987,000*	Budget Funded

* *Estimate*

- (2) An evaluation has not been undertaken to date. The methodology for such an evaluation has not yet been developed/agreed to with the Department of Finance and Administration.
- (3) The justification for this initiative was to better manage the Department's considerable and disparate data to assist the Repatriation Commission in providing effective programmes of care. DMIS itself would not provide direct savings. It is a tool to facilitate better contract management and targeting of health services. Estimated saving for managing health care information included in the 2000–2001 Budget were:

2000–01	–\$4.215m
2001–02	–\$8.291m
2002–03	–\$8.494m
2003–04	–\$8.715m

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The initial focus for 2000–01 was to further develop the final prototype (implemented into production in July 2000) to ensure that the IT infrastructure and architecture would support the data and information needs for the first (private hospitals) and subsequent data marts. This proved to be a complex process due to numerous factors including external and disparate data sources and the complexity associated with building an episode of care. The DMIS IT infrastructure architecture, along with the private hospital data mart, was implemented in March 2001 and the community nursing data mart has since been implemented (21 January 2002) with the pharmacy data mart scheduled for April 2002.

The major benefit to date has been the use of information during the Veteran Partnering contracting process. This information has been provided through DMIS and its prototypes for private hospitals.

High level analysis of the costs associated with private hospital episodes of care indicates that the growth in total expenditure has been minimised or contained through more effective contract management. This analysis indicates that while total expenditure has increased over the previous several years (mainly attributed to the higher number of admissions and growth in health care costs) the general trend associated with the average cost per episode is that the cost has increased, but at a decreasing rate.

The answer to this question is also relevant to question 27.

Question 22

Outcome 2 (Health)

Senator Bishop asked:

Of those veterans who have achieved sustained employment under the VVRS, what proportion have had their pensions reduced?

Answer:

Approximately 15% of veterans who have achieved employment of 6 months or more have had their pensions reduced.

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Question 27

Outcome 2 (Health)

Senator Bishop asked:

Page 55. Given that veteran usage of private hospitals now exceeds that of public hospitals, what evaluations are being conducted to compare price relativities—or is there a common scale of charges?

Answer:

In 2000–01 the average expenditure per separation of care for entitled veteran treatment in public hospitals was \$3962 and in private hospitals it was \$2993. However these are not directly comparable, as there can be significant variations in the type of treatment being provided to veterans in each hospital sector and there are differences in the inclusions for medical services, prosthetics and non-inpatient services.

In capturing unit cost, account also needs to be made for the different circumstances of each sector, such as the different tax treatment of for-profit, not-for-profit and charitable private hospitals. The tendering for Veteran Partnering contracts has had regard for competitive neutrality principals and where possible has benchmarked comparable services in the public sector as well as between private hospitals. It would not be practicable to apply a common scale of charges given the variation in circumstance of individual hospitals but a common assessment framework and objective of fair and competitive prices is appropriate.

The tendering in each State has been undertaken with the assistance of independent accountants, with oversight by an Evaluation Committee which has included external health experts.

Day to day management of the purchasing arrangements and periodic price reviews which are provided for under the terms of contract, provide an opportunity to compare costs across services and ensure value for money for the Commonwealth. Contracts can also allow for transitional arrangements to allow time for individual hospitals to adjust their profile of services and their operational arrangements to best suit the needs of veterans and ensure services are cost effective.

No formal evaluation of the Veteran Partnering program has been undertaken at this stage.

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Question 32

Outcome 2 (Health)

Senator Bishop asked:

What is the current status of the negotiations with each state on the respective hospitals agreement?

Answer:

NEW SOUTH WALES

A ten-year agreement with New South Wales Health commenced on 1 July 1993 with the transfer of Repatriation General Hospital (RGH) Concord and covers the treatment of veterans in all New South Wales public hospitals. The initial transition funding phase expired on 30 June 1998 and has moved from a block funding arrangement, to a basis where payment is largely on a case-mix basis for veteran treatment and includes payment for Special Veterans Services at the former Repatriation General Hospital Concord.

The Department is currently preparing for discussions with New South Wales Health, on a new Deed of Variation for 2002–2003 as part of an agreed periodic pricing review.

