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Veterans' Entitlements Amendment (Gold Card
Extension) Bill 2002

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I N F O R M A T I O N A N D R E S E A R C H S E R V I C E S

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Veterans' Entitlements Amendment (Gold Card Extension)
Bill 2002

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19 March 2002

Contents

Purpose	1
Background	1
The Gold Card	2
Philosophy behind providing repatriation benefits to veterans	4
Brief history of medical treatment cards for returned service personnel	4
Main Provisions	5
Endnotes	6

Veterans' Entitlements Amendment (Gold Card Extension) Bill 2002

Date Introduced: 14 March 2002

House: House of Representatives

Portfolio: Veterans' Affairs

Commencement: 1 July 2002

Purpose

To extend full repatriation health care benefits (the Gold Card) to Australian veterans with qualifying service who are aged 70 or over.

Background

During the last election campaign the Prime Minister, Hon John Howard, announced three initiatives to extend the entitlements available to Australian veterans and war widows.¹ These initiatives were:

- extending the Gold Card for comprehensive free health care to all Australian veterans over the age of 70 who have qualifying service
- ending the freeze on the war widows' Income Support Supplement (ISS) rate and indexing the ISS to increases in the Consumer Price Index or Male Total Average Weekly Earnings, whichever is greater, and
- holding an independent review to consider anomalies with the eligibility criteria for veterans' entitlements, covering groups including World War II veterans without qualifying service, veterans of the British Commonwealth Occupational Force of Japan, participants in British atomic tests in Australia, and servicemen engaged in counter-terrorist and special recovery training.

The cost of extending the Gold Card over four years was estimated to be \$73.5 million, and of unfreezing the Income Support Supplement, \$70.3 million over four years.²

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The National President of the RSL, Major General Peter Phillips said in response that the league had a 'wish list' of eight requests, and that the Coalition's announcement had delivered on three of them.³

The Australian Democrats' Veterans' spokesperson, Senator Andrew Bartlett, welcomed some aspects of the Coalition's policy. He said that 'the decision to extend eligibility to the Gold Card for health care is one which the Democrats have been calling for for some time, as is the indexation of the war widows' income supplement...[T]he Coalition's pledge to "review anomalies in the definition of qualifying service" is a cop-out. The Government knows what these anomalies are – what's needed is a commitment to address them now'.⁴

The Australian Labor Party also announced during the last election campaign that, if elected, it would extend the Gold Card to veterans over 70 with qualifying service regardless of where and when they served.⁵ It also promised to undertake a study of the health of Australia's former elite SAS soldiers and to review the Temporary and Permanent Incapacitated and Extreme Disablement Adjustment pensions, and issues relating to qualifying service for particular groups of veterans.⁶

The purpose of this Bill is to enact the first of the Prime Minister's promises to the ex-services community, to extend eligibility to the Gold Card to Australian veterans aged 70 or more who meet the qualifying service provisions of the *Veterans' Entitlements Act 1986*.

The third promise, to hold an independent review to consider anomalies with the eligibility criteria for veterans' entitlements has already been implemented. On 8 February 2002, the Minister for Veterans' Affairs, Hon Danna Vale announced that the Government had appointed a committee of three to review veterans' entitlements.⁷ The Minister said that the committee will clarify and make recommendations to government on the concerns raised by ex-servicemen and women that they are missing out on veterans' entitlements because of perceived anomalies in the legislation. The committee called for submissions from interested parties on 27 February 2002,⁸ and is due to report to the Minister in November.

The Gold Card

The Gold Card is the popular name for the 'Repatriation Health Card – For All Conditions' which is issued by the Department of Veterans' Affairs. The card enables the holder to access the full range of repatriation health care benefits. The benefits include treatment as a private patient in a public or private hospital, choice of doctor, pharmaceuticals at the concessional rate, optical care, physiotherapy, dental care, podiatry and chiropractic services. The benefits are for all medical conditions, irrespective of whether the condition resulted from war service. The Gold Card also entitles veterans to transport to and from the nearest health care facilities where treatment is being provided.

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The Gold Card is not issued to all veterans. At present the following groups are eligible:

- All veterans and nurses of World War I
- All prisoners of war
- All female World War II veterans
- All male World War II veterans over the age of 70 with eligible war service
- All veterans receiving 100% or more disability pension
- All veterans receiving 50%+ disability pension and any amount of service pension
- Veterans who receive a service pension and qualify for treatment under the income and assets test, and
- War widows, war widowers and dependent children.

