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| **Venue: Level 22 Conference Room**  **Lovett Tower, Canberra**  **Various DVA video-conference facilities**  **Date: Tuesday 13 May 2014**  **Time: 6:30pm – 7:40pm** | **Meeting No: 26** |

**ESO Round Table Budget Briefing**

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| **Location** | **Attendees** | **Organisation** |
| **ACT**  Lovett Tower | Mr Simon Lewis PSM | Secretary, Department of Veterans’ Affairs  President, Repatriation Commission  Chairman, Military Rehabilitation and Compensation Commission |
| Mr Shane Carmody | Deputy President, Repatriation Commission  Member, Military Rehabilitation and Compensation Commission |
| Major General Mark Kelly AO DSC | Commissioner, Repatriation Commission  Member, Military Rehabilitation and Compensation Commission |
| Ms Judy Daniel | First Assistant Secretary,  Health and Community Services |
| Ms Narelle Dotta | First Assistant Secretary,  Corporate |
| Ms Lisa Foreman | First Assistant Secretary,  Rehabilitation and Support |
| Mr Mark Harrigan | Assistant Secretary, Rehabilitation and Entitlements Policy |
| Rear Admiral Ken Doolan AO RAN (Retd) | Returned and Services League of Australia |
| Mr Tim McCombe OAM | Vietnam Veterans' Federation of Australia |
| Wing Commander Lance Halverson (Retd) | RAAF Association (ACT) |
| Ms Patricia McCabe | Australian Federation of Totally and Permanently Incapacitated Ex-Servicemen and Women (ACT) |
| Mr David Hollaway | Director, Commissions and Senior Committees Secretariat |
| Mrs Jennifer Avery | Senior Secretariat Officer, Commissions and Senior Committees Secretariat |
| **NSW**  State Office | Mr Ken Foster OAM JP | Vietnam Veterans Association of Australia |
| **NSW** Lismore | Mr Allan Thomas JP | Australian Peacekeeper and Peacemaker Veterans’ Association |
| **NSW**  Newcastle | Narelle Bromhead | Partners of Veterans Association of Australia |

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| **SA**  State Office | Mr David Gray | Legacy Australia Council |
| Brigadier Laurie Lewis AM (Retd) | The Royal Australian Regiment Corporation |
| **VIC**  State Office | Wendy Charlton | War Widows’ Guild of Australia |
| COL David Jamison AM (Retd) | Defence Force Welfare Association |
| Mr Terry Nolan AM | Australian Special Air Service Association |
| **TAS**  State Office | Ms Jan Hyde | Deputy Commissioner |
| **Proxies** | | |
| Wing Commander Lance Halverson (Retd) | | RAAF Association (ACT) |
| Brigadier Laurie Lewis AM (Retd) | | The Royal Australian Regiment Corporation |
| Ms Patricia McCabe | | Australian Federation of Totally and Permanently Incapacitated Ex-Servicemen and Women (ACT) |
| **Apologies** | | |
| AVM Brent Espeland (Retd) | | RAAF Association |
| Mr Russell Pettis FAIM | | Naval Association of Australia |
| Ms Robyn Ritchie | | Defence Families Australia |
| Mr Michael von Berg MC | | The Royal Australian Regiment Corporation |
| Air Vice-Marshal Tony Needham AM | | Military Rehabilitation Compensation Commission |
| Rear Admiral Robyn Walker AM RAN | | Military Rehabilitation Compensation Commission |
| Ms Kylie Emery | | Military Rehabilitation Compensation Commission |

**Agenda Item 1. Arrival of members at respective DVA offices**

Members arrived at various video conference locations.

**Agenda Item 2. Opening remarks and introductions**

The Chair, Mr Simon Lewis PSM, welcomed members to the extraordinary meeting held for the release of the 2014/15 Department of Veterans’ Affairs (DVA) Federal Budget.

Apologies were received from AVM Needham, RADM Walker and Ms Emery of the Military Rehabilitation Compensation Commission, AVM Espeland, RAAF Association, Mr Pettis, Naval Association of Australia, Ms Ritchie, Defence Families Australia and Mr von Berg, Royal Australian Regiment Corporation.

**Agenda Item 3. Budget Briefing – DVA Initiatives / Measures**Prior to the Budget announcement by Treasurer Hockey at 7.30pm, members were provided with a comprehensive Budget presentation. The Chair noted that the dollar figures used in the Budget presentation are for the four year forward estimates period.

