



## **The Crippling of the Veterans' Children's Education Scheme**

The Family Tax Benefit A and B are means-tested Centrelink payments to help families support and keep their children at school.

There are two education schemes specifically to support certain veterans' children through their education. They are the Veterans Children's Education Scheme (VCES) for pre-2004 veterans and the MRCA Education and Training Scheme (MRCAETS) for post-2004 veterans.

In January 2012, the government significantly increased the Centrelink Family Tax Benefit for children 16 to 18 years old studying at high school but failed to increase payments in the equivalent veterans' education schemes.

This was puzzling. The veterans' schemes were set up to compensate the disadvantages suffered by the children of veterans killed or severely incapacitated as a result of service related injury or disease. It could have been expected that these payments would have been first in line to have been raised and perhaps raised more than Centrelink payments. Not to have been raised at all was astonishing.

Those families in the veterans' schemes with children at high school were thrown into confusion. Would they be better off leaving the veterans' schemes and applying to Centrelink?

And the veterans' schemes had additional benefits in the form of remedial tuition, special grants and guidance and counselling. Would these be lost in the transfer? And the veterans' schemes, being compensation rather than welfare, were not means-tested so that not all veterans' scheme recipients would be eligible for the Centrelink payments.

Round this time, enquiries by the Partners of Veterans Association of Australia Inc and the Vietnam Veterans Federation suggested the Department of Veterans Affairs officers were just as confused as they were. The Department failed even to advise or consult with State Boards responsible for supervising the schemes.

Eventually, but not before the confusion was well established, the Department circulated a letter telling families they had the option of transferring to Centrelink and advised them to test their eligibility on the Centrelink web-site.

Confusion increased when it was discovered the web-site test was faulty and the Department had to advise families to enter false data to get the correct result.

Later, the Department advised that the transferred children could still be supervised by the State Boards and receive remedial tuition. Later still, the Department advised the special grants would also be available.

But in this correspondence, the Department gave no explanation as to why the veterans' schemes payments had not been raised.

We now know this shemuzzle should simply not have occurred.

It was not as though the Department was rushed to organise the increase. The announcement that the government would increase Centrelink Family Tax Benefit A and B for eligible 16 to 18 year old high

school students was made in August 2010 with the Department officially made aware of it in December 2010, yet the change did not take place till January 2012. There had been over a year to prepare.

So how *did* the shemozzle occur?

Even though the government announced the Family Tax Benefit increases in August 2010 it was not until a year later, August 2011, that the Department made a submission to the Repatriation Commission (the three person body ultimately responsible for Repatriation policy). That submission informed the Commission of the increase to the Centrelink Family Tax Benefit but recommended that no equivalent increase be made to the Veterans' Schemes.

Yes, that's right, the Department charged with looking after the interests of veterans recommended that the increase to Centrelink Family Tax Benefits *not* be passed on to the equivalent payments under the veterans' schemes; schemes designed to help the children of veterans killed or severely incapacitated as a result of service related injury or disease.

The Repatriation Commission however, did not accept the submission and ordered another.

In September 2011 a second submission, this time recommending increases equivalent to those of the Centrelink Family Tax Benefit was accepted by the Repatriation Commission.

In November 2011 the submission was circulated to other government agencies for comment.

One government department was quick to point out that the financial impact of Centrelink Family Tax Benefit B had not been taken into account in the submission.

Another submission, remedying the omission was prepared by the Department but failed to be dispatched before the deadline of 29 November 2011.

Efforts to have the submission accepted after the deadline failed.

On 1 January 2012, the Centelink Family Tax Benefit increased by up to \$4,245 per child per year while the veterans' schemes languished unchanged.

The then Coalition Opposition criticized the failure but now, in government, won't fix it.

The source of much of this article is *Audit of the Veterans Children's Education Schemes by the Australian National Audit Office; Performance Audit Report No 29 2012-13*.

<http://www.anao.gov.au/Publications/Audit-Reports/2012-2013/Administration-of-the-Veterans-Children-Education-Schemes>

Bill Roberts OAM  
Acting National President