VICTORIA

A ten-year agreement with the Victorian Department of Human Services commenced on 1 January 1995 with the transfer of RGH Heidelberg to the State and covers the treatment of veterans in all Victorian Public Hospitals. With the exception of the initial transition funding arrangements, the original agreement was subsumed into a long-term (6 year) Hospital Services Arrangement that was signed by both parties on 7 December 1998. The new Arrangement moves the payment of veteran care onto a case-mix basis and this Arrangement will continue until 30 June 2004. The current year includes payment for Special Veteran Services at the former Repatriation General Hospital Heidelberg.

As part of undertakings set out in the Hospital Services Arrangement the case-mix payment arrangements are periodically reviewed to align with development in the State's case-mix funding arrangements to its public hospitals and cost increases.

QUEENSLAND

A six-year Arrangement was signed by both parties on 24 December 1998 and will be in place for the period from 1 July 1998 to 30 June 2004. This Arrangement sets the framework for the delivery and payment arrangements of Queensland public hospital services to eligible veterans and war widows.

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For 1998–99 and 1999–00 payments were based on a per diem payment rate. In 2001–2002 the payment arrangements moved to a case payment arrangement based on the State Public Hospital case payment arrangements. The payment arrangement for veterans is periodically reviewed to refine the case payments to take account of cost increases and changes in the State's case–mix system.

SOUTH AUSTRALIA

The Commonwealth has a 10 year Hospital Services Agreement with the South Australian State Government for treatment of veterans in South Australian Public Hospitals, which commenced on 9 March 1995, with the transfer of the Repatriation General Hospital (RGH) Daw Park to the State.

The initial transitional funding phase expired on 1 July 1999. RGH Daw Park has moved from a block funding arrangement to a basis where payment is on a case–mix basis for veteran services provided to veterans and includes payments for Special Veterans Services at RGH Daw Park. The Department is currently working to finalise the payment arrangements to June 2005.

WESTERN AUSTRALIA

A Hospital Services Arrangement had been in existence since 1994. It was updated for the 1998–99 and 2000–01 period with an interim agreement, pending finalisation of a longer term Arrangement for veteran treatment in WA Public Hospitals.

In 2001 both parties signed this longer–term arrangement to expire on 30 June 2004. The payment is on a case–mix basis for veteran treatment by State Public hospitals which is periodically reviewed to take into account cost increases and changes to the State's case–mix system.

TASMANIA

With the transfer of Repatriation General Hospital Hobart in 1992, there has been a basic per diem payment arrangement for services with the Tasmania Health Department. This payment arrangement is being further refined to be a case payment model to operate from 1 July 2001.

The Department and the Tasmanian Government have reached agreement on the payment model for charging and a longer term Deed of Variation is being finalised.

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AUSTRALIAN CAPITAL TERRITORY

An Arrangement specifically for the treatment of entitled beneficiaries in ACT Public Hospitals came into place on 1 July 1998 and will operate until 30 June 2004.

The Department is discussing proposed changes to the current funding model that will bring it more in line with the Arrangements in other States.

NORTHERN TERRITORY

An Arrangement specifically for the treatment of entitled beneficiaries in Northern Territory Public Hospitals came into place on 1 July 1998 and will operate until 30 June 2004. The Department has been discussing the update of this Arrangement with the Northern Territory Government.

Question 33

Outcome 2 (Health)

Senator Bishop asked:

In all closures of nursing homes in the last two financial years, how many veterans or widows have been displaced, and for how many has DVA intervened to assist?

Answer:

The closure of nursing homes is a matter which falls within the portfolio responsibility of the Minister for Ageing. However the Department of Veterans' Affairs (DVA) works closely with the Department of Health and Ageing and takes appropriate action to ensure that veterans and war widows receive high standards of care.

DVA is frequently asked by veterans and war widows and their families for information about access to residential care. In these situations DVA staff assist by providing information on the range of choices and care options available to them including at their local level.

In cases where nursing homes receive adverse reports, DVA staff will check on the numbers of veteran and war widow residents and will offer assistance to the Department of Health and Ageing in briefing residents and their families and any follow-up action required.

Action to maintain care standards has resulted in the closure of facilities in a small number of cases across Australia. There have been two cases where DVA has directly provided assistance to veterans and war widows. These are the Riverside and Templestowe Nursing Homes in Melbourne. Nineteen (19) veterans and war widows

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were involved. In these cases, DVA staff have assisted with the relocation of veteran residents, attended briefings sessions of residents and families and at one home provided nursing staff to assist with resident's assessment and relocation requirements.

