

2014–15 DVA Budget *continued*

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

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

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

2014–15 Budget measures for DVA include:

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

- period, around 500 clients with a single condition will be reviewed.
- \$6.9 million will be allocated towards a detailed business case and design for an interpretive centre in France to ensure the sacrifice of Australians on the Western Front during the First World War is appropriately recognised.
- The Health Provider Fee Indexation budget initiative between DVA and the Department of Health (DoH) will align indexation arrangements between Medicare and DVA arrangements. These measures will not change the current health care entitlements for DVA Gold and White Card holders.
- A Defence Service Homes Insurance Scheme (DSHIS) Independent Scoping Study will consider options for the future management and operations of the DSHIS and include advice from an industry expert.

Other whole of Government measures concerning veterans include:

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

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

The 2014–15 Budget measures outlined are subject to the passage of legislation.

More information

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

For more information about the 2014–15 Budget, please visit www.budget.gov.au

A changing aged care system

Our aged care system touches the lives of millions of Australians, including many in the veteran community. The Government spends more than \$14 billion each year on aged care, supporting more than one million people who receive aged care services, with more than half a million people receiving support at home.

Our aged care system is currently world class. However, people are living longer thanks to better health and better health care. We need to make some fundamental changes now to ensure the system is sustainable, affordable, provides diverse and rewarding career options, and encourages businesses to invest and grow. The changes will also offer you, as an aged care consumer, more choice and control.

Over the next few years, there will be changes as to how aged care services are paid for and delivered.

Increased transparency

As of 19 May 2014, all residential aged care providers were required to publish the maximum accommodation prices they will charge from 1 July 2014, information on payment options and a description of key features of each type of room. Pricing information will be

made available on the My Aged Care website www.myagedcare.gov.au and will be available from providers' websites and in other materials provided to residents, families and carers.

This will provide clear pricing and accommodation information, to help you and your family compare prices and facilities and make fully informed choices. It will also enable providers to highlight the best features of their services and facilities, making the sector more transparent and competitive.

Income testing arrangements for home care packages

From 1 July 2014, income testing will mean that people with similar incomes will pay similar fees for their home care, based on what they can afford to pay. The Government contribution will be dependent on your capacity to pay. If you receive a full-rate of pension you will not be asked to pay an income-tested care fee. These changes do not apply to the DVA Home Care programme.

Changes to means testing in residential aged care

From 1 July 2014, you will have greater choice and control over how you pay for residential care. While the Government

will continue to fund a considerable proportion of residential aged care costs, a new means test will determine your contribution to both accommodation and care costs.

New accommodation payment arrangements for residential aged care

From 1 July 2014, accommodation bonds and charges will be replaced by accommodation payments for all new residents, regardless of the level of care they enter.

The Government will continue to fully meet the accommodation costs of residents with low means, and partially support others. Residents, who are not eligible for any Government accommodation assistance because they have the means to pay, will be required to make an accommodation payment. You will have 28 days from the date you enter care, to choose how you pay for your accommodation – either as a refundable deposit, a daily payment amount, or a combination of both.

Removal of the distinction between high and low care in residential aged care

If you enter care on or after 1 July 2014, you will receive one level of approval for permanent residential care. This

means anyone with a permanent residential care approval can seek a place at any aged care home that can meet their needs.

All existing high care and low care permanent residential care approvals will automatically become permanent residential care approvals.

The removal of the distinction between high and low care in permanent residential care will make arrangements simpler, more flexible and more transparent, without compromising the quality of care provided.

These changes will only impact people entering care after 1 July 2014. If you are already in care, your arrangements will generally stay the same.

Eligible veteran residents will not have any reduced access to DVA services, such as allied health and the Rehabilitation Appliances Programme, as a result of this change.

For more information on the aged care reforms, visit the aged care reform pages on www.dss.gov.au/agedcarereform

For more information on accessing aged care services, visit My Aged Care at www.myagedcare.gov.au or call 1800 200 422 for more information.