

Senate Standing Committee on Foreign Affairs, Defence and Trade
Budget Estimates 2007–2008; 31 May 2007
Answers to questions on notice from Department of Veterans' Affairs

Outcome 1

Question 1

Outcome 1, Outputs 1.1 & 1.2

Topic: Enhanced compliance for special rate pensioners

Written question on notice

Senator HURLEY asked:

I refer you to page 33 of the Portfolio Budget Statements and the measure outlined titled *Fraud and Compliance – enhanced compliance for Special Rate Pension payments*.

- a) What does this measure entail?
- b) How does the Government expect to make savings of \$18m over four years from this measure?
- c) How many Veterans on Special Rate Pensioners is it estimated will be affected by this measure?
- d) How many do you estimate will lose the Special Rate Pension?
- e) What tests, forms and procedures must a Veteran go through to be awarded a Special Rate Pension? - How often is their pension reviewed?
- f) Is the current system failing to determine fraud at times of application or review?
 - (i) If no – why is this measure required?

Answer

- a) This measure entails a review program which will data match Special Rate Pension recipients against the companies and business information held by the Australian Securities and Investments Commission and the Australian Taxation Office.

The objective of this proposal is to detect any potential fraud activity where a Special Rate Pension recipient has not correctly represented his or her capacity to undertake remunerative work and failed to declare consequent remunerative earnings. Cases that are identified as showing high salaries, including people who may be directors of companies, will be thoroughly investigated to ensure earnings are not the result of remunerative work in excess of eight hours a week.

- b) It is estimated that those Special Rate Pensioners found to be working in excess of eight hours per week will lose entitlement to Special Rate Pension with a lower rate of Disability Pension. They may also lose eligibility to the Invalidity Service Pension. It is also expected that debts will be raised and recovered in respect of any payments unlawfully paid.
- c) It is estimated that around two per cent of Special Rate pensioners may be reviewed as a result of this measure. As at March 2007 there were 29,055 veterans in receipt of the Special Rate pension.

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- d) This measure will directly impact on Special Rate pension recipients who have demonstrated a capacity to work by running a company or partnership in breach of the Special Rate pension eligibility criteria. Of the two per cent that may be reviewed as a result of this measure, less than 25 per cent may see a reduction in their disability pension from the Special Rate Pension to a percentage of the general rate. Thus, all those reviewed will still retain a level of Disability Pension.
- e) A claimant must have their incapacity assessed at least 70 per cent before they can be considered for a pension at the Special Rate. A veteran may be deemed eligible for the Special Rate Pension if they are unable to undertake paid work for a period of more than eight hours per week. This incapacity to work must be solely as a result of service related conditions. A psychiatrist, occupation therapist or other medical professional must provide their opinion of the veteran's capacity to work.

Generally, once a Special Rate Pension is granted there is no requirement to review unless there are compelling circumstances.

- f) There is no current data matching exercise undertaken in relation to earnings for pensioners at the Special Rate. As the Special Rate Pension is not reviewed there is no system in place to identify possible fraudulent activity.
- (i) This review is consistent with the Government's existing data matching programs. It is also in keeping with risk mitigation strategy for compensation payments and will complement the existing procedures for the investigation and determination of *Veterans' Entitlements Act 1986* compensation claims.

Question 4

Outcome 1, Output 1.2

Topic: Benzene

Written question on notice

Senator HURLEY asked:

The Office of Annette Ellis, MP has received some correspondence concerning the case of Mr Roman Warcaba. Mr Warcaba's work with HMAS Darwin involved maintaining electrical systems including generators and motors and brought him into regular contact with benzene, particularly during his deployment on DAMASK 3 in the Gulf (during the first Gulf War), when he was exposed to 'smoid' (Smoke, Oil, and Dust) from burning oil wells. He is now suffering terminal leukaemia.

- i) Are you aware of this case?
- ii) Are you aware of any other cases of benzene-related leukaemia or cancer for those on HMAS Darwin?
- iii) Are you aware of any other cases of benzene-related leukaemia or cancer for those in the Gulf during that time?

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- iv) Can the Department explain the basis on which Writeways were selected to investigate this case? What are its areas of expertise?
- v) In this situation, could the Department backdate the claim from when the initial claim was made?

Answer

- i) Yes.
- ii) No. The Department's information systems are not able to isolate claims specifically related to HMAS Darwin.
- iii) No. The Department's information systems are not able to isolate claims specifically related to benzene exposure.
- iv) Writeway was selected because of its expertise in researching military records. This includes its ability to consult published material and official records and, if required, interview persons with knowledge of the operations of the unit in which the veteran served. In this case information was sought in respect of the likely usage patterns (amount and frequency) of solvents containing benzene by members of the veteran's unit.
- v) The claim was accepted on 25 May 2007 with effect from 23 February 2006, being three months prior to the receipt of an informal claim on 23 May 2006.

Question 11

Outcome 1, Output 1.4

Topic: Loan to TPI Association (NSW) re Belmore units

Written question on notice

Senator HURLEY asked:

- a) Have the final conditions for the loan been set, if so what are they?
- b) Has the money been provided to the association yet?
- c) What date does the contract for the loan come into effect?
- d) What is the fiscal impact of offering these loans?
- e) When does the principle on the loans have to start to be repaid?
- f) Will the loans be indexed, if so on what basis and how and where will this receivable be presented in the Commonwealth Budget papers?
- g) Are the loans income contingent and if so on what basis?

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- h) Under what circumstances would a loan be considered to go 'bad' i.e. concern over repayment (after 40 years?) and what is the cash and accrual effect?
- i) What are the financial costs of administering this loan?
- j) What are the government's plans if there is a default on the loan?

Answer

- a) Yes. The conditions are:
 - all existing residents who wish to remain at Belmore will be allowed to do so;
 - options for the relocation of those wishing to move out will continue to be explored;
 - once a unit becomes vacant it will not be re-let;
 - the units are to be maintained in a fit and proper state for human habitation;
 - essential and urgent maintenance to be undertaken as soon as possible; and
 - once the units are vacant and the property sold the amount of the loan is to be returned to the Government.
- b) Yes.
- c) 1 June 2007.
- d) The value of the loan is one off payment of \$4 million. The legal cost for the Association including registering of the mortgage is \$32,879.
- e) The repayment of principle is not required until sale of the property which is to occur as soon as reasonably practicable after all existing residents have ceased to occupy the property.
- f) No.
- g) Under the conditions of the agreement, any interest earned on the loan can only be used for:
 - reimbursement of any moneys reasonably expended after 3 October 2006 towards the acquisition of Residential Units.
 - the acquisition of Residential Units.
 - payment of any taxes arising in consequence of or in performance of the loan agreement.
 - reasonable maintenance and repair of the Belmore premises or Residential Units.
- h) The Commonwealth has secured its interest with a mortgage over the title of the property.
- i) Nil.
- j) As per the answer to h), the Commonwealth has secured its interest with a mortgage over the title of the property.

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Question 12

Outcome: 1, Outputs 1.1, 1.2, 1.5, 1.7

Topic: Claims processing—backlogs

Written question on notice

Senator HURLEY asked:

Currently what is the number of outstanding claims that existed, and had taken longer than the Department's target time to process for the following:

- i) Disability Pensions
- ii) DFISA (Defence Force Income Support Allowance)
- iii) Service Pension
- iv) Partner Service Pension
- v) War Widow's and Orphan Pension
- vi) ISS
- vii) claims under the SRCA
- viii) claims under the MRCA

Answer

	30 June 2007	30 June 2006	30 June 2005
i)	1,894	2,921	4,014
ii)	41	26	14
iii)	579	503	464
iv)	73	61	57
v)	131	191	203
vi)	152	107	106
vii)	487	907	Not available
viii)	512	465	Not available

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Question 13

Outcome 1, output 1.1, 1.2, 1.5, 1.7

Topic: Claims Processing times

Written question on notice

Senator HURLEY asked:

Currently what is the average time taken to process claims and the Department's target times, for the following:

- i) Disability Pensions
- ii) DFISA (Defence Force Income Support Allowance)
- iii) Service Pension
- iv) Partner Service Pension
- v) War Widow's and Orphan Pension
- vi) ISS
- vii) claims under the SCRA
- viii) claims under the MRCA

Answer

- i) 105 days was the average for 2006-07 (95 days if deseal/reseal claims are excluded)
75 days is the target average
- ii) 26 days was the average for 2006-07
32 days is the target average
- iii) 55 days was the average for 2006-07
32 days is the target average
- iv) 38 days was the average for 2006-07
32 days is the target average
- v) 53 days was the average for 2006-07
75 days is the target average
- vi) 27 days was the average for 2006-07
32 days is the target average
- vii) 234 days is average for 2006-07 (180 days if deseal/reseal claims are excluded)
120 days is the target average
- viii) 188 days is average for 2006-07
180 days is the target average.