Question 34

Outcome 2 (Health)

Senator Bishop asked:

What is the current status of the legal claim by Sturt against the Repatriation Commission?

Answer:

Sturt Nursing Agency Pty Ltd has commenced legal proceedings against the Repatriation Commission and Others in the Federal Court in New South Wales. As at the end of January 2002, these proceedings are still on foot with no date for a final hearing being fixed by the Court.

Question 41

Outcome 2 (Health)

Senator Bishop asked:

Page 41 PBS. Nursing home audits. Does this initiative assume foreknowledge of administrative shortcomings, and if so, what are the estimated total savings projected across all portfolios, by agency?

Answer:

Of the overall Commonwealth savings of \$71m, \$10.1m is expected to be saved by DVA over the four financial years. The balance is attributed to the then Department of Health and Aged Care (see pp. 146–147 of Budget Measures 2001–02, Budget Paper No. 2). The DVA increment was determined on the basis that veterans and war widows currently represent approximately 15% of people living in Commonwealth subsidised residential aged care.

The measure at Page 41 (Greater Scrutiny of Aged Care Homes' funding claims) is a cross portfolio measure for which the Minister for Ageing, the Hon Kevin Andrews

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has prime carriage. The Department of Veterans' Affairs is not directly involved in the implementation of the measure.

Question: 42

Outcome 2 (Health)

Senator Bishop asked:

Page 44 PBS. What is the linkage between the initiative on mental health with the activities of VVCS and DVA? How will the initiative be integrated with ongoing work? Could it be said that DVA is already funded for this work?

Answer:

The DVA Mental Health Policy and Strategic Directions -January 2001 "Towards Better Mental Health for the Veteran Community" is a guide for the future planning and provision of mental health services to DVA clients. The policy states: "A significant emphasis underpinning the department's approach will be to improve access to integrated and community oriented mental health care tailored to the needs of the veteran community".

The DVA policy also supports the mental health role of General Practitioners in recognition of the role of primary health care in a comprehensive approach to veteran mental health care. This support is seen by the DVA financial contribution to the Commonwealth initiative on mental health which strengthens the role and capacity off General Practitioners.

The DVA mental health policy recognises VVCS as a key element of the department's ability to promote community-based approach to mental health care. It also recognises the role that VVCS plays in supporting veterans to access to hospital based, specialist and primary health care providers that are contracted to the department to provide specific and general mental health care services. The DVA mental health policy has led to formation of an internal planning body which is responsible for the implementation of major strategies arising from the policy statement. These include developing relevant planning and purchasing framework for mental health programs, improving needs analysis and improving the focus on service quality and outcomes consistent with the priorities under the National Mental Health Strategy.

The policy statement identifies a range of strategic initiatives. Some of these are supported by recent budget allocations, for example, those relating to the 2000—2001 Budget response to the Vietnam Veterans Health Study. Others require the department

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to focus existing resources in new and innovative ways such as in developing relevant purchasing models for mental health care.

Question 43

Outcome 2 (Health)

Senator Bishop asked:

Page 42 PBS. What are each of the modules of DMIS which have already been put into production, what evaluation on potential savings has already been conducted and what do they reveal vis a vis the original cost/benefit estimates?

Answer:

The data marts (modules) put into production are:

- Private Hospitals—March 2001 (final implementation after numerous prototypes using real data were developed and used in previous years)
- Community Nursing January 2002.

In addition, the following data marts are planned:

- Pharmacy—scheduled implementation is for April 02
- Veteran's Home Care—June 02
- Repatriation Transport—2002—03
- Repatriation Appliances—2002—03
- Mental Health—2002—03
- Health Strategic Information (performance monitoring and modelling)—2002—03.

A project is also underway to enable expenditure associated with public hospitals to be collected, reconciled and made available through DMIS. Once this data is available in DMIS public hospital data will provide similar information to that provided for private hospitals. Also, data for both hospital sectors will be linked enabling analysis of re-admission rates and direct cost comparisons to occur.

Refer to the answer for Question 21 for a response to question relating to the evaluation.

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Question 36

Outcome 3 (Commemoration)

Senator Bishop asked:

What arrangements have been facilitated with insurance companies concerning public liability for Anzac Day?

Answer:

The Government appreciates the significant role played by ex-service organisations in maintaining community awareness of our Australian wartime heritage including the conduct of Anzac Day services and parades and other ceremonies. The Government also acknowledges the difficulties community and other organisations face in coping with mounting costs, particularly with increased premiums for public liability insurance.

