



**The Australian Federation of Totally and Permanently
Incapacitated Ex Servicemen and Women Ltd
(Incorporated in the ACT)**

DIFFERENT CONFLICT- SAME SACRIFICE

Patron-in-Chief

Her Excellency Ms Quentin Bryce AC

Governor-General of the Commonwealth of Australia

30 May 2010

Pharmaceutical Costs Review
Department of Veterans' Affairs
GPO Box 9998
Canberra, ACT 2601

**REVIEW OF WAR CAUSED DISABILITIES
AND PHARMACEUTICAL COSTS**

The TPI Federation's policy has always been, and remains, that disability pensioners at whatever level should not be required to pay for medication. To require them to pay out any amount – whether by copayment or otherwise – for medication or treatment for incapacity arising from their service is a breach of the conditions they agreed to when they enlisted. In simple terms the Government agreed that if service personnel were injured as a result of their service they would be looked after and the nation would meet the cost of all necessary health care.

In the early 1990s the Government introduced the copayment arrangement to help offset the rising cost of providing medication to the general public. The Government recognised and acknowledged its responsibility to veterans by introducing the allowance so that in fact there would be no additional costs to veterans. Within the ex-service community it was clearly understood that the allowance would always cover the cost of pharmaceuticals.

The inability or unwillingness of successive Governments to honor the agreement made with veterans on their enlistment has produced the current situation with the inequitable anomaly whereby low volume script users can actually be financially advantaged while the more frail and sicker veterans and War Widows can incur considerable cost. For the first seven years of the introduction of a co-payment the allowance covered the co-payment, and the ex-service community was given the understanding that it would always be the case. It now seems all too difficult for the Government to stand by its original contracted undertaking and once again it is veterans who see their entitlements being further eroded.

The TPI Federation fought for many years for all disability pensions, in particular all TPIs, to be dealt with equally. The best example of this was the years spent lobbying to achieve the introduction of the arrangements for Centrelink to cease counting DP as income. This resulted in TPIs and other DP recipients without Qualifying Service (QS) receiving the same payment as those with QS via the Defence Force Income Support Allowance. The view of the Federation is that TPIs with service related disabilities that do not have QS have the same needs, demands and family responsibilities of those with QS. It is a simple matter of fairness. Regardless of whatever level of disability pension an ex-serviceman receives none should

have his/her disability pension and/or entitlements compromised, simply because current arrangements require them to be administered by a different government agency.

In relation to the Review Paper the Federation is extremely disappointed with the proposed resolution to the issue. It is twelve pages of excuses on why the problem is too hard to fix. It is insulting to the veteran community for the Government on the one hand to say that it can address massive and complex issues like global warming but to properly address the administrative arrangements governing pharmaceutical costs is just too difficult.

The Review gives only two options for consideration and neither meets the yardstick of fairness for TPIs and DP recipients. It is very much a Clayton's choice and as I understand they were framed without any consultation or input from the ex-service community. Certainly the Federation, whose members represent the most frail and disabled of the ex-service community and will be among the most financially disadvantaged, were not consulted in the development of the options.

Option 1 offers the better outcome for those eligible and meets the criteria of the government commitment however neither option solves the long standing problem of the erosion of an entitlement that ex-servicemen and women and War Widows once had. Option 2 is administratively cumbersome and is less fair, in that DP recipients below those on 100% do not get the full flow on. There will also be many veterans on lower rates of DP who have conditions requiring high volumes of medication. This will result in them having to bear a significant cost for something that the Government "contracted" to provide when they enlisted.

The TPI Federation reluctantly chooses Option One. This is not to be taken as an indication that the Federation endorses or supports Option One or believes that it is the proper or appropriate policy to adopt. It is chosen simply because of the two options offered in the Review it is the one that has the lesser impact on eroding veterans' entitlements.



John (Blue) Ryan
National President