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Question 17

Outcome 1, output 1.2

Topic: Army training support team: East Timor

Written question on notice

Senator McEWEN asked:

- a) How many participants of the Army Training Support Team East Timor do not have
 - i) Non-warlike hazardous Service under the VEA
 - ii) Warlike service under the VEA
 - iii) No coverage

Answer

- a) This is a matter for the Department of Defence.

Question 18

Outcome 1, output 1.2

Topic: War widows pension—domestic allowance

Written question on notice

Senator McEWEN asked:

- a) What is the rationale for not indexing the Domestic Allowance component of the War Widow's Pension?
- b) Over the last ten years how many times has this component been raised?
 - i) When did that occur and what was the amount?

Answer

- a) Domestic Allowance was introduced in 1946 as an additional compensatory payment to war widow's pension. At that time it was recognised that war widows with young children would find it difficult to return to the workforce to supplement their pensions. By the mid 1970s, social attitudes to married women in the workforce had changed for the better, and the Government had introduced a range of employment programs and services to assist women.

With the enactment of the *Veterans' Entitlements Act 1986* (VEA), Domestic Allowance ceased to exist as a separate benefit as it was no longer relevant to most war widows. The monetary equivalent was added to the war widow's pension as a non-indexed component.

- b) Over the last ten years the non-indexed component was increased once.
 - i) It was increased by \$1 on 1 July 2000, as part of the Government's GST compensation package.

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Question 19

Outcome 1, outputs 1.1 & 1.2

Topic: War widows living overseas

Written question on notice

Senator McEWEN asked:

- a) How many War Widows currently in receipt of the War Widows Pension are living overseas?
 - i) What is the projected population for this group over the next four years?
- b) How many of them would qualify for the ISS if they were living in Australia?

Answer

- a) The number of War Widows living overseas is 281.
 - (i) Based on the Department's estimates for all war widows, as approximate estimation of the population of war widows living overseas is:

Year	Estimate of projected population of war widows living overseas
2008	275
2009	265
2010	255
2011	245

- b) It is not known how many of the 281 would qualify for the Income Support Supplement if they lived in Australia.

Question 20

Outcome 1, outputs 1.1 & 1.2

Topic: Disabled dependants

Written question on notice

Senator McEWEN asked:

- a) How many dependents of deceased veterans with qualifying service have a level of disability?
 - i) What is projected population for this group over the next four years?
 - ii) How many of these have a Gold Card?
 - iii) What support is currently provided to disabled dependents of deceased veterans with some form of qualifying service or non-warlike hazardous service?

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Answer

- a) (i) & (ii) The Department has no data on the number of dependants who have a level of disability.
- (iii) Regardless of disability, eligible dependants of deceased veterans may be entitled to support in the form of the war widow's pension, orphan's pension and the Gold Card. They may also be entitled to income support in the form of the partner service pension or the Income Support Supplement.

Question 23

Outcome 1, outputs 1 & 2

Topic: MTAWÉ formula

Hansard, 31 May 2007, p. 101.

Senator McEWEN asked:

Mr Sullivan—The formula, as I have described, is how it is used. I am not sure whether the custodian of that formula is the Department of Finance, the Department of Family and Community Services and Indigenous Affairs or the Treasury. Basically it produces a factor used by everyone who indexes according to a MTAWÉ reference. I am happy to describe it for you in writing if you would like me to.

Senator HURLEY—You get the actual figures from Finance, Treasury or wherever?

Mr Sullivan—Yes.

Senator HURLEY—You do not do the calculation as such?

Mr Sullivan—No, we get a factor.

Senator HURLEY—Could you provide the committee with the next four years of estimates for the indexation of these payments?

Mr Sullivan—I will take that on notice.

Senator HURLEY—It would be good to get that as soon as possible.

Mr Sullivan—It will be taken on notice if, firstly, I can do that. The production of government forward estimates is not something that is often provided in estimates committees, so I will have to ask whether we are allowed to provide that material if it is available. Secondly, if we are allowed to provide it, it will be something we would pass through and provide.

Answer

The projections beyond what is in the Budget papers are security classified as protected and are not available to be released. The Treasury is the responsible agency for these figures and any request for these figures should be directed to the Treasury.

DVA Income Support pensions, Above General Rate component of Disability pensions, and War Widows pensions are indexed each 20 March and 20 September either by CPI alone or by a combination of CPI and MTAWÉ.

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The increase in the CPI over the previous six months is calculated which gives an index number. Service pensions and the General Rate disability pension amounts are multiplied by the index number to give the new pension rate.

MTAWE is reported in ABS statistics as a dollar amount. The dollar amount equal to 25 per cent of the MTAWE figure is then calculated. The new single rate of service pension (excluding the GST supplement) is compared to 25 per cent of MTAWE and increased to that level if necessary.

The old single rate of service pension is divided into this new rate of pensions and expressed as a number. The Above General Rate amount of Special Rate, Intermediate Rate, EDA and the Income Support Supplement are then multiplied by this number. The indexed portion of War Widows pension is raised to equal 25 per cent of MTAWE, or the same rate as the single service pension rate.

Question 29

Outcome 1, outputs 1.1& 1.2

Topic: Mail out costs in relation to Budget announcement—special and intermediate rates
Hansard, 31 May 2007, p 117.

Senator McEWEN asked:

Senator McEWEN—Mr Sullivan, we have recently become aware of a letter that has been sent to veterans from the minister advertising the virtues of the recent budget announcement relating to special and intermediate rates. Are you aware of that letter?

Mr Sullivan—I am not aware of any letter advertising anything. I am certainly aware of a letter that informs special rate intermediate pensioners of their increase.

Senator McEWEN—Can you advise how much that mail-out cost the government?

Mr Sullivan—I can take that on notice. We can do that.

Senator McEWEN—Have there been any other mail-outs relating to budget decisions in the area of veterans affairs?

Mr Sullivan—There will be a mail-out to those in our portfolio eligible for the carer payments. That has not occurred yet.

Senator McEWEN—Do you know what the costing of that is?

Mr Sullivan—I could take that on notice.

Answer

The cost to the Department of the mail out to Special and Intermediate Rate pensioners advising them of the increase in their pensions was \$25,562.68.

A letter from the Minister regarding the \$25,000 ex-gratia payment to former Prisoners of War in Europe POW(E) or their widows was mailed to eligible persons on 15 May 2007.

The total cost to the Department of the POW(E) mail out was \$2,157.60.

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The Department conducted a mail out on the Older Australians Bonus. The total cost of this was \$166,000.

The Department did not conduct a mail out on the Carer Payment.

Question 32

Australian War Memorial

Outcome 1, output 1.7

Topic: Far East prisoners of war

(Written question on notice—*transferred from the Department of Defence*)

Senator EVANS asked:

- (a) How many prisoners of war were executed for attempting to escape by the Japanese in World War II?
- (b) How many of these were recommended to be Mentioned In Despatches?
- (c) Of this number how many were actually Mentioned In Despatches?

Answer

- (a) The question of how many Australian prisoners of war were executed for attempting to escape from the Japanese is a difficult one to answer with any certainty.

An accurate assessment of the cause of death of prisoners of war would rely in part on accurate reporting by the Japanese to the neutral powers, as set out by the Geneva Convention. This was not the case, as the Japanese were not signatories to the convention, and failed to uphold the requirements in any case.

- (b) Refer to (a)
- (c) Refer to (a)

Question 33

Outcome 1, outputs 1.1 & 1.2

Topic: Claim statistics

Written question on notice

Senator HURLEY asked:

Given that the Department collects statistics by conflict for publication in their statistical documents – in relation to the conflicts in Iraq, Afghanistan, East Timor, Solomon Islands:

- (i) How many claims for disability pension have been received by the Department?
- (ii) What has been the nature of those claims?
- (iii) How many of those claims have been related to mental health issues?

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- (iv) How many of those claims have been accepted?
- (v) Do these accepted claims become part of the official casualty list for these operations?
 - i) If not, why not?
 - ii) If yes, what is the casualty list?
- (vi) What has been the cost so far of these claims?
- (vii) What is the estimated cost to the Government for the future care of those veterans who have had claims accepted?
- (viii) Given that the RSL has estimated that claims for disability pension could rise sharply for personnel involved in the conflict does the Department have any estimates in regards to numbers of future claims?
- (ix) Other than claims for the disability pension what other claims have been received by those that have served in these operations?
- (x) What was the nature of these claims and how many of them have there been?
- (xi) What has been the cost so far of these claims?