In an announcement on 3 February 2002, the Minister for Revenue and Assistant Treasurer, Senator Helen Coonan, indicated that while the affordability and accessibility of public liability insurance are matters for State and Territory Governments, the Commonwealth is prepared to assist them gather and share information on possible courses of action.

Senator Coonan stated that she is aware that recent premium rises are hitting small businesses, community groups and local councils hard, and indicated that, in order to assist State and Territory Governments, the Commonwealth is offering to host a meeting to coordinate the exchange of information about the affordability and accessibility of public liability insurance among relevant ministers.

Senator Coonan said that a meeting could assist State and Territory Governments to:

- gather and exchange information on the factors driving the recent price rises;
- consider the different courses of action taken by State and Territory Governments to date; and
- examine the scope for a consistent approach across different jurisdictions.

Senator Coonan also said that most States already had independent processes under way to consider the issues surrounding public liability insurance cover.

Senator Coonan said it was important that the factors driving premium rises and the accessibility of some insurance products were fully examined. Senator Coonan also said that in the lead up to a Ministers' meeting she would consult closely with her Commonwealth and State Ministerial colleagues, the insurance industry, businesses, consumer organisations and the legal profession.

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Question 1

Outcome 4 (Service Delivery)

Senator Bishop asked:

Page 29. The map identifies 2 contracted agents for DVA in Emerald and Bendigo.

1. Who are the contractors?
2. What was the process by which they were selected?
3. What services are provided?
4. What is the annual cost of each?
5. What quantitative information is available on the level of service delivered?
6. Has a cost/benefit evaluation been conducted on each; if not is one planned?
7. Why was not Centrelink in Bendigo utilised?

Answer:

The national approach to service delivery using agency arrangements involves seeking the best service providers in areas of need and ensuring value for money in accordance with DOFA requirements. Answers to questions are shown in table format.

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	Emerald	Bendigo
1. Who are the contractors?	Emerald and District Social Development Association (INC)	The Bendigo Health Care Group (BHCG).
2. What was the process by which they were selected?	Tenders invited through the press.	Tenders invited through the press.
3. What services are provided?	Information on DVA benefits and community development, liaison and participation—similar to services delivered by DVA Veterans' Affairs Network offices (VAN).	The full range of Veterans' Affairs Network (VAN) services including information on DVA benefits and entitlements, Outreach, establishing and maintaining a presence in the health and community service provider and ex-service community and community development activities.
4. What is the annual cost of each?	\$49,160 (GST excl) based on 2000–2001	\$99,019 (GST excl) based on 2000–2001
5. What quantitative information is available on the level of service delivered?	The contractor provides detailed monthly reports listing all activities undertaken.	Statistics are maintained on meetings, forums, veteran contacts, referrals and Grant applications from the area.
6. Has a cost/benefit evaluation been conducted on each? If not, is one planned?	Yes. Veterans using the service and Ex-service Organisation (ESO) representatives are consulted regularly. The last major evaluation, which resulted in the renewal of the contract, was conducted in March 2001. Local veterans and ESO representatives were included in the evaluation process.	Yes—in June 2000 (at the end of the first year of the contract). The results of the evaluation showed that overall the service was performing well.
7. Why was Centrelink in Bendigo not used?	Centrelink was one of the original four tenderers for the provision of VAN services. On the criteria used, Centrelink was unsuccessful in this instance.	

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Question 38

Outcome 4 (Service delivery)

Senator Bishop asked:

What is the current status of the contract renegotiations with IBMGSA? In the event that the total price increases, how will that be funded?

Answer:

The term of the contract with IBMGSA is for five years to November 2002 with an option to extend for two years, with a further 2 year extension option after that. The Department is currently undertaking the background work necessary to make a decision on extension of the contract or market testing the provision of IT services to the Department. That work includes discussion with IBMGSA of the basis on which a contract would operate if it were to continue.

In the event of a total price increase, funding would normally need to be met from within the Departments operating budget. However any change in budget circumstances is potentially a matter for negotiation with the Department of Finance and Administration.

Question 44

Outcome 4 (Service delivery)

Senator Bishop asked:

Page 61 PBS. Could I have a list of each of the beneficiaries and payments made under each of the grants schemes shown with outlays totalling \$1.729m in 2000—2001?

