

Submission
Of
Victims Of Abuse
In The
Australian Defence Force Association Inc. A0059257W
To
The Productivity Commission Inquiry Into
Veteran's Compensation

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ABSTRACT

[In any review of Veterans Compensation, the ability of the Department Of Veterans Affairs to deliver must be looked at.

For too long the Department Of Veterans Affairs has been like the Jews in Goshen – required to make bricks without straw and then condemned when the bricks fail.

In addition and acknowledgement has to be made that at the moment Parliament's expectation is that the Compensation comes from two locations:-

- Military Superannuation and
- Department Of Veterans Affairs

There are problems between the two in terms of different standards with regards injury.

Ver. 1.2 @ 27/07/2018

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1.0 Management Summary

1.1 Why Should Veterans Compensation Be Higher Than Elsewhere

1.1.1 Legal References

1. **Marks v Commonwealth** [1964] HCA 45; (1964) 111 CLR 549 (12 August 1964)
2. **White v Director of Military Prosecutions** [2007] HCA 29 19 June 2007 S312/2006
3. **336/96 Print N0433** [1996] AIRC 313; (1 April 1996) - Industrial Relations Act 1988 - s.188 application for registration as an association Armed Forces Federation of Australia (D No. 30076 of 1992)

1.1.2 Servants Of The Crown

Members of the Australian Defence Force are not employees of the Commonwealth.

Their exact legal status is that of servants of the Crown – not employees

As was noted by Deputy President Williams in **336/96 Print N0433** :-

“The statutory provision, referred to above, that appointment or promotion of an officer in the armed services is not to “create a civil contract between the Crown or the Commonwealth and the person appointed or promoted” strongly points to a conclusion that, prior to such appointment or promotion, there is no such civil contract in existence. If that is the case, and since the statutory provision makes it abundantly clear that neither appointment or promotion of an officer itself creates such a contract, then, at no time whilst a person is serving as a member of the armed forces would there be a contractual relationship between that person and the Crown or the Commonwealth.

.....

The Commission recognises that members of the armed forces may now have afforded to them benefits that are afforded to persons usually considered to be employees and that the government and/or the armed forces themselves may from time to time use language in respect to members of the armed forces that is appropriate to an employment relationship. Neither of these factors, however, can alter the relationship between the members of the armed forces and the Crown. Neither turns that relationship into one either of contract or of employer and employee. Nor can the fact that for certain purposes such persons are “deemed” to be employees. Indeed, the very fact that the Parliament has perceived the need to specify or deem in certain legislation that such persons are employees

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of itself suggests that, but for such specification or deeming, such persons would not be employees.”

1.1.3 Ramifications Of Being Servant Of The Crown

The ramifications of this are:-

- ✘ Cannot have a union to protect what little rights they have.
- ✘ Are locked out of the Fair Work Act
- ✘ Locked out of most of the Discrimination Acts
- ✘ Don't have the right to resign – they can only leave when either their enlistment is up or Defence allows them to leave – see **MARKS v. THE COMMONWEALTH** [1964] HCA 45; (1964) 111 CLR 549.
- ✘ If they leave without permission they are:-
 - a. Hunted down
 - b. Caught
 - c. Court Martialed and
 - d. Sent to Prison for leaving without permission whereas in the Civilian World, all you would forfeit is pay in lieu of notice.
- ✘ Are subject to the Defence Force Discipline Act 24 hours, 7 days a week – see **WHITE V DIRECTOR OF MILITARY PROSECUTIONS** [2007] HCA 29 19 June 2007 S312/2006
- ✘ Yet they are no longer covered for injury 24 hours, 7 days a week.
- ✘ In the case of injury on the join they are thrown out. The Australian Army is the worst offender in this context. If you are no fully deployable out you go. Yet I the Civilian World, if you were suffering Post Traumatic Stress Disorder from your work e.g a teller in an armed robbery, your employer would have to find you alternative employment in the company.
- ✘ Also it shows the lie of what they say when you join, that if you are injured the Australian Defence Force will look after you.
- ✘ At the lower ranks, their income is barely over the poverty line, the only way it gets above is through the various service allowances.
- ✘ The impact upon family life is appalling with the constant postings.
- ✘ Your career is in the absolute hands of those above you, and if they don't like you, you are in danger. Sure you can do a redress of Grievance but they have a track record of not succeeding.
- ✘ They can order you to undertake any medical treatment they like without your consent e.g. Breast Reduction – real case, castration, theoretical or Mefloquine despite the side effects, (real case)

When you think about it service in the Australian Defence Force is very much a kin to slavery.

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Who in their right mind would serve in the Australian Defence Force but we need them.

They should be compensated accordingly.