Answer

(i) As at June 2007:

Veterans' Entitlements Act (VEA)	Iraq	Afghanistan	East Timor	Solomon Islands
Number of claims* received	1,585	2,345	13,846	1,119

*Note: number of claims approximately equal number of conditions, but not number of persons.

(ii) The most commonly claimed conditions under the VEA include:

- Tinnitus
- Osteoarthritis
- Acute sprain or strain
- Sensorineural hearing loss
- Lumbar spondylosis
- Chondromalacia patella
- Intervertebral disc prolapse
- Fracture
- Post Traumatic Stress Disorder
- Internal derangement of the knee

(iii) As at June 2007:

VEA	Iraq	Afghanistan	East Timor	Solomon Islands
Number of mental health disabilities claims	105	163	1,469	128

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(iv) As at June 2007:

VEA	Iraq	Afghanistan	East Timor	Solomon Islands
Number of mental health disabilities claims accepted	71	120	1,101	89

(v) No. The official casualty list is prepared by the Department of Defence.

(vi) & (vii) While information on total outlays on disability pension and compensation payments under the various legislations is available in the portfolio budget statements, no information on costing of compensation claims by conflict or condition is readily available. Usage of additional resources to extract costing information and then estimate required costing is not justified, given the unreliability of the resulting figures.

However, as reported in the Annual Report 2005–06, the average cost per primary claim under the VEA increased from \$870 in 2004–05 to \$941 in 2005–06.

(viii) The Department is not able to estimate the number of future claims which may arise from individual conflicts.

(ix) Claims, other than for the disability pension, have been made for compensation under the *Military Rehabilitation and Compensation Act 2004* and *Safety, Rehabilitation and Compensation Act 1988*, Income Support and ‘treatment only’ health care benefits.

(x) The number of those claims, determined under the different Acts for the four conflicts, to June 2007 were:

VEA	MRCA	SRCA
931	885	1,579

The most common claims under the VEA were for invalidity, qualifying service, malignant neoplasm, PTSD and depressive disorders. Under the MRCA and SRCA, the most common claims were for injury and poisoning, mental disorders, diseases of the musculoskeletal and nervous systems, and parasitic and other infections.

(xi) As stated in the answer to (vi) and (vii), this information is not available.

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Outcome 2

Question 2

Outcome 2, output 2.1

Topic: Veterans' hospital discharge planning

Written question on notice

Senator HURLEY asked:

- a) Can you provide detail on the newly announced Better Hospital Discharge Planning initiative for veterans in the 2007–08 Budget?
- i) When will the program be established and operating?
 - ii) What will the \$21 million over four years purchase?
 - iii) How many veterans will it service each year?
 - iv) Can you provide a break down of data on the reduction in hospital re-admissions achieved through the *Pathways Home Programme*?
- b) Budget Paper no.2 indicates that savings of \$46.1 million are anticipated due to a reduction in avoidable hospital re-admissions.
- i) Does this mean that current funding for follow up care for veterans is a contributing factor to avoidable hospital re-admissions?
 - ii) How were these anticipated savings calculated? Can you provide a breakdown of this current over-expenditure on private hospital admissions?
 - iii) How many avoidable re-admissions would be reduced?
- c) Would this initiative shift patients (and therefore costs) to State-funded public health services?
- d) What is the current level of discharge planning available to Gold and White Health Care Card holders?

Answer

- a) i) Implementation of this initiative commenced on 1 July 2007.
- ii) Payments will be made to hospitals to undertake a supported discharge role entailing the hospital staff stepping the patient through their discharge plan, ensuring appropriate services are being accessed, and if need be, arranging services.

Tasks for the hospital staff in this role include:

- Contacting the Local Medical Officer;
- Checking that the patient understands the medications to be taken;
- Arranging appointments to allied health services;
- Confirming that home modifications are being undertaken;
- Liaising with DVA; and
- Arranging community nursing services.

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- iii) Approximately 3,000 veterans and war widow(er)s.
- iv) It is too early to assess any impact on hospital readmissions as most of the resources are coming onstream at the moment.
- b)
 - i) There is evidence of extended lengths of stay and high admission rates under current arrangements. This initiative has been developed to address these matters. The DVA arrangements potentially offer better follow up care than is available generally and this initiative is intended to ensure that veterans are able to access it appropriately by improving the transfer of care from hospitals to community-based services.
 - ii) It has been estimated that this initiative will be utilised by 3,000 members of the veteran community. Of these veterans, 70 per cent will avoid at least one readmission, and 30 per cent will avoid a long hospital stay.
 - iii) It is estimated that there will be a reduction of approximately 2,450 admissions each year.
- c) Public health services provided to veterans are not State-funded. Under its agreements with States and Territories, DVA funds the full cost of veteran admissions to public hospitals; it is the only funder to do so. The aim of this initiative is to provide veterans with a seamless transition to out-of-hospital care by way of improved transfer of care to these existing services. They are not designed to shift patients from private to public hospitals.
- d) Discharge Planning services are mandated under the contract that DVA has with all private hospital providers. These services are available through all hospitals and veterans have access to those services. This measure is intended to improve the transfer of care to post discharge services for those veterans who are most at risk because of chronic and complex conditions.

Question 3

Outcome 2, output 2.1

Topic: Veterans' medication management

Written question on notice

Senator HURLEY asked:

- a) Can you detail the *Assistance to Veterans to Manage Medications Program*?
 - i) When will the program be established?
 - ii) What will be the role of Medicare and of pharmacies in delivering the program?
 - iii) How many veterans will it service each year?
 - iv) Is a corresponding initiative planned for the non-veteran community?

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- b) Budget Paper no.2 indicates that savings of \$32.3 million will be realised in respect of primary health care, avoidable hospital admissions and delays in admissions to residential aged care.
- i) How were these anticipated savings calculated? That is, how many such avoidable admissions and primary health interventions was this based on?
 - ii) Can you provide the data on which these savings were costed?
- c) In the Minister's press release on 29 May 2007, Mr Billson said that this initiative will prevent more vulnerable members of the veteran community from being admitted to hospital or residential care prematurely or inappropriately.
- i) How widespread is this problem within the veterans' community?
 - ii) What is currently available to assist veterans with managing this problem?
 - iii) For how long has the Department been aware that some veterans are prone to over-using medication to their physical detriment?
 - iv) For how long has the Minister been aware of this problem?

Answer

- a) i) The 'Helping veterans to manage their medicines program' will commence on 1 March 2008.
- ii) The model for making Dose Administration Aids (DAAs) available to veterans is based on recommendations from a major study conducted by Professor Michael Roberts notified in the Portfolio Budget Statements 2000–2001. The model being used, links DAA supply as a pharmacy service, to recommendations made after a Home Medicines Review (HMR) (MBS900).
- The DAA service will be listed as an item on the Repatriation Schedule of Pharmaceutical Benefits and supplied on prescription through community pharmacies. Usual RPBS claims for the service will be made through Medicare Australia.
- The model also includes a pharmacist check on a veteran's use of a DAA. Both the HMR and pharmacist check involve claims from general practitioners and pharmacists processed through Medicare Australia.
- iii) It is estimated that 10,000 veterans will use the service within the first year, with a total of 19,000 utilising the service across four years.
- iv) DAAs will be made available to the non-veteran community under arrangements agreed under the 4th Community Pharmacy Agreement managed by the Department of Health and Ageing.
- b) i) The estimates of savings were based on findings from the Dose Administration Aids Study Final Report. All costings were based on current rates.
- ii) Yes, the methodology is outlined in the Dose Administration Aids Study Final Report.

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- c) i) Because of their age, frailty, multiple chronic medical conditions and multiple medicines use, many veterans are at risk of medicines misadventure leading to admission to hospital. Published research indicates that confusion with medicines is the major cause of medicines misadventure, that the over 75 year olds are at greatest risk and that approximately 50 per cent of medicines misadventure in the elderly leading to hospitalisation, is avoidable. The average age of veterans is now 79 years and over 70 per cent take 6 or more different medicines in a year and over 45 per cent take 11 different medicines. They are considered to be at high risk of medicines misadventure.
- ii) The Department has a multifaceted quality use of medicines program aimed at assisting veterans to take their medicines correctly. The program includes raising awareness of medicines through Mediwise, improving management using Medilist, sponsoring fact cards available through community pharmacies, but especially involving veterans, their local medical officers and pharmacists through the Veterans' MATES program.
- iii) The Department has been aware for many years that veterans are at high risk of medicines misadventure. The Department pioneered trials on medicines reviews and dose administration aids which led to HMRs, the DAA trial and the recent Budget Measure. In 1998 the Department introduced the Prescriber Feedback Program which lead into the well recognised Veterans' MATES program.
- iv) The Minister is aware that veterans, because of their age, war and service-related disabilities, are at high risk because they take many medicines. For this reason, he has encouraged and supported the Department's quality use of medicines program and gave a major speech on the Veterans' MATES program at the National Prescribing Service Symposium in June 2006.