The Chair advised the Budget contains $12.3 billion for the Veterans’ Affairs portfolio which includes:

* $6.7 billion for income support and compensation   
  (approximately $0.2 billion Departmental and $6.5 billion Administered);
* $5.5 billion for health initiatives   
  (approximately $0.1 billion Departmental and $5.4 billion Administered); and
* $0.1 billion has been provided for commemorative activities including the Anzac Centenary. An additional $6.9 million has been allocated toward a scoping study for a Western Front Interpretive Centre.

The Chair advised members that like all Commonwealth agencies, DVA will incur the application of a 2.5% efficiency dividend on its operating budget.

The Budget package initiatives included:

* $0.2 million provided in the 2014-15 Budget to undertake a scoping study on the future management and operations of the Defence Services Homes Insurance Scheme (DSHIS), which will include advice from an insurance industry expert;
* Commencement of payments from date of claim for the Veterans’ Disability Pension;
* Annual reviews undertaken through the Enhanced Compliance Program will increase to ensure clients receive the level of income support they are entitled to;
* A range of cross portfolio measures with the Department of Health of Ageing;
* Restoring funding by providing an additional $1 million per year to the Building Excellence in Support and Training (BEST) program;
* Implementing a number of mental health initiatives – in response to one of the four pillars of the Government’s plan for veterans and their families – tackling mental health challenges;
* Increasing funding under the Anzac Centenary Local Grants Program to   
  $0.125 million per electorate; and
* Indexation for military superannuants under the Defence Forces Retirement Benefits Scheme (DFRB), the Defence Force Retirement, Death Benefits Scheme (DFRDB) and for reversionary (widow) pensioners. The Chair noted that this particular initiative is not a DVA measure and for further information, veterans should go to [www.dfrdb.gov.au](http://www.dfrdb.gov.au).

In response to members’ questions, the following clarifications were provided:

* Impacts to the DFDB - The Chair noted these were outlined by the Government when in opposition with the Budget delivering this measure.
* The Medicare $7.00 co-payment impacting DVA Gold and White Card holders, noting that communication around eligibility criteria was confusing - Ms Daniel advised that Gold and White card holders are excluded from this measure for DVA funded medical services. For those services that are not covered under the White Card, the   
  co-payment will apply.

DVA is currently drafting correspondence to General Practitioners (GP) to provide this advice. Ms Daniel provided members further detail from the Department of Health Budget Announcement excerpt outlining the co-payment information. An article on the co-payment impacts will be published in an upcoming VetAffairs issue.

* Continuation of the Income Support Bonus and the Education Bonus for recipients of fortnightly education allowances under the Veterans’ Children Education Scheme and the Military Rehabilitation and Compensation Act Education and Training Scheme - Ms Foreman advised that these payments would continue.
* Commission of Audit (CoA) recommendations - Following the increase in the retirement age what will be the impact on eligibility for Incapacity payments under the *Safety, Rehabilitation and Compensation Act 1988* (SRCA) - Mr Harrigan advised that there was no decision as yet. The Chair noted that these concerns relate to the CoA and this issue had not been taken up in the 2014-15 Budget.

The Chair advised that the CoA recommendations were not Government policy.

* Would there be a corresponding increase to the Pharmaceutical Allowance (PA) in line with the $0.80 increase to the pharmaceutical co-payment - Ms Daniel advised there would be no increase in the VPRS.
* Changes to services provided by Optometrists - Ms Daniel undertook to advise members of the date of commencement for this initiative.
* Management of medical reviews for recipients of Incapacity Payments - Mr Harrigan advised that clients who have been in continuous receipt of incapacity payments for 12 months or more under the *SRCA* or the *MRCA* policies will undergo a review to confirm that their service related condition continues to match their capacity to work. Clients will be required to provide a report from their treating medical specialist, or will be referred to a medical specialist to assess their level of incapacity. Entitlements to permanent impairment payments will not be affected by the review.

The Chair noted the disappointment of the Australian Federation of Totally and Permanently Incapacitated Ex-Servicemen and Women regarding the changes to the disability pension.

The Chair requested members provide further questions for DVA to address after they had reviewed the Budget announcement in more detail.

**Action**

Item 26/1 Ms Daniel, First Assistant Secretary, Health and Community Services, will provide confirmation on the commencement date of changes to Optometry services.

Item 26/2 Members to provide any further questions on the 2014-15 Budget announcement to the ESORT Secretariat.

**Agenda Item 4. Other business**

The Chair confirmed $49.2 billion will be allocated to the Department over the four years forward estimates period.

The Chair advised the next ESO Round Table meeting will be held 12 August 2014. The meeting was closed at 7:45pm.