



**POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR A
GENERAL ELECTION**

Name of policy:	Caring for Veterans and their families
Person requesting costing:	Senator Christine Milne
Date of request to cost the policy:	2 September 2013
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (i.e. from the Treasury or the Department of Finance and Deregulation)?	No
Details of the public release of this policy (Date, by whom and a reference to that release)	29 August 2013, Senator Penny Wright http://greens.org.au/sites/greens.org.au/files/Better-Services-for-Veterans.pdf http://greens.org.au/sites/greens.org.au/files/Caring-For-Veterans-Families.pdf
Description of policy:	
Summary of policy (as applicable, please attach copies of relevant policy documents):	<p>The Australian Greens' Caring for Veterans plan will:</p> <ul style="list-style-type: none">• Dedicate \$6 million to develop effective mental health support programs for veterans, namely Mates4Mates and Men's Sheds.• Fund research into the specific needs of female veterans.• Recognise the service of British and Commonwealth Occupation Forces, SEATO nurses and the Australian Women's Land Army, giving them access to the services and benefits they deserve.• Ensure injured service personnel are not financially disadvantaged while they are being treated. <p>The Australian Greens' Caring for Veterans Families plan will invest \$60 million over the forward estimates to:</p> <ul style="list-style-type: none">• Allow children of veterans acting as a carer, and parents and siblings of veterans killed in service, to access counselling through the Veterans and Veterans' Families Counselling Service (VVCS).• Grant bereavement payments to partners who have separated from their veteran partner where it is established that the veteran's mental ill-health played a part in the separation.

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	<ul style="list-style-type: none"> • Increase funeral benefits under the <i>Veterans’ Entitlement Act 1986</i> from \$2,000 to \$4,000, subject to review every five years. • Make the Department of Veterans Affairs responsible for assessing the eligibility of veterans’ carers for the Centrelink Carer Allowance. • Change the current situation regarding Carer Allowance so it is no longer cancelled after the veteran has been hospitalised for six weeks. • Review the Carer Supplement every five years, to ensure the payment is adequate. • Increase Veterans’ Home Care respite services to 260 hours per year. • Establish and maintain a ‘Jobs for Defence Families’ website. • Fund the Defence Community Organisation to provide enhanced induction and support seminars for defence families. • Bring forward the reporting date for the Vietnam Veterans’ Family Study to December 2013.
<p>What is the purpose or intention of the policy?</p>	<p>To ensure that all veterans are adequately looked after when they return to Australia, whether it be from conflict zones or other service on our behalf, and the care for veterans’ families through a range of measures designed to assist them financially, in employment, with better mental health support and in their role as carers.</p>
<p>What are the key assumptions that have been made in the policy, including:</p>	
<p>Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies.</p>	<p>Discrete policies relating to veterans’ families, but consistent with other policies in the veterans’ affairs and mental health portfolios.</p>
<p>Where relevant, is funding for the policy to be demand driven or a capped amount?</p>	<p>Mainly demand driven.</p>
<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with</p>	<p>No</p>

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additional costs to be met by third parties, or is another funding formula envisaged?	
Are there associated savings, offsets or expenses? If yes, please provide details.	No direct savings or offsets.
Does the policy relate to a previous budget measure? If yes, which measure?	No
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	NA
Will the funding/program cost require indexation? If yes, list factors to be used.	No

Expected impacts of the proposal

If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?

Estimated financial implications (outturn prices) ^(a)

Caring for Veterans	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-4.9	-17.3	-17.1	-14.8
Fiscal balance (\$m)	-5.1	-18.4	-16.9	-14.7
Caring for Veterans Families	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-2.3	-19.2	-19.1	-18.8

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Fiscal balance (\$m)	-2.3	-19.2	-19.1	-18.8
(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.				
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?	<p>For assumptions about the Caring for Veterans plan see previous PBO costings:</p> <ul style="list-style-type: none"> • Veterans’ mental health – 15 May 2013 • Female Veterans Wellbeing – 16 May 2013 • Supporting Veterans – 4 June 2013 • Extending veterans’ entitlements to SEATO nurses – 30 May 2013 • Injured service personnel – 4 June 2013. <p>For assumptions about the Caring for Veterans Families plan see PBO costing for “Veterans Families” dated 26 July 2013.</p>			
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	Yes, see above			
What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?	Better care for veterans’ and their families.			

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Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?	Mainly the Department of Veterans' Affairs.
Should departmental expenses associated with this policy be included in this costing? If no, will the Department be expected to absorb expenses associated with this policy? If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies).	No – any costs to be absorbed.
Intended date of implementation.	1 July 2014
Intended duration of policy.	Various - see assumptions
Are there transitional arrangements associated with policy implementation?	No

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<p>List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).</p>	<p>Veterans and Veterans’ Families Counselling Service: http://www.dva.gov.au/health_and_wellbeing/health_programs/vvcs/Pages/index.aspx</p> <p>Vietnam Veterans’ Family Study: http://www.dva.gov.au/health_and_wellbeing/research/familystudyprogram/vietnam_vets_family_study/Pages/index.aspx</p> <p>Carer Supplement: http://www.humanservices.gov.au/customer/services/centrelink/carers-supplement</p>
<p>Are there any other assumptions that need to be considered?</p>	<p>No</p>

NOTE:

Please note that:

- *The costing will be on the basis of information provided in this costing request.*
- *The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.*