Question 5

Outcome 2, output 2.1

Topic: veterans' assessments and access to health services

Written question on notice

Senator HURLEY asked:

- a) When a veteran applies for services through the Aged Care Assessment Teams, how is their veteran status identified/established?
- b) How is funding for DVA aged care services allocated? Does this use a set formula/ratio? Is DVA data on the veterans population used in the Aged Care Assessment Rounds?

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- c) How many veterans applied for aged care through the ACATs in:
 - i) 2006
 - ii) 2005
 - iii) 2004

- d) Is the number of places and packages in veterans' aged care programs allocated according to the same planning process as mainstream aged care?

- e) Is funding for veterans' aged care programs determined using the same planning process as for mainstream aged care? If so, how is demand by veterans specifically identified and evaluated?

- f) What does "special needs" status entitle a veteran to?

- g) Does the veterans' population have more complex health needs than non veterans? If so, how are these planned into the provision of aged care services?

- h) What is being done to plan for the ageing population in so far as the expected increase in couples with differing care needs?

- i) Does the Department ensure that aged care nurses, allied professionals and aged care providers are made aware of the more complex possible health and mental health needs of veterans?

- j) How many residential aged care clients are veterans?
 - i) How many Extended Aged Care clients are veterans?
 - ii) How many Dementia Extended Aged Care Help clients are veterans?
 - iii) How many Community Aged Care Package clients are veterans?
 - iv) How many respite care clients are veterans or their partners?

- k) What is the average age of veterans versus non-veterans who access:
 - i) residential aged care
 - ii) Extended Aged Care Help
 - iii) Dementia Extended Aged Care Help
 - iv) Community Aged Care Package

- l) How many veterans with dementia in either the residential or aged care setting are aged under 60 years?

- m) What is the average cost of providing to one individual:
 - i) Extended Aged Care Help
 - ii) Dementia Extended Aged Care Help
 - iii) Community Aged Care Package

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- n) How are people with special needs identified and planned for in the planning process for residential aged care/EACH/CACP/respite care?
- i) Are veterans identified in the Aged Care Planning Ratios?
 - ii) If so, how?
- o) Is the same residential care daily fee schedule used for veterans and for non-veterans?
- i) What is the average residential care daily fee?
 - ii) What is the average residential care daily fee for a veteran?
- p) Are the Residential Care Subsidy system of rates the same for veterans and non-veterans?
- i) What is the average annual Residential Care Subsidy for veterans and for non-veterans?
- q) On 22 April 2007, the Herald Sun wrote about the plight of Herbert Ernest, a World War II veterans whose wife, Anne, was moved from their Portland home to the nearest available high care nursing home bed—120 km away at Peshurst. Mr Ernest drives 720km a week to visit her, braving congestive cardiac failure and emphysema. Does the DVA contribute to transport costs of veterans or partners of veteran travelling to and from nursing homes/hostels to visit partners?
- i) If so, how much?
 - ii) Is the Department aware of Mr Ernest's case?
 - iii) Is the Department aware of the beds shortage in Portland?
 - iv) What is being done to remedy this in the next funding round?

Answer

- a) The veteran or widow will produce their Gold or White card.
- b) The funding allocation is based on anticipated numbers and cost for the coming year. If the funding is insufficient then additional funds are acquired in the normal Departmental funding process. There is no set formula or ratio but the current expenditure is about 17 per cent of the total. The Aged Care Approvals Rounds are conducted by the Department of Health and Ageing in each state and DVA cooperates with the ACPACs in each state to provide the information they feel they need to reach a decision. DVA has an internet page with veteran demographics available to interested parties on a state by state basis.
- c) The Department of Health and Ageing is responsible for the ACAT assessment process and may have more specific data on actual numbers. ACAT assessments do not translate 1 for 1 to take up of residential aged care places as not all ACAT assessments result in a person entering a residential aged care facility. ACAT assessments remain current for 12 months.
- d) Yes, but the places taken up by veterans are not separately identified or allocated. All allocations are on a needs basis.
- e) There is only one planning process and veterans are not specifically identified.

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- f) Special Needs Status is a planning process which does not confer any entitlements to any individual. The Aged Care Principles require the Aged Care Planning Advisory Committees to do the following things:
 - a) identify community needs including the needs of particular groups;
 - b) rank the identified needs in priority order;
 - c) consider the types of care that should be provided in particular regions; and
 - d) consider the most appropriate proportion of places for the different groups of people in special needs status groups.
- g) The state of veteran health has been comprehensively studied in 1997, 2003 and again in 2007. The 2007 study report is due for publication in the very near future. There are no separate aged care services for veterans.
- h) This matter is the responsibility of the Department of Health and Ageing.
- i) This matter is the responsibility of the Department of Health and Ageing.
- j) This matter is the responsibility of the Department of Health and Ageing.
- k) This matter is the responsibility of the Department of Health and Ageing.
- l) There are currently only 4 veterans below 50 years in aged care and 70 veterans below 60 years in aged care. The number who have dementia is not known.
- m) This matter is the responsibility of the Department of Health and Ageing.
- n) This matter is the responsibility of the Department of Health and Ageing.
- o) The same fee schedule is used for veterans and non veterans.
 - i) & ii) The Department of Health and Ageing will have the most up to date average care fees.
- p) The same Subsidy system is used for veterans and non veterans.
 - i) The Department of Health and Ageing will have the most up to date average annual Residential Care Subsidy.
- q) i) Nothing is provided. Card holders are provided with transport to and from medical treatment. Travel to visit a person who is not a DVA Treatment card holder does not fit this definition of transport for treatment purposes

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- ii) Yes. Mr Ernest has contacted the Department about his case and all available options have been explored with him.

- iii) & iv) Residential care place allocation is the responsibility of the Department of Health and Ageing.

Question 6

Outcome 2, output 2.1

Topic: Indigenous veterans

Written question on notice

Senator HURLEY asked:

- a) On 26 May 2007, ABC Online published an article stating that the Federal Government had refused funding for an RSL project that seeks to find Indigenous veterans and encourage their access to veterans' entitlements.
 - i) Can you confirm that a request for funding was refused and who made this decision?
 - ii) If so, can you outline the proposal and the reasons for refusing to fund it?
 - iii) Can you detail what efforts the Department is undertaking in this area, that would be 'duplicating efforts' of the proposed RSL project?

- b) In the article, Minister Billson is quoted as saying there are 3,000 or 4,000 Indigenous veterans. Is this the number of Indigenous people who receive DVA entitlements or the estimated number of Indigenous veterans in the community? If the latter, can you indicate how many of these 3,000 to 4,000 currently receive DVA benefits?

- c) Are current efforts to engage Indigenous veterans in the veteran community and benefits system in your view effective? Why or why not?

- d) The Minister has stated that "*[w]hat I also recognise is some of the methods of engaging Indigenous veterans needs to take account of their circumstances and that's what we're doing,*" he said. What circumstances are being taken into account by the Department in attempting to engage with Indigenous veterans?

Answer

- a) i) & ii) The article stated that the Department of Veterans' Affairs had refused funding but had assisted the group to apply to the Department of Health and Ageing for funding. The Department of Health and Ageing will provide funding if the group is prepared to satisfy certain eligibility and accountability conditions.

- iii) The Department of Veterans' Affairs has appointed an indigenous ex-serviceman who works full time to resolve these issues. He is making contact with a wide network of indigenous people to ensure they are accessing benefits to which they are entitled. In addition to that he is working to improve the cultural awareness of all DVA front line staff.

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- b) The estimated number of indigenous veterans is based on research done by Dr Robert Hall, a lecturer at the Australian Defence Force Academy. The DVA client recording system has not previously recorded ethnicity, but it now does. However, veterans previously recorded are not identified as Aboriginal or Torres Strait Islander.
- c) Refer answer a) iii)
- d) DVA ensures that all communication and interaction with Indigenous people is culturally sensitive.

