

Senate Foreign Affairs, Defence and Trade Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Veterans' Affairs

Budget supplementary estimates 2000—23 November 2000

Question 4

Output Group 1

Topic: Average bonus payments to Veterans

Hansard Page: FAD&T 5

Senator Schacht asked:

What is the median figure as opposed to the average?

Answer:

The median Aged Persons Savings Bonus of those calculated and paid by DVA to the end of October 2000 is the maximum amount of \$1,000 paid to 58 per cent of the 253,174 applicants. Two per cent of claimants received zero and five per cent received less than \$50. Twenty four per cent have been paid less than \$500.

This does not include about 70,000 veterans who complete tax returns and were therefore paid a bonus calculated by the ATO. Most of these 70,000 would be expected to qualify for \$1,000.

The following table sets out the distribution of Bonus payment amounts.

\$0	2%
\$1.00	1%
\$1.10 to \$20	Less than 1%
\$20.10 to \$50	2%
\$50.10 to \$100	2%
\$100.10 to \$200	4%
\$200.10 to \$300	4%
\$300.10 to \$400	4%
\$400.10 to \$500	4%
\$500.10 to \$600	4%
\$600.10 to \$700	4%
\$700.10 to \$800	3%
\$800.10 to \$900	3%
\$900.10 to \$999	3%
\$1000	58%

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Question 6

Output Group 1

Topic: Privacy Act

Hansard Page FAD&T 11

Senator Schacht asked:

Why can't a veteran be informed that information has been provided to a requesting agency in accordance with the Act?

Answer:

There are several issues and difficulties with the Department of Veterans' Affairs advising a person that information relating to that person is or has been disclosed to another Commonwealth Department or authority.

Firstly, the Department of Veterans' Affairs will normally have no knowledge of the circumstances which have given rise to a request from an external authority for access to a person's information. The reasons for the request are not normally provided at the time information is requested. It may be that the request could lead to criminal action being taken. It may also be that the request merely relates to the authority establishing a person's continuing entitlements to particular benefits. It should be noted that many Commonwealth and State Department's and authorities have the statutory power to issue notices compelling the disclosure of information by the Department. Such notices normally do not specify the reason behind the requirement to disclose the relevant information.

Secondly, some Commonwealth Departments and authorities are subject to the operation of secrecy provisions (eg the Australian Taxation Office under section 8XB of the *Taxation Administration Act 1953*, the Department of Family and Community Services and Centrelink under section 1312 of the *Social Security Act 1991*, the Department of Health and Aged Care under section 135A of the *National Health Act 1953* and section 130 of the *Health Insurance Act 1973*). The operation of these secrecy provisions would impact on the ability of these Departments and authorities to disclose detailed information about the reason for the request for information.

Finally, it should be noted that notifying a person after the Department of Veterans' Affairs has disclosed information to a Commonwealth Department or authority would not enable the person to take action to prevent such disclosure from taking place. Due to the principles of natural justice, a Department or authority that receives the

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information would need to disclose the basis for any action being taken against that person. If that included information provided by the Department of Veterans' Affairs, then presumably, the fact of the disclosure would be made at that time. This is consistent with the approach in section 11 of the *Data-matching Program (Assistance and Tax) Act 1990*.

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Question 7

Output Group 1

Topic: Anthrax injections—Gulf War

Hansard Page: FAD&T 12

Senator Schacht asked:

In consultation with the Defence Department, and providing that records were kept, detail how many people received anthrax injections.

Answer:

The Department of Defence is currently searching for records in respect of those personnel who received anthrax injections. An answer to this question will be provided as soon as the information becomes available.

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Question 8

Output Group 1

Topic: Nurses and doctors—access to veterans' entitlements

Hansard Page FAD&T 14

Senator Schacht asked:

Estimate the cost to the Budget of providing benefits to the 411 people (400 nurses and some doctors) if they were given access to veterans' entitlements.

Answer:

The Department of Veterans' Affairs has estimated the cost to Budget of providing eligibility for benefits under the *Veterans' Entitlements Act 1986* to civilian surgical and medical teams in Vietnam (equivalent to eligible members of the Australian Defence Force) is approximately \$3.5m (Gross) or \$2m (Net) per annum.

However, as there is little information on the incidence and/or degree of disablement within this group, therefore this estimate must be treated with caution.

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Question 9

Output Group 1

Topic: Veterans' Entitlements Act—merchant seamen

Hansard Page: FAD&T 14

Senator Schacht asked:

What is the cost to the Veterans' Entitlements Act of giving merchant seamen access to it?

Answer:

With effect from 1 July 1994, the *Seamen's War Pension and Allowances Act 1940 (SWPAA)* and its associated statutory regulations were repealed and replaced by the *Veterans' Entitlement Act 1986 (VEA)*. This gave Merchant Seamen access to Compensation benefits under the VEA.

The present annual cost of Compensation for the Merchant Seamen, for the twelve months from September 2000, is estimated to be \$9.44 million. This comprises of:

- \$3.75 million for disability pensions and allowances to 660 eligible Merchant Seamen, and
- \$5.69 million in widow(er)s pensions for 522 widow(er)s of eligible Merchant Seamen.

Note that:

- Because of difficulties in estimating notional outlays under the replaced *Seamen's War Pension and Allowances Act 1940* with any degree of accuracy, this figure is a total current cost rather than a net increased cost to the Commonwealth;
- Medical treatment costs have not been included because most Merchant Seamen receiving disability compensation have Gold Card entitlement by virtue of qualifying service during WWII;
- Estimated Service Pension costs are also not included in the above figure. This is because eligibility for Service Pension already existed under the *VEA* prior to the repeal of *SWPAA* at 1 July 1994.