1.1.4 Service In The Australian Defence Force Is Extremely Hazardous

Whether it is garrison duty in Australia or actual combat, service in the Australian Defence Force is extremely hazardous.

Unlike other work environments:-

- ✕ You are always surrounded by hazardous material.
- ✕ It is an extremely hazardous environment
- ✕ The accommodation, especially at sea is such that if we treated convicted criminals in the same way, there would be a public uproar.
- ✕ In a civilian environment you don't have people trying to physically kill you.
- ✕ The concerns over occupational health and safety are much lower than in the Civilian World.
- ✕ The physically demanding nature of the work, ages you prematurely – they say of the infantry that a year in the infantry ages you 4 years.

Service in the Australian Defence Force is the hardest form of “employment” in Australia yet it is the most important.

It should be compensated accordingly.

1.1.5 If You Want Someone to Take A Bullet For You – Provide A Parachute

In World War I, they initially refused to issue parachutes to pilots because they were afraid that the pilots would become less aggressive.

What they found when they did issue parachutes was that the pilots became more aggressive because they now had an out.

The same applies to medical compensation.

By providing proper and generous medical treatment and compensation to members of the Australian Defence Force it encourages them to be more aggressive in combat because they know that they have a parachute.

1.1.6 Veterans Are Not An Expense They Are An Investment!

For the most part when they leave the Australian Defence Force Veterans are normally law abiding citizens who continue to serve Australia in the community through community work.

If we fail to properly and fairly compensate them the consequences will be:-

- ✕ More Veteran suicides
- ✕ Declining enlistments in the Australian Defence Force
- ✕ Reduce the quality of those who enlist in the Australian Defence Force.
- ✕ Cause more to veterans to be come involved with criminal elements such as motorcycle gangs – See **Annexure H**

Australian needs a well trained and professional Australian Defence Force made up of long term serving members. If we fail to properly compensated veterans, this is the very thing we won't have.

1.1.7 You Don't Know What You Have Got Until Its Gone

As Joni Mitchell said in "Big Yellow Taxi" – **"You don't know what you have got until its gone!"**

If we don't look after our Veterans, we will see even more declining numbers of people serving in the Australian Defence Force.

1.2 Parliament Wants Compensation From Two Sources

It is clear that Parliament wishes the compensation to come from two sources:-

- Military Superannuation and
- The Department Of Veterans Affairs

1.3 The Department Of Veterans Affairs' – Hindered In Its Ability To Deliver

The most important function the Department Of Veterans Affairs has is making decisions about the payment of Benefits.

However, because:-

- ✕ Their computer systems are so antiquated and
- ✕ Staffing Levels have been frozen forcing them to rely on contractors who have a high churn rate

It doesn't matter what the compensation scheme is recommended, it cannot properly deliver for reasons beyond its control.

This is one of the few times in Government where throwing money at it can actually fix the problem. That is to see provide \$300 Million to update Computer Systems and remove staffing level freezes.

However, given that some of the IT systems are based in hubs with other departments, care must be taken to ensure that the money is not effectively diverted to those other departments.

1.3.1 Recommendations

- ✓ Provide \$300 Million to provide adequate computer systems
- ✓ Increase the number of Permanent Staff and cease using Contractors to replace Permanent Staff
- ✓ Have Delegates and Advocates do the same training courses at the same time.
- ✓ The Guide should be made a non binding policy document or Disallowable Instrument.
- ✓ The use of Henry VIII Clauses should be stopped and those in place removed.
- ✓ That the freeze on repayment of medical expenses be immediately lifted and that payments to Doctors and Specialists be at current scheduled rates.
- ✓ Require the Royal Australian Airforce to keep the military and medical records of veterans together at the central locations as is done by the other services.

1.4 Military Superannuation

There are problems here from a compensation perspective including:-

1. Different standards for assessing disability to the Department Of Veterans Affairs'
2. Prevention of Roll Over so people are paying more in fees.
3. Not competitive when compared to Industry Superannuation Funds.

It should be outsourced to an Industry Superannuation Fund to achieve productivity and greater return for Veterans and less administration fees.

1.4.1 Recommendations

- ✓ Veterans be allowed to do the same as every one else in Australia and roll their employer and preserved component into the Superannuation Fund of their choice.
- ✓ In assessing whether a Veteran should be assessed as medical discharge, the use of current medical reports should be allowed and have the most sway as is the case with the Department Of Veterans Affairs'.
- ✓ When paying back pay for an invalidity pension, the calculation should be simply the current pension by the period of back pay.
- ✓ Military Superannuation should adopt the same standard and principles when assessing disability as the Department Of Veterans Affairs'.
- ✓ Military Superannuation should follow the law.
- ✓ Military Superannuation should be outsourced to an Industry Superannuation Fund.