Question 8

Outcome 2, output 2.1

Topic: Dental health

Written question on notice and Hansard, 31 May 2007, p 107.

Senator HURLEY asked:

Please provide data about the number of services and total payment (i.e. total fees paid by DVA) for the various categories of dental expenditures outlined in the Fee Schedule and listed below.

- i) Category 000—Diagnostics
- ii) Category 100—Preventive Services
- iii) Category 200—Periodontics
- iv) Category 300—Oral Surgery
- v) Category 400—Endodontics
- vi) Category 500—Restorative Services
- vii) Category 600—Crown and Bridge
- viii) Category 700—Prosthodontics
- ix) Category 800—Orthodontics
- x) Category 900—General Services

Answer

Details of the expenditure are shown on the attached table.

[The attachment to question 8 is also available on the Committee's website.]

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Question 9

Outcome 2, Output 2.1

Topic: Smart card

Written question on notice

Senator HURLEY asked:

- a) Based on information provided at February Estimates, it appears there have been 14 staff allocated to this project within DVA alone, and \$15.466m provided to its implementation over four years. This is a significant effort. What direct administrative benefits do you expect for the Department from this initiative beyond what the current card system does?
- b) When will the new card come into effect? Will this be before or after the election? How long a transition time will there be?
- c) I understand that the Department has been reassuring veterans that it will put in place arrangements to assist their transition to the new card without their needing to provide identification etc.
 - i) Is this correct?
 - ii) Will this require the Department to source veterans' data and information from Centrelink or Medicare etc?
 - iii) If so, does this raise privacy concerns about the Department accessing veterans' records elsewhere?
 - iv) What is the Department doing to safeguard veterans' privacy?
- d) February 2007 Estimates data shows that a Smart Card campaign will cost \$47.3 million. Will this campaign go ahead before or after the election?
 - i) Will any of this funding be used to provide information specifically to veterans? If so, how? And what information would it provide?
 - ii) Will this "information activity" be aimed at promoting the initiative? Would you not agree that for a politically controversial subject like the Smart Card, that this constitutes political advertising?

Answer

- a) The overall Access Card program has three broad categories of benefits:
 - Enhanced consumer service;
 - Standard and streamlined proof of identity processes; and
 - Fraud and leakage prevention.

Introducing the Access Card will continue to improve the way we deliver services to the veteran community. It will mean:

- quick and simple verification of identity;
- updates to client details, such as address, will only need to be made at one of the participating agencies: Department of Veterans' Affairs, Centrelink or Medicare Australia; and
- a reduction of the paper documents held by Australian Government agencies.

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- b) This is a question for the Department of Human Services, not the Department of Veterans' Affairs.
- c) (i) Yes. The Department of Veterans' Affairs will be assisting the veteran community with their Access Card registrations.
- (ii) The Department will streamline the registration process for its "known clients" using information it holds for those individuals. No other agency data is used for this process.
- (iii) No.
- (iv) The Department will be working closely with the veteran community and the Office of Access Card when registering DVA clients for the Access Card. No client data will be passed to the Access Card system without the client's consent.
- d) As the lead agency, this question should be referred to the Department of Human Services.

DVA is working with the Department of Human Services to ensure that the communication strategy will incorporate communication with DVA clients and service providers. DVA will continue to consult with Ex-Service Organisations and service provider representatives as to the best methods to communicate DVA specific information on the Access Card.

Question 15

Outcome 2, outputs 2.2

Topic: Mental health advertising

Written question on notice

Senator HURLEY asked:

- a) Over the period 2005–06 and 2006–07 what was DVAs expenditure on publicity and awareness Campaign for its mental health programs?

Answer

- a) Publicity and awareness campaigns are funded on a national basis only. Expenditure on publicity and awareness campaigns for DVAs mental health programs for the period 2005–06 and 2006-07 is:

Publicity and Awareness Campaigns	2005–06	2006–07
Mental Health	\$108,901	\$246,170

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Question 16

Outcome 2, outputs 2.1 & 2.2

Topic: Nuclear veterans

Written question on notice

Senator McEWEN asked:

- a) In a response to a question on notice from the last hearing the Department estimated that there were approximately 5,500 people eligible for the Government's program of non-liability treatment of, and testing for, cancer for eligible participants of British nuclear tests—can we please have this broken down into ADF and Civilians?
- i) Of the ADF members how many were expected to be eligible but already have white or gold card coverage for the cancers covered?
- b) How many people have applied for the program?
- i) Can we have this number broken down by ADF and Civilian applicants?
- c) Of those that have applied how many have been deemed ineligible?
- i) Can we have this number broken down by ADF and Civilian applicants?
- d) Is the Department aware of the recent study by Massey University concerning New Zealand participants in the British Nuclear Tests?
- i) If yes what are the differences between these results and the studies conducted by DVA?
- e) Will the results of the Massey University Test have any impact on the current program or treatment of the Nuclear Veterans?
- i) If yes what?
- ii) If no why not?
- f) The Department has advised that 7,116 ADF personnel are estimated to have taken part in the test. Using the DVA survivor model what is the Department's estimation of how many are still alive?

Answer

- a) It was estimated that of the 5,494 possible eligible applicants a total of 3,571 were ADF personnel and 1,923 were civilians.
- (i) Approximately 65 per cent of ADF Nuclear test participants already had VEA eligibility.

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- b) A total of 1,222 claimants have applied for the non liability health treatment as an Australian participant in the British nuclear tests.
 - (i) Approximately 1,102 of the 1,222 claims have been received from former ADF personnel and 120 claims from civilians.
- c) A total of 507 claimants were ineligible for the non-liability health treatment.
 - (i) This figure is comprised of 463 former ADF and 44 civilians.
- d) The Department is aware of and has made a preliminary assessment of the recent study by Massey University concerning the New Zealand participant in the British Nuclear Tests.
 - (i) The NZ study investigated cytogenetic changes amongst a small group of Nuclear test participants whereas the Australian study investigated cancer incidence and mortality of all identified nuclear test participants.
- e) Whilst the Department always considers new research findings in policy development, the Massey University study does not make any significant conclusions concerning current or potential health impacts on those studied. It explicitly states that it "makes no claims on the health status of the veterans" and concentrates on the genetic status only. Given that the study provides no further information on health impacts of observing the tests, no changes are anticipated for the current program.
- f) In the *Australian Participants in British Nuclear Tests in Australia Mortality and Cancer Incidence Study 2003*, there were known to be 5494 subjects still living as at 31 December 2001. The breakdown of surviving former ADF personnel to civilians was not known at this time. However, applying the original ratio of ADF to civilian participants (65/35) it is estimated that there may have been 3571 former ADF personnel living as at 31 December 2001. On this basis it is estimated that there may currently be 3,370 former ADF personnel still alive using the DVA survivor model.

Question 21

Outcome 2, outputs 2.1

Topic: Repatriation pharmaceutical benefits scheme (RPBS)

Written question on notice

Senator HURLEY asked:

- a) What is the current co-payment?
- b) What is the current safety net?
- c) What is the current pharmaceutical allowance?

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- d) What increases in the co-payment are already planned for the next four years?
 - i) What is the amount of the increase?
 - ii) What date will they be introduced?
- e) What changes are planned to the safety net over the next four years?
 - i) What date will they be introduced?
- f) What increases in the pharmaceutical allowance are already planned for the next four years?
 - i) What is the amount of the increase?
 - ii) What date will they be introduced?
- g) How many Veterans are eligible for the RPBS?
 - i) On what basis are they eligible?
 - ii) What are the projected population estimates for this group over the next four years?
- h) What is the average number of prescriptions filled for eligible participants in the RPBS?
 - i) What are the Department's estimates for this over the next four years?
- i) How many Veterans that are eligible for the RPBS exceed the current safety net?
 - i) What are the projected population estimates for this group over the next four years?
- j) How many Veterans that are eligible for the RPBS do not exceed the current safety net?
 - i) What are the projected population estimates for this group over the next four years?
- k) How many co-payments does the Department receive each year?
 - i) What are the Department's estimates for the number of co-payments over the next four years?
- l) How many pharmaceutical allowances does the Department pay each year?
 - i) What are the Department's estimates for the number of pharmaceutical allowances over the next four years?
- m) What is the expected expenditure on the RPBS over the next four years?

Answer

- a) \$4.90 per item (plus any relevant premium).
- b) In 2007, safety net threshold is \$274.70 (equivalent to 56 concessional prescriptions).
- c) Current Pharmaceutical Allowance is \$5.80 for singles or \$2.90 per person for couples, per fortnight.
- d) The Department of Health and Ageing, not the Department of Veterans' Affairs, determines the co-payment for PBS and concessional beneficiaries (including veterans under the RPBS).