Costs

There are more than 285,000 Gold Card holders.⁹ Of these approximately 145,000 are World War II veterans and 'other categories'.¹⁰ In answer to a Question on Notice, the former Minister for Veterans' Affairs, Hon Bruce Scott, said on 6 August 2001 that the estimated average health care cost to the Department of Veterans' Affairs for each Gold Card holder in 2000-2001 was \$8,200.¹¹ The Government estimates that it will cost \$93 million over 4 years to extend the Gold Card to Australian veterans who are aged 70 or over and have qualifying service since World War II.¹²

Who will miss out?

- Veterans who are under the age of 70 on 1 July 2002 will not be entitled to the Gold Card until their 70th birthday.
- Veterans who do not meet the service criteria. Qualifying service is defined in Section 7A of the *Veterans' Entitlements Act 1986*. The underlying test is that the veteran has rendered war service that, it is accepted, could have placed him or her in danger from hostile forces of the enemy. Veterans of World War II who do not meet the criteria for qualifying service include servicemen who enlisted to serve but were not sent overseas and were not in an area of Australia that came under hostile enemy action.¹³
- Allied and Commonwealth veterans who served with a Commonwealth or Allied force are not eligible, unless they actually lived in Australia before enlisting in Commonwealth or Allied forces. According to the answer provided by the Department of Veterans' Affairs to the Senate Foreign Affairs, Defence and Trade Legislation Committee on 5 June 2001, the total estimated number of British, Commonwealth and Allied veterans with qualifying service is 43,050.¹⁴ It has been an

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accepted convention of long-standing between governments that the responsibility for the health and compensation needs of veterans rests with the country in whose armed forces they served. The Gold Card which provides universal health coverage is superior to the health cover provided to veterans by most other allied countries. In most allied countries, veterans' health cover only extends to illnesses and injuries directly related to, or caused by war service. Allied veterans in Australia have recently been granted access to a Health Care Card which provides them with pharmaceutical benefits.¹⁵

Philosophy behind providing repatriation benefits to veterans

The basic principles which have governed repatriation legislation in Australia were stated by Justice Toose in his 1975 *Report of the Independent Enquiry into the Repatriation System*.¹⁶ They include:

- Australia is indebted to those who served it in time of war by enlisting in the Armed Forces, thereby endangering their lives and health and probably suffering economic loss
- As a consequence, the nation has a duty to ensure that those who have served, together with their dependants, are properly cared for
- Those who have served overseas or in a proclaimed theatre of war, are likely to have encountered greater danger and/or more arduous service than those who had home service and, accordingly, they should have a more extensive cover, and
- Compensation and other benefits should be available as a matter of right and not as a welfare hand-out, and in cases of doubt, the doubt should be resolved in favour of those claiming to be entitled.

Brief history of medical treatment cards for returned service personnel

The Commonwealth's repatriation initiatives to provide benefits and opportunities for service people and their dependants began during World War I when it was recognised that returned soldiers, and dependants of the dead and injured, would require continued assistance in the form of pensions, medical care, allowances for dependants and many other benefits.¹⁷ Through 'repatriation' – a uniquely Australian use of the word which came to mean all the assistance given to ex-service people, the nation was able to recognise the sacrifice of the dead through assistance to their families, and to help the living achieve an effective return to civilian life. The provision of health care and benefits to older veterans may be seen as part of Australia's ongoing obligation to honour and reward those who served.

Entitlement to free medical treatment was initially confined to service-related disabilities. However, from 1924 onwards, Commonwealth governments have progressively expanded

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entitlement to treatment for non-service related disabilities to certain prescribed categories of veterans and their dependants, and to some civilians.

- In 1973 (55 years after the end of World War I) all Boer War and World War I veterans were granted free universal medical care through the provision of a Personal Treatment Entitlement Card (PTEC), a fore-runner to the Gold Card.
- In 1974 free medical treatment was extended to all Australian ex-prisoners of war, and to all ex-service personnel suffering from cancer, whether or not their disease was related to their war service.
- From 1 January 1998 all World War II ex-servicewomen were provided with full medical treatment entitlements. This was in response to a government initiated inquiry that highlighted the disadvantages suffered by female World War II veterans. In particular the review indicated that women had been paid less than men throughout their war service and had not been eligible for the same level of repatriation assistance after the war.
- On 1 January 1999 (approximately 54 years after the end of World War II) the Gold Card was extended to all male World War II veterans over the age of 70 who have qualifying service.