Answer:

The estimated actual 2000—2001 outlay of \$1.729m from p. 61 of the PBS consisted of:

Day Clubs	\$290,000
Veterans' Home Maintenance Helpline	\$357,000
Joint Venture Scheme Grants	\$1,082,000

The actual expenditure for each of these functions consisted of:

Day Clubs	\$205,941
Veterans' Home Maintenance Helpline	\$386,790
Joint Venture Scheme Grants	\$1,079,000

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Day Clubs are social support groups sponsored by ex-service organisations with planned activity programs that enhance the quality of life of older people. The expenditure on Day Clubs is not in the form of grants, but rather is made up of funds allocated to the Department's State Offices to cover work associated with the establishment and assistance with the administration of Day Clubs. This expenditure consisted of:

New South Wales Office	\$142,345
Victorian Office	\$38,597
Western Australian Office	\$24,999

The Veterans' Home Maintenance Helpline provides property maintenance advice and referral to reliable and efficient tradespeople. Expenditure for the Veterans' Home Maintenance Helpline is not in the form of a grant, but rather is the result of contractual arrangements based on call volume, the Department has with ETI Australia Pty Ltd to run the helpline.

A list of the beneficiaries and payments for the Joint Venture Scheme Grants, which are part of Veteran & Community Grants, is attached. Please note that where the organisation is registered for GST (not all are), the amounts are GST inclusive, ie a 10% gross up has been applied.

Question 37

Outcome 5 (MCRS)

Senator Bishop asked:

What is the current status of the proposed legislation to implement the recommendations of the Tanzer report into military compensation?

Answer:

Drafting of legislation for a new military compensation scheme has commenced.

An exposure draft of the new legislation will be available later this year for consultation with key stakeholders prior to its introduction into the Parliament.

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Question 23

Output Group 6

Senator Bishop asked:

Page 122. For each of the last 3 years, what sum has been spent on the development of the IDMS system? What were the original cost benefits and to what extent have they been realised to date?

Answer:

Expenditure on IDMS Development

Financial year	Total
1998–99	\$1,327,881
1999–00	\$1,780,398
2000–01	\$1,888,399
Totals	\$4,996,678

Original Cost/Benefit Analysis

1. DVA is highly dependent on its records for the provision of services to veterans and the Government. A number of inefficiencies in record keeping had been identified in 1996–97 which prompted DVA's decision to implement the Integrated Document Management System (IDMS). Issues included:

- Year 2000 (Y2K) non-compliance of existing records management systems
- The Year 2000 IT issue left the Department little real choice other than to replace its record-keeping systems. The existing systems were not Y2K compliant, and could not be made so. DVA's high degree of dependence on its records for providing service to veterans meant that the Department had to move quickly to acquire a new system.
- Inability of existing systems to handle electronic records
- Inability of existing systems to provide timely and appropriate service to the Minister's Office.

2. Business Objectives

- To provide an efficient system for records management—achieved.
- To improve the efficiency of correspondence handling and tracking—achieved.

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- To enable useful reports to be produced on the subject content of Ministerial correspondence—achieved.
 - To enable DVA to continue to meet relevant legislative obligations—achieved.
 - To support the service delivery process through enabling authorised staff to access the information they need to do their work—achieved.
3. Functional Objectives
- To reduce the total amount of information to be stored on the Local Area Network—on-going.
 - To provide efficient and effective records management practices for paper and electronic information—achieved.
 - To provide a framework for other business areas to exploit for future process improvements—achieved.
4. Operational Objectives
- To replace the following systems which were not Y2K compliant:
 - Records Management System (RMS) (Policy and Administration files)—achieved.
 - File Location System (FLS) (Corporate files)—partially achieved. The complexities of relocating client record information from the FLS into IDMS have caused delays. The project is on target for completion this year.
 - Correspondence Control System (CCS) (Ministerials)—achieved.
 - To provide a basis for Complaints Handling—achieved.
5. At the time the IDMS project was proposed it was pointed out that savings from improving records management are difficult to quantify because of the difficulty in establishing a baseline cost for the effects of poor access to information and its impact on staff productivity and, indirectly, customer service. The Gartner Group, an internationally recognised IT authority identified potential for significant improvement in productivity with this type of initiative, but at this time DVA could not claim to have gained this level of realisable savings, but it has provided a platform for improved service standards.

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Question 7

Outcomes (All)

Senator Bishop asked:

Page 37. What specifically were the financial measures agreed to with DoFA? Did they result in further staff cuts, and if so how many?