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- e) The Department of Health and Ageing, not the Department of Veterans' Affairs, determines the safety net.
- f) Pharmaceutical Allowance is determined by the Department of Families, Community Services and Indigenous Affairs, not the Department of Veterans' Affairs.
- g) There are currently over 310,000 veterans eligible to access the RPBS.
 - i) Holders of Gold, White and Orange cards are eligible to access the RPBS.
 - ii) The estimated population over the next four years is:

Year	Projected estimates—population eligible for RPBS
2008	293,700
2009	279,200
2010	264,700
2011	250,000

- h) In calendar year 2006, the average number of prescriptions per eligible veteran accessing the RPBS was around 48 prescriptions.
 - i) Estimates for the average number of prescriptions in future for eligible participants are not possible to predict.
- i) In the calendar year 2006, over 115,000 veterans exceeded the safety net threshold.
 - i) Estimates for the number of veterans who may possibly exceed the safety net are not done.
- j) In calendar year 2006, over 195,000 veterans did not exceed the safety net threshold.
 - i) Estimates for the number of veterans who will exceed the safety net are not available.
- k) None. Co-payments are not received by the Department.
 - i) None.
- l) At March 2007, there were 399,436 members of the veteran community in receipt of pharmaceutical allowance.
 - i) Estimates for future years are not available.
- m) The estimate for 2007–08 of \$445.97 million is given in the Portfolio Budget Statements 2007–08, p60. Estimates for future years are not available.

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Question 24

Outcome 2

Topic: Suicide statistics

Hansard, 31 May 2007, p. 103.

Senator McEWEN asked:

Senator McEWEN—I would like to follow up with some questions from last year about suicide statistics. In response to a question on notice last year the department advised that there had been 31 suicides that the department was aware of over the last five years. Could the committee be provided with a breakdown of those suicides on a year-by-year basis, please?

Mr Sullivan—On a year-by-year basis. We provided them by a state basis and the age at suicide.

Senator McEWEN—Yes, you did. But we are asking for it on a year basis, please.

Mr Sullivan—I will take that on notice.

Senator McEWEN—You do not have that here?

Mr Sullivan—No. I answered the question as asked. I am sorry, I did not expect another variation of the same question at this hearing. I answered that one very fully this year.

Answer

The table below shows the number of DVA clients who died in the five years to 31 December 2006. It includes only those veterans who have had their death due to suicide accepted as war or service caused under the VEA and those who have had a Military Claim for death under SRCA, where liability has been accepted and where the incident causing death was suicide. This information was obtained from electronic data held on DVA client data bases (not individual client files).

Year	Number of suicides
2002	9
2003	11
2004	6
2005	3
2006	2

Note: The above tables do not include:

- veterans who may have committed suicide while their claim was still being processed, because no data is available;
- any suicide cases where the veteran was already on a rate of pension (eg special rate) which provided automatic dependant benefits such as war widow/ers pension and gold card, because there is no need for a death claim to be submitted to obtain the dependant's benefits;
- any suicide cases where there was no claim for any death benefits.

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Question 25

Outcome 2, output 2.1

Topic: Dental health

Hansard, 31 May 2007, p. 107.

Senator Hurley asked about the fee schedule of dental services for local and dental specialists, which is on the DVA website.

Answer: *See Question 8.*

Question 26

Outcome 2, Output 2.1

Topic: Chaplaincy services

Hansard, 31 May 2007, p. 108.

Senator McEWEN asked: *So how often are they reviewed?*

Mr Douglas—*That depends on the life of the particular contract. My memory tells me it is something of the order of three years, but if I am incorrect I will come back to you on that.*

Senator McEWEN—*So each of those three agreements would have been reviewed roughly every three years over the last 10 years?*

Mr Douglas—*In round terms, if my answer of three years is correct then, yes, that would be correct.*

Senator McEWEN—*And over that time the funding has not been decreased?*

Mr Douglas—*No, that is not correct.*

Senator McEWEN—*That is not correct—it has been decreased?*

Mr Douglas—*I believe that is the case, but I would need to take the movement over time on notice.*

Senator McEWEN—*If you could, I would appreciate having that information provided on notice.*

Answer

Chaplaincy arrangements are part of the Special Veterans' Services (SVS) agreements with the former Repatriation General Hospitals. These agreements came into place following the transfer of the former Repatriation Hospitals to the respective State Governments and have been reviewed every four to five years.

Total SVS Funding 1996—2010			
	1996–01	2001–06 *	2006–10 **
Daw Park	\$566,950	\$ 741,155	\$1,148,000
Heidelberg	\$5,353,948	\$12,212,741	\$8,039,151
Concord	\$1,730,146***	\$3, 695,000	\$3,068,532

Notes: * represents 5 years of total funding; ** represents 4 years of funding

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Daw Park

1. Daw Park SVS commenced 1999/2000 so the figure represents only two years as the initial payments formed part of the State Hospital Services Agreement and cannot be disaggregated
2. Research programs were part of the SVS until 2003/2004 only
3. Prior to 2005/2006 chaplain payments were made direct to the Diocese and therefore not included in SVS expenditure until 2005/2006
4. 2007/2008 a one off block payment of \$332,000 for Chaplain transition was made for out years
5. In 2005/06 the amount paid for SVS was \$204,000

Victoria

1. Heidelberg 1996–01 represents only three years as the initial payments formed part of the State Hospital Services Agreement (HSA) and cannot be disaggregated. Prior to the first Special Veterans Services agreement, which commenced effective 1 July 1998, the HSA included a transitional grant to support the transfer of the former Repatriation General Hospital Heidelberg to the state.
2. Payments include funding for the Older Veterans Psychiatric Program and Rehab Working Group, which are subject to annual negotiation, hence 2006-10 includes estimates for out years
3. Patient Appliance Centre – DVA increased volumes required in 2000/2001 and subsequently ceased to purchase the service in 2005/2006
4. In 2005/06 the amount paid for SVS was \$967,105

Concord

1. *** period relates to 1999/2001
2. Prior to 2005/2006 chaplain payments were made direct to the Diocese and therefore not included in SVS expenditure until 2005/2006
3. In 2005/06 the amount paid for SVS was \$739,000

Question 27

Outcome 2, output 2.1

Topic: Chaplaincy services—agreement with SA Dept of Health

Hansard, 31 May 2007, p 109.

Senator McEWEN asked:

Senator McEWEN—How does that amount of money, the \$332,000, compare with what the chaplaincy service requested?

Mr Douglas—I am not aware of how that compares. Our agreement is with the South Australian Department of Health.

Senator McEWEN—Is the agreement with the Department of Health available for us to have a look at?

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Mr Douglas—I would have to take that on notice.

Senator McEWEN—If you could, I would appreciate it. Thank you.

Answer

The Reverend Bruce Stocks, Coordinating Chaplain at Daw Park Hospital, presented a paper to the Review seeking funding of \$743,894.75 over four years to 2011.

A copy of the Deed of Variation to the Services Agreement with Daw Park Hospital is attached. [See next page.] The Agreement was signed by both parties by 20 July 2007.

DEED OF VARIATION

to the

SERVICES AGREEMENT

between the

Commonwealth of Australia
(as represented by the Department of Veterans' Affairs),
The Repatriation Commission and the Military Rehabilitation
and Compensation Commission
(Australian Business Number 23 964 290 824)

and

Repatriation General Hospital Inc
Daw Park
(Australian Business Number 20 975 207 143)

for the provision of special veterans services at the Repatriation General
Hospital Daw Park

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DEED OF VARIATION

In accordance with clause 27.1, of the Service Agreement dated 01 July 2005, as amended, between the Commonwealth of Australia (as represented by the Department of Veterans' Affairs), the Repatriation Commission and the Military Rehabilitation and Compensation Commission and the Repatriation General Hospital, Daw Park, (RGH Daw Park) it is agreed the following variations shall be effective from 01 July 2007.

Amendments

A. Part G, clause (3) Chaplaincy services, is to be amended with the following:

Delete, Part G, clause (3) Chaplaincy services:

- Chaplaincy Services at RGH Daw Park will be funded under this arrangement for the period 1 July 2005 to 30 June 2007.
- A review of chaplaincy services will be undertaken by DVA and RGH Daw Park commencing no later than 31 December 2006 and to be completed before 30 June 2007. The parties will jointly develop terms of reference for the purposes of the review.