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Question 10

Output Group 3.2

Topic: Death of Australians in Auschwitz

Hansard Page FAD&T 15

Senator Schacht asked:

Can an inquiry be undertaken to see if any Australians died in Auschwitz and if so is it possible for a memorial to be erected?

Answer:

An inquiry has concluded there is no evidence to suggest that any Australian servicemen died in German concentration camps and certainly that none died in Auschwitz. Approximately 24 Australians were held in concentration camps principally for persistently escaping from their POW camps, but none are known to have died in these camps.

There appears no justification for constructing a memorial at Auschwitz.

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Question 1

Output Group 6

Topic: Budget estimate in relation to Second World War Veterans

Hansard page FAD&T 2

Senator Schacht asked:

Could you provide me with an estimation of how the budget will grow as the Second World War veterans get older and need more age and health care—will the figure be approximately \$200 million a year, or will that increase even further per annum in the quantum?

Answer:

The Department does not have separate estimates for the health care costs of World War II veterans. The Department's current estimate for expenditure on health care for all veterans in the 2000-01 financial year is \$2,880 million and is expected to grow to \$3,035m in 2001-02, an increase of some \$155m. The expenditure in subsequent years is estimated to grow by \$201m in 2002-03, \$133m in 2003-04 and \$87m in 2004-05. During this time the number of the Department of Veterans' Affairs clients with Health Treatment Cards is expected to decrease from 344,800 at 30 June 2001 to 316,960 at 30 June 2005. While the overall number of eligible clients is reducing, the level of expenditure is not expected to decrease. This is due to the fact that as the clients age they require greater levels of health care and that care is often at a higher cost.

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Question 2

Output Group 6

Topic: GST allocations

Hansard Page: FAD&T 4

Senator Schacht asked:

In relation to the 15 points in Question 10, Hansard page 241 of the Budget Estimates 2000-2001 (30 May 2000) provide the allocations against each of the points.

Answer:

It is difficult to attribute to each point because, for example, one invoice may cover several points. Therefore, some of the points have been amalgamated in the table below:

		99/00	00/01	TOTAL
1	Project management and coordination by GST implementation team (salary and administrative costs)	\$1,400,754	\$453,854	\$1,854,608
2	System analysis, specification, development, testing and implementation	\$636,801	\$1,300,891	\$1,937,692
3	System support	\$605,000	\$4,000	\$609,000
4	Preparation of information booklets for veteran organisations and, on request, made available to individual veterans and members of parliament	\$13,785	\$2,816	\$16,601
5	Provision of information through seminars	Included in Point 6		
6	Staff training	\$176,400	0	\$176,400
7	Query/problem resolution	Included in Point 2		
8	Postage and distribution costs in respect of claims that were sent to veterans for the purposes of savings bonuses		\$238,553	\$238,553
9	Data collection		\$147,234	\$147,234
10	Bonus processing	Included in Point 9		
11	Review and appeals activity	Included in Point 2		
12	Processing costs with external agencies	Included in Point 9		
13	Call centre costs	\$144,666	\$313,572	\$458,238
14	Travel	\$54,953	\$38,490	\$93,443
15	Hire of tax consultants	Included in Point 1		
	TOTAL	\$3,032,359	\$2,499,410	\$5,531,769

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Question 3

Output Group 6

Topic: GST call centre

Hansard Page: FAD&T 4

Senator Schacht asked:

Was any tabulation kept of how many people complained that they did not get the full \$1,000 of the GST bonus that they were led to believe they would receive in the political announcements made by the Government? Was that recorded in the calls coming back in? Provide the number of complaints received: the number of people who did not get what they thought as a result of the Government's publicity at the time of Election.

Answer:

The nature of calls to the hotline was monitored to ensure the information material used by the call centre staff remained suitable. Of the total number of calls of 80,000 to the Department and the Call Centre it is estimated that 900 (1.1%) may be categorised as a complaint.

At no time did complaints about the amount feature in the top 10 call subjects. The top two subjects related to the treatment of superannuation and of joint income.

No specific data was kept on this matter. The primary focus when people telephone the Department or the specialist hotlines with a problem is to work through the problem with them until they are satisfied that they have the full facts of the matter.

However, there are a number of indicators to the level of dissatisfaction with the Aged Persons Savings Bonus.

There have been 29 letters written to the Minister specifically complaining about the amount of the bonus. There may have been as many as 15 more letters where a complaint about the amount of bonus was made but was not the primary subject of the letter and so is not recorded as a bonus complaint.

Also, six people protested by returning their payment to the Department. In each case the money was returned to the veteran with a letter, explaining the bonus initiative.

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Following payment of the bonus, each claimant was given a further opportunity to provide new information on which to base a bonus calculation. People complaining about the size of their bonus were dealt with under this arrangement. About 3500 pensioners have taken this action which almost always results in a top-up payment being made. These calls were not necessarily complaints but rather to inform the Department that the information on which we based our calculation was not up to date.

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Question 5

Output Group 6

Topic: Contracted staff

Hansard Page FAD&T 10

Senator Schacht asked:

Of the 126 contracted medical staff were any previously employed by the Department?

Answer:

The current payroll system Personnel and Human Resources Information system (PAHRIS) has been in operation since June 1998. None of the 126 medical contractors referred to were previously employed by DVA since the implementation of PAHRIS. To check previous decommissioned payroll system would require considerable resources.