Answer:

A package of departmental resourcing measures was agreed as part of Budget 01—02 comprising:

- A funding formula with resources varying in line with changes in the treatment population serving as an indicator of changes in the Department's workload. This is currently expected to reduce DVA's departmental running cost allocation by \$5.6 million by 2004—05.
- Agreement to efficiencies (principally as a result of the Corporate Service Review and improved efficiency in health service payment arrangements) saving \$7 million by 2004—05, and
- Injection of equity of \$15.7 million to assist with cash flow management and help meet the cost of change management including staff redundancy costs.

These measures will result in some staff cuts. However, the number of staff affected will depend on changes in the treatment population as well as the initiatives that deliver savings, the mix between non-salary and salary savings and the level of staff affected.

The Department is not required to return savings to the Budget until 2002—03.

Refer also to Question 24.

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Question 8

Outcomes (All)

Senator Bishop asked:

Page 38. It is stated that I/T consumes 25% of DVA's operational budget. What was the cost in each of the last 5 years (without corporate attributions) of:

1. Operating the IMU, excluding outsourced provision, and
2. The cost of outsourced services?
3. What sums were spent in each of the last 5 years on systems development in addition to IMU costs?
4. What has been the total downtime of mainframe services by the outsourced contractor in each of the last 5 years?

Answer:

1. IMU Expenses, excluding Outsourced Services (ie payments to IBM—GSA)

	\$'000s
1996–97	\$24,307
1997–98	\$14,233
1998–99	\$22,670
1999–00	\$22,212
2000–01	\$18,642

2. Payments to IBM—GSA

	\$'000s
1996–97	\$1,877
1997–98	\$18,932
1998–99	\$19,331
1999–00	\$26,802
2000–01	\$30,733

Notes:

Total IT Costs 1998–99 \$43,201 (includes \$1,200 spent by other Business Entities)
Total IT Costs 1999–00 \$50,695 (includes \$1,681 spent by other Business Entities)
Total IT Costs 2000–01 \$51,019 (includes \$1,644 spent by other Business Entities)

3. DVA Systems Development Costs (includes IMU Systems Development Costs which are also included in No. 1)

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	\$'000s
1996–97	\$11,795
1997–98	\$11,795
1998–99	\$11,795
1999–00	\$8,392
2000–01	\$29,401

Note: Includes IBM—GSA payments for infrastructure, hardware, etc. Accounting treatment for capitalising software was changed in 2000–01.

4. The total downtime of mainframe services¹ by the outsourced contractor in each of the last 5 years is:

Year	Downtime (hr.min)
1997–98	16.54
1998–99	102.49
1999–00	5.50
2000–01	56.21
2001–02 ²	4.04
TOTAL	185.58

Question 24

Outcomes (All)

Senator Bishop asked:

Page 137. What specifically were the items of saving in the \$ 7m identified from the review of corporate services and health services? What staff savings were identified? Within the identified savings of \$5.6 by 2004–5, what is the estimated staff reduction as part of this?

Answer:

The efficiencies (\$7m by 2004–05) agreed to with Department of Finance and Administration will focus on the following areas:

¹ Excludes downtime for individual applications and access to the mainframe through the LAN, WAN, etc.

² To end December 2001

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- The corporate services review will examine all corporate services functions, but mail and file management and financial and HR services in particular. Non-salary savings will also be sought against corporate overheads such as transactional banking, fringe benefits tax, property costs, etc.

- The Department will work with the Health Insurance Commission to identify savings from implementing e-business with providers, direct credit rather than cheque payments to providers and reducing the complexities of the Department's business rules.

Savings from the funding formula linked to the treatment population (\$5.6m by 2004–05) will consist predominantly of staffing reductions (i.e. about 60%). This would translate into about 20 staff each year in net terms for the Department as a whole. These reductions would be reduced should new policy have the effect of increasing the treatment population.

Refer also to Question 7.

Question 30

Outcomes (All)

Senator Bishop asked:

Page 289. Tables 97, 98, 99 of the Department of Veterans' Affairs, Repatriation Commission and National Treatment Monitoring Committee Annual Report 2000–2001.

1. In the Chief Executive instructions, what is the maximum level of contract above which a competitive process must be conducted?
2. Of the consultancies listed where no competitive process has been identified or where an existing contract has been utilised, which consultancies were contracted without a competitive process?