Insert, Part G, clause (3) Pastoral care services:

- Pastoral care services at RGH Daw Park will be funded under this arrangement for the period 01 July 2007 to 30 June 2011 as per Part J, Payments, clause b.

B. Part J clause (b) Payments, is to be amended with the following:

Delete,

Chaplaincy services transition funding—for the period 1 July 2005 to 30 June 2007, payment of thirty thousand five hundred and one dollars and ninety cents (\$30,501.90), inclusive of GST, will be made quarterly in arrears subject to receipt of the quarterly report for Key Results Area 3 in Schedule Part G (7).

Insert, A one off payment, of three hundred and thirty two thousand dollars(\$332,000) inclusive of GST, will be paid in advance for the period 01 July 2007 to 30 June 2011, to Repatriation General Hospital Inc Daw Park for Pastoral Care Services.

Interpretation

To the extent applicable, the terms and conditions of the Services Agreement, including defined terms, apply to this Deed of Variation.

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THIS DOCUMENT IS EXECUTED AS A DEED.

Signed, Sealed and Delivered for and on behalf of:

Repatriation General Hospital Inc Daw Park

by:

Mr Geoff Tattersall
Chief Executive Officer
Repatriation General Hospital
Daw Road
DAW PARK SA 5041

Signature and date:

_____ / ____ / ____

Witnessed by:

[Print name of witness]

Signature and date:

_____ / ____ / ____

Signed, Sealed and Delivered for and on behalf of:

The Commonwealth of Australia, the
Repatriation Commission and the Military
Rehabilitation and Compensation
Commission

by:

Jennifer Collins
National Manager
Primary Health

Signature and date:

_____ / ____ / ____

Witnessed by:

[Print name of witness]

Signature and date

_____ / ____ / ____

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Question 28

Outcome 2, outputs 2.1 & 2.2

Topic: Nuclear test veterans—review

Hansard, 31 May 2007, p. 116.

Senator ALLISON asked:

Senator ALLISON—How many have sought a review?

Mr Telford—I do not have those figures.

Mr Sullivan—We can take that on notice.

Senator ALLISON—Why were veterans not told why they were not eligible?

Mr Telford—I did not know they were not told why they were not eligible.

Mr Sullivan—We will take that assertion on notice.

Senator ALLISON—I am happy to hand you a sample letter which simply says that they have been found to be not eligible. If you give me a couple of minutes I will hand it to you.

Mr Sullivan—I accept that.

Mr Telford—The reason someone is not eligible is that they were not in the test sites during specified periods of time within certain radii of the test.

Senator ALLISON—Why didn't you say that in the letter to them?

Mr Telford—I do not know. I have not seen the letter. There is only one criterion which one has to satisfy in these circumstances. We will take that on notice.

Answer

A total of 32 claimants have sought a review of the primary decision.

Following receipt of Royal Assent on 30 November 2006, a bulk mail out was prepared for all those who had made a claim since the announcement in June 2006.

Once the necessary legislative instruments were signed, eligibility decisions were made and 1,130 letters were sent to applicants on 12 December 2006 and 18 December 2006 advising of the outcome of their claim.

Due to an attempt to notify applicants of the result of their claim as soon as possible and the large number of decisions to be made in a short time frame, it was not possible to provide detail on individual cases in the letter.

Each letter contained an explanation of the eligibility requirements and information on the necessary dates and location for each testing period. Each letter provided a phone number to call for further information and advised people of their rights of review.

All decision letters mailed to claimants since then, contain greater detail on individual circumstances.

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Question 10 Cross reference with question 30

Outcome 2, output: 2.1

Topic: Veterans' Home Care

Written question on notice and Hansard, 31 May 2007, p. 117.

Senator HURLEY asked:

- a) Can you provide a breakdown of funding for VHC for the financial years 2004/05, 2005/06, 2006/07 and for 2007/08 for each of the following?
 - i) personal care
 - ii) domestic assistance
 - iii) in-home respite care
 - iv) home & garden maintenance

- b) What was the average number of hours that individual VHC clients received in 2006, 2005, 2004, and 2003 of:
 - i) personal care
 - ii) domestic assistance
 - iii) in-home respite care
 - iv) home & garden maintenance

- c) Have the co-payments increased for these services recently? If so, by how much for each and why?

- d) Have there been any changes or downgrading to the average service levels provided to veterans through VHC since the services were outsourced?

- e) Can you briefly outline the terms of the contract with Aged Care and Housing Group Ltd that have commenced as a result of the tender run in 2006?
 - i) Has there been any initial performance review or assessment done so far of the successful providers? If so, what has been the findings?
 - ii) Is the Department confident that the new provider is delivering services consistent with the service standards delivered previously?
 - iii) Is implementation of the service guidelines occurring consistently with past practice? Are the guidelines unchanged?

- f) What was the reason for the change from localised internal state/territory assessment to one agency handling three states (SA, NSW and QLD) and one territory (ACT)?
 - i) What is the benefit to the Dept?
 - ii) What is the benefit to the veteran?

- g) Has the Department received an increase in the number of complaints about VHC since the nationwide tender? Which states and territories have these complaints predominantly come from? How has the Department sought to address these complaints?

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- h) Can you confirm that the Aged Care and Housing Group Ltd are conducting phone assessments with veterans?
- i) Does this fall within the guidelines?
 - ii) Are you aware of reports that ACH Group has received numerous complaints, particularly on the issue of the inadequacy of phone assessments?
 - iii) Is it in your view an effective assessment process?
- i) An unsigned letter from the Minister, faxed from the Minister's office to Annette Ellis MP [Tab A], indicated that a transition strategy would be implemented to support the reassessment of veterans' care needs that will aim to ensure that no veteran or war widow will be disadvantaged.
- i) Can you please outline this transition strategy?
 - ii) How much funding has been allocated to it?
 - iii) How will it seek to ensure that no veteran or war widow is disadvantaged?
 - iv) Can you provide a guarantee that veterans and war widows will not be disadvantaged by these new arrangements?
- j) What is the process of resolving a complaint where a veteran calls the Department to complain about his/her service levels?

Answer

- a) Veterans' Home Care (VHC) is funded for core services as a total and in home respite services as a separate appropriation. Therefore, VHC funding details are not available by core service type.

The data provided in the table below also includes amounts paid to State and Territory Governments in recognition of veteran access to the Home and Community Care Program.

Veterans' home care Year	Million \$		In-home respite Year	Million \$
2004–05 Expenses	80.451		2004–05 Expenses	19.969
2005–06 Expenses	91.351		2005–06 Expenses	20.983
2006–07 Allocation *	90.722		2006–07 Allocation *	23.242
2007–08 Allocation	89.439		2007–08 Allocation	26.359

* Final 2006–2007 expense not yet available.

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- b) The average number of hours that VHC clients received in 2006, 2005, 2004, and 2003 is as follows:

Service Description	Average number of hours that VHC clients received Nationally in a calendar year			
	2003	2004	2005	2006
i) personal care	31.52	28.91	29.16	30.75
ii) domestic assistance	32.40	30.16	30.94	31.23
iii) in-home respite care	68.47	69.34	70.39	70.60
iv) home & garden maintenance	4.43	4.44	4.33	4.31

- c) Co-payments have remained the same since the VHC program commenced in 2001.
- d) There have been no changes to the average service levels provided to veterans through VHC since the services were re-tendered in 2006.
- e) Aged Care and Housing Group Ltd is contracted to the Department by the standard Deed of Standing Offer for the provision of Veterans' Home Care assessment and coordination services to Entitled Persons. The Veterans' Home Care Guidelines are Attachment 1 to this Deed. This contract has only minor changes from the previous contracts held with Assessment Agencies.

The Deed of Standing Offer is being made available at the following location:

http://www.dva.gov.au/health/homecare/contracted_provider_panels/index.htm.

- i) The Department has ongoing contract management and quality management processes in place to monitor and review performance of all VHC contractors. The Quality Management Framework involves an annual risk assessment cycle, a three stage process in which all providers respond to a self assessment questionnaire, followed by data review and analysis on each provider, and in the final stage those providers identified through the risk assessment process receive an audit visit from DVA. The process is currently at the end of the first stage. Visits are scheduled for the September-December 2007 quarter. Additionally, contracts require monthly reporting for VHC Assessment Agencies, and DVA contract managers follow-up any performance issues arising from complaints.

The Department conducted a national follow-up check of providers in the January–March 2007 quarter to ensure that all services were in place for VHC clients transferred as a result of the new contract arrangements. Issues identified were subsequently addressed by the provider in consultation with DVA.