Main Provisions

Section 85 of the *Veterans' Entitlements Act 1986* deals with eligibility for the Gold Card. **Item 1 of Schedule 1** adds a **new subsection 85(4B)** providing the criteria that will be used to determine if a post-World War II veteran is eligible for full repatriation health benefits. The criteria to be used are:

- the veteran is aged 70 or more, and
- the veteran meets the criterion of 'qualifying service' as defined in the applicable paragraphs of section 7A of the *Veterans' Entitlements Act 1986*. Section 7A contains the post-World War II qualifying service provisions. Broadly, the definition of 'qualifying service' in section 7A covers a person who, as a member of the 'Defence Force' of Australia, rendered service outside Australia in Korea (between 1950-1956), during the Malayan Emergency (1950-1963), during Indonesian Confrontation (1962-1967) or the Vietnam War (1962-1973).

New paragraph 85(4B)(c) provides that a veteran is not eligible for treatment until he or she has applied for the Gold Card or been notified by the Department of Veterans' Affairs of eligibility.

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Item 2 provides that the notification of eligibility may be given before this Schedule commences on 1 July 2002. This is to ensure that veterans can be eligible for treatment from the earliest possible date, that is from 1 July 2002.

Endnotes

- 1 *Supporting those who served*, Coalition Policy Document, 13 October 2001.
- 2 'Coalition extends Veterans recognition, care and compensation', Prime Minister's *Media Release*, 13 October 2002.
- 3 Lawson, Kirsten, 'PM's plan for Korean servicemen', *Canberra Times*, 14 October 2001.
- 4 Sen. Andrew Bartlett, 'Democrats welcome aspects of Coalition's Veterans' Policy, but still plenty of unfinished business', *Media Release* 01/622, 13 October 2001.
- 5 *Kim Beazley's Plan for Veterans*, ALP Policy document, 29 October 2001 at <http://www.alp.org.au/policy/veterans/index.html>
- 6 The review of qualifying service was to cover some World War 2 veterans without qualifying service, veterans of the British Occupational Force of Japan, participants of British atomic testing in Australia and servicemen engaged in counter terrorist and special recovery training. 'Labor's Plan for Australia's Veterans', *ALP News Statements*, 26 October 2001.
- 7 Hon Danna Vale, *Media Release* VA5, 8 February 2002.
- 8 Hon Danna Vale, *Media Release* VA11, 27 February 2002.
- 9 'Cards for Korea vets', *Sydney Morning Herald*, 27 July 2001.
- 10 Hon Bruce Scott, Answer to Question on Notice No. 2639, House of Representatives, *Hansard*, 6 August 2001, p. 29246.
- 11 Answer to Question on Notice No. 2639, House of Representatives, *Hansard*, 6 August 2001, p. 29246.
- 12 *Explanatory Memorandum*, Veterans' Entitlements Amendment (Gold Card Extension) Bill 2002, p. ii.
- 13 A press report in the *Canberra Times* on 6 July 2001 said that a Gold Card steering committee had been formed in 1999 and that its first priority was to ensure that all Australian veterans aged 70 or over, received a Gold Card. To quote the press report: "There are an estimated 78,000 ex-servicemen and women who served but are not entitled to the Gold Card", the committee said. "With WWII veterans dying at the rate of 44 or 45 per day – 16,000 per year – and the expected life span of these veterans being 74.6 years, many are now on borrowed time. Taking into consideration the fact that many of us are already on White Cards or receiving benefits under Medicare etc, the additional cost of a Gold Card would be minimal", it said.' 'Veterans still fighting for a 'fair deal'', by Danielle Cronin, *Canberra Times*, 6 July 2001.

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- 14 Senate Foreign Affairs, Defence and Trade Legislation Committee, Answers to questions on notice, Department of Veterans' Affairs, Budget Estimates 2001-2002, 5 June 2001, 'Gold Card and Allied Veterans', *Hansard*, p. 225.
- 15 *Veterans' Affairs Legislation Amendment (2001 Budget Measures) Act 2001*.
- 16 Independent Enquiry into the Repatriation System, *Report*, AGPS, Canberra, June 1975, Volume 3 *Summary of report*, p. 4-5.
- 17 *Australian Soldiers' Repatriation Act 1917-1918*.

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