Answer:

1. DVA Chief Executive Instructions relating to procurement (principally CEIs 5.1, 5.2, 5.3 and 5.27) reinforce the Commonwealth's financial management and

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accountability framework, particularly the *Commonwealth Procurement Guidelines* and the *Financial Management and Accountability Regulations* (8(1) and 9).

As no single purchasing method suits all situations the Government and DVA CEIs do not prescribe a specific purchasing method nor any arbitrary threshold to purchase goods or services through a competitive tendering process. Rather, buyers must consider the requirement and existing market conditions of each procurement, and select a procurement method that suits and meets Commonwealth requirements.

2. Attached is a copy of the relevant tables from the Annual Report identifying which consultancies were contracted without a competitive process.

Consolidation of tables 97—99 in Annual Report 2000—01

Consultant	Project	Cost	Advertised
Australian Government Actuary	Review of Estimates Model for Outcome 2	\$69 183	No
Australian Institute of Health and Welfare	Vietnam Veterans Morbidity Study—Suicide in Vietnam veterans 'children report, MS and MND project, Leukaemia and adrenal gland cancer project, myeloid leukaemia project.	\$214 754	No
CTAD-CIT Solutions Pty Ltd	Delivery of Team Thinking and Learning Skills course for Compensation Staff in National Office	\$10 175	No
Dr Darby	Research into healing in ageing and diabetes	\$10 500	No
George Neale	Medical Step-down Review	\$18 150	No
Greg Seberry & Associates	Delivery of Quality Thinking courses to Compensation in NSW, Qld and Vic State offices.	\$25 630	No
Health Outcomes International (HOI)	Refinement of the community nursing classification system	\$70 230	No
I Case International	HOTSPUR—Business Analysis and Review Workshop	\$13 200	No
I Case International	DMIS—RDM Consultancy Services	\$41 800	No

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Consultant	Project	Cost	Advertised
IBM GSA	Conduct workshop for the development of the Health IT Strategic Plan	\$22 000	No
Impetus Consulting Pty Ltd	Alcohol Management and Strategic Planning	\$15 744	No
KPMG	Assist with preparation of Financial Statements	\$19 527	No
KPMG	Consulting assistance with intangible assets	\$33 000	No
MelPharm Pty Ltd	Consultancy Services, Pharmacy	\$21 870	No
Michael Lewis	GOLS support—production of communication strategy	\$23 115	No
National Centre for Epidemiology and Population Health, Australian National University	Evaluation of Health Care Plans Note: 1999–2000 it was reported that NCEPH was \$100 000. However, this was the contracted amount and not the amount paid.	\$75 000	No
Pharmaceutical Society of Australia	Sponsorship and development of Pharmacy Self Care Fact Cards	\$19 090	No
Quality Medication Care Pty Ltd	Dose Administration Aid Trial	\$185 000	No
Simsion Bowles & Associates	GOLS Project—Development of Online Action Plan (OLAP)	\$37 844	No
Spherion Recruitment Solutions	IT Development for Veterans' Home Care	\$61 745	No
Synchrotech Software	Ongoing system support and maintenance of DVATS	\$20 700	No
TGS Australia Pty Ltd (now Simbient Solutions Pty Ltd)	Development of Software for DVA FORMS system	\$17 600	No
The Alfred Hospital	Connected Health Education and Support System	\$200 000	No
United Medical Group	Qld and NSW veteran partnering process	\$219 831	No

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Question 31

Outcome (All)

Senator Bishop asked:

Page 294. The Starcom contract of \$388 943 for media advertising: what was the purpose of the advertising, what form did it take, and what tendering process was used?

Answer:

This figure represents payments made to Starcom Media for newspaper advertisements for the purpose of:

- informing members of the veteran community of new, existing or proposed policies or programmes to which they are entitled; and
- staffing and procurement.

This advertising was booked through Starcom Media as the Commonwealth Government's contracted non-campaign advertising agency under the Central Advertising System (CAS).

The Commonwealth Government operates the CAS to consolidate government advertising expenditure, secure optimal media discounts and value-added benefits and to ensure that Commonwealth departments and agencies do not compete against each other for media time and space.

The CAS is managed by the Government Communications Unit (GCU), which engages media specialists to assist in media planning, placement and rates negotiations with media outlets. The master media contract runs for a four-year term. The current contracts expire on 30 November 2002.