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Issues were identified for a small number of providers. These were raised with the respective managements and rectification plans put in place. DVA continues to monitor the situation closely.

- ii) Yes.
 - iii) Evidence indicates that all contracted providers are implementing the requirements of the Veterans' Home Care Guidelines. The Guidelines are unchanged from the previous contract. However, it is apparent that some former contractors may have approved certain services not in compliance with the Guidelines.
- f) The recent VHC tender process was conducted in accordance with the Commonwealth Procurement Guidelines and was signed off by the Probity Adviser as having been managed in a fair and consistent manner. The Request for Tender asked tenderers to select the VHC region in which they wished to be considered for a VHC contract.

Tender submissions were evaluated on a competitive VHC regional basis and organisations were not penalised for selecting small or larger service areas. This means that an organisation could tender for a specific VHC region only, i.e. a localised area, and not be disadvantaged.

- i) The ACH Group was selected in the recent tender on the basis of the best overall responses to the tender selection criteria. The presence of the ACH Group in many VHC regions does promote a consistent approach to assessment and to application of VHC guidelines across a wide range of VHC regions.
 - ii) Benefits to veterans of the recontracting process include ensuring continued access to high quality VHC services in their homes, and ensuring that services selected are of the best possible standard to deliver quality care and support to veteran clients.
- g) In the months immediately following the VHC Tender there was an increase in complaints, predominantly in Victoria, NSW and Queensland, where the number of clients transferred under the new arrangements were highest. All complaints were dealt with on a case by case basis in liaison with the client, or sometimes the client's representative, and any relevant providers. All information is documented for future analysis in relation to possible systemic problems.
- h) Yes
- i) Yes
 - ii) Isolated transition issues were experienced when the ACH Group and other providers commenced in new VHC regions. However, the Department has worked extensively with assessment agencies, service providers and VHC clients to overcome these issues and the situation is now stable.

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- iii) In accordance with VHC Guidelines, the ACH Group conducts phone assessments using the VHC Standard Assessment Instrument. There has been general acceptance of the telephone assessment of need for low level services by agencies and the veteran community alike. The phone assessment has been in place since the VHC program commenced in 2001. It has been demonstrated by past reviews and evaluations to be most effective in determining the needs of veterans for a low care program. In fact, over 150,000 veterans and war widows have been assessed this way since 2001.

However, to ensure that all clients' needs are appropriately determined the VHC program also allows for in-home assessments where warranted, and reassessments are conducted every six to nine months to ensure that an appropriate level of service is being delivered.

- i) i) DVA has developed a transition strategy, in consultation with VHC Assessment Agencies, for dealing with clients with inappropriate service approvals. This is an isolated problem and is managed in a manner that ensures continuity of care and aims to ensure that clients are not disadvantaged in terms of addressing their assessed needs.

Where services have been provided that are not within the VHC Guidelines, the VHC Assessment Agency advocates with other community care arrangements, e.g., Home and Community Care Program—for the client's access to these services. DVA has undertaken to support the VHC Agencies' short term approval of any inappropriate services, where there is an assessed need, until alternative arrangements are able to be put in place.

- ii) No additional funding was required to manage the transition process.
- iii) Response to i (i) refers. Clients will continue to receive services under Veterans' Home Care according to their assessed needs, pending arrangement of appropriate services from other agencies. The number affected is relatively small and the transition arrangement has minimal impact on the equitable distribution of services to clients across the VHC Program.
- iv) Transition of clients to services outside the VHC Program is part of ongoing practice under this low level care program. As clients' needs increase, or where their changing needs are better addressed by services available under a different program, they are referred to appropriate community care agencies under active facilitation by the VHC Agency. This process promotes outcomes that are in fact more appropriate to current assessed needs. It also offers an ongoing point of contact if their situation changes. In this way clients are now receiving the services due to them under the VHC Program. This is the guarantee DVA can provide. DVA considers this a success of its recent VHC Tender and the new contractual arrangements.

- j) When an issue is raised by an entitled veteran/war widow or widower, a Departmental officer will ascertain whether they have first approached the VHC Assessment Agency. The issue is discussed with the veteran and comprehensive information relevant to the matter is provided.

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All issues or requests are addressed immediately upon lodgement. They are followed up by email, fax or phone.

The Departmental officer ensures that providers understand the veteran's/war widow's view of the issue and that the client is fully informed on how the program works, including the veterans' right to a review (as outlined in a Fact Sheet developed by the Department, entitled Your Rights and Responsibilities).

If the veteran is not satisfied with the current assessment of their need or the level of approved services, they can request a review of the assessment. Reviews are quite common, particularly if the veteran has had a change in health and circumstances, for example, discharge from hospital).

Where an issue is raised of service delivery quality, a Departmental officer will ensure that the provider has administered the service appropriately, and examines areas of potential improvement with the provider. Remedial action is subsequently reviewed, and timely and effective resolution monitored.

All issues and outcomes are comprehensively recorded, which assists in identifying any trends (e.g., recurring issues with providers) which can be addressed through the contract management process.

Question 30

Outcome 2, output: 2.1

Topic: Veterans' home care

Hansard, 31 May 2007, p. 117.

Senator McEwen asked about veterans' home care.

Answer: *See Question 10*

Question 31

Outcome 2, Output: 2.1

Topic: Veterans' home care

FADT Hansard proof, 31 May 2007, p. 117

Senator McEwen asked about veterans' home care.

Answer: *See Question 10*

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Output group 6

Question 7

Outcome: Output Group 6

Topic: Advertising

Written question on notice

Senator HURLEY asked:

- a) For each department and agency in the Veterans' Affairs portfolio area, what sum, as a total figure, was spent, or will be spent, on advertising campaigns in:
 - i) 2006–07; and
 - ii) 2007–08?

- b) Identifying each campaign by name, for each department and agency in Veterans' Affairs, what sum was spent on each advertising campaign that forms the basis of the total figure given to the above question in:
 - i) 2006–07; and
 - ii) 2007–08?

- c) What was the purpose of the advertising campaigns?

- d) What was the total estimated budget and breakdown of campaign costs, including market and other research, creative, pre-production, production and media purchasing for:
 - i) Television (TV) placements;
 - ii) Radio placements;
 - iii) Newspaper placements;
 - iv) Mail-outs;
 - v) Internet;
 - vi) Web sites; and
 - vii) Any other placements?

- e) On what dates were the individual campaigns referred to the Ministerial Committee on Government Communication (MCGC) for approval and on what dates were the necessary approvals granted?

- f) For campaigns that have already been completed, on what date did the campaigns start and on what date did they finish?

- g) For campaigns that are currently in progress, on what date did the campaigns start and on what date did they finish?

- h) For campaigns that are yet to commence, what is the projected date of commencement and anticipated duration of the campaigns?

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- i) For each campaign identified in the answers to questions above, what market research, including opinion polling and evaluation following the conclusion of the campaign (if applicable) was undertaken?
- j) Have any cost-benefit assessments been done to assess the returns from opinion polls, focus groups or other market research?
- k) For each campaign identified in the answers to the questions above, who was the successful tenderer for:
 - i) The advertising; and
 - ii) The market research?
- l) Please outline the tender process including:
 - i) The number of tenders received;
 - ii) The timeline from when invitations to tender were issued through to the issue of the tender, including the date on which submissions closed and the date on which the decision on the successful tenderer was made; and
 - iii) On what basis was the tender given?

Answer

The Department of Veterans' Affairs and the Australian War Memorial have not undertaken any campaign advertising during 2006–07 or 2007–08.

Question 14

Outcome: Output Group 6

Topic: Resourcing agreement with Finance—efficiency dividend

Written question on notice

Senator HURLEY asked:

- a) In a response to a question on notice at the last estimates hearing the Department stated that DVA's departmental appropriations are subject to the Government's 1.25% efficiency dividend each financial year—what is this dividend?
- b) What does it equate to in cash amounts?
- c) Where does the Department expect to find these savings?
- d) On which date was this Dividend decided and what was DVA's input to the 1.25% target?

Answer

- a) The 1.25% efficiency dividend is a reduction applied to DVA's departmental appropriation.

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- b) Under the current resourcing agreement (2005–06 to 2008–09) the 1.25% efficiency dividend represents a \$23.43 (cash) million dividend over a four year period.
- c) DVA has positioned itself through a major restructure along functional business lines to create scalable and nationally consistent approaches to its business. The Department continues to invest in IT development to improve productivity, streamline its processes, lower IT maintenance costs and improve staff productivity.
- d) The efficiency dividend was decided by the Government in the 2005–06 Budget context.