1.5 Defence Not Providing Civilian Qualifications

There is little point in setting up an employment service until Defence actually starts issuing civilian equivalent qualifications.

Without those qualifications, no civilian employer will touch ex Defence Personnel because of legal liability and insurance issues.

The correct solution is to have the Australian Defence Force convert Military Qualifications to Civilian Qualifications prior to Discharge.

1.5.1 Recommendations

- ✓ Have Defence provide conversion of Military Qualifications to Civilian Qualifications prior to discharge.

1.6 SRCA Incapacity Payments - 5% Deduction For Superannuation Guarantee Charge

At the moment under SRCA, there is a 5% charge deducted being supposedly for Superannuation Guarantee.

However, it is not paid into a Superannuation Fund.

1.6.1 Recommendation

- ✓ Have the 5% charge being deducted from SRCA Incapacity Payments and have it paid into the Veterans Superannuation Fund Of Choice.

1.7 SRCA Lump Sum Amounts

The SRCA Compensation Amounts have not been updated since the 90's so the real value of those amounts have been dramatically decreased.

They should be restored to current dollar values and indexed in line with CPI.

1.7.1 Recommendations

- ✓ Increase SRCA Lump Sum Amounts In Line With CPI to current values.

1.8 Need One Act To Cover Every One

There are currently four different Department Of Veterans Affairs Acts covering Veterans.

We also need to acknowledge that these days, the peace time training tempos are almost the same as being in combat.

1.8.1 Recommendations

- ✓ Given that the Veterans Entitlement Act is well understood and covered you 24 hours, 7 days a week and you are bound by the Defence Force Discipline Act 24 hours, 7 days a week.
- ✓ It is only fair that you be covered 24 hours, 7 days a week.
- ✓ The Veterans Entitlement Act is generally deemed to be the more beneficial, although some would argue that you can get more money out of the MRC Act, we recommend that VEA be extended to cover every one and be made retrospective to cover those previously covered under SCRA, MRCA and DRCA.
- ✓ There would of course need to be a no disadvantage test for the Veteran.
- ✓ At the moment, there is great confusion because of the different acts.
- ✓ Give everyone the benefit of the distinction of qualifying service
- ✓ Have members of the Australian Defence Force automatically covered from they day they join.

2.0 Background – The Department Of Veterans Affairs’

2.1 Most In DVA Committed To Veterans

It must be acknowledged that most people within the Department Of Veterans Affairs’ are extremely dedicated to looking after Veterans.

2.2 “Your servants are given no straw, yet we are told, ‘Make bricks!’ Your servants are being beaten, but the fault is with your own people.” Exodus 5, 16

For an extended period, the Department Of Veterans Affairs’ has been an extremely low priority for funding by Government.

They have been like the Jews in Goshen, required to make bricks without straw.

When those bricks fail, every one unfairly condemns them.

2.3 Building Bricks Without Straw

The impact of being such a low priority for funding means:-

- Of the 180 Computer Systems that the Department Of Veterans Affairs has, all have been identified by the Department Of Finance as being serious fraud risk.
- In the last Federal Budget, the Department had been promised by the Minister \$160 Million but only received \$100 Million for computer systems.
- The department actually needs \$300 Million to bring its systems into the 21st Century.
- Because of the freeze in official Public Service Numbers, they have had to use their V2 fund to hire contractors to replace permanent staff.
- At the moment there is a high churn rate in these contractors.
- Furthermore when contractors are used for critical functions such as delegate decisions the following occurs:-
 - Permanent staff are taken off their normal duties to train the contracting staff.
 - Whilst they are doing that they are not performing their normal duties.
 - The investment in the training disappears when the contractor churns

2.4 V1 And V2

When DVA receives its funding from the Parliament it goes into two buckets – V1 And V2.

2.4.1 The Difference Between V1 and V2

V1 is for permanent staff and infrastructure.

It is strictly monitored and audited.

V2 is meant for payment of Hospital, Medical Bills and short term contractors.

It is not as strictly monitored and audited as V1.

In the past if they wanted say a new mental health scheme, they would bring in contractors to create it who would then:-

1. Hand it over to permanent staff
2. Be on their merry.

What is now happening is that, in order to get around Permanent Staffing Caps the Department Of Veterans Affairs is using V2 to pay for Contractors to replace permanent staff.

2.4.2 Problems With V2

The problems with this are:-

- The Contractor receives only 2/3 of the wage of the permanent employee but when the labor hire fees and other charges are paid, come out costing the Taxpayer 1.5 x the cost of the Permanent Employee.
- There is a high churn rate with the contractors. Every time we bring on a new contractor we have to take a permanent person out of action to train them which means permanent person is not able to do their assigned duties adversely affecting the Department Of Veterans Affairs ability to produce output.
- The use of contractors in lieu of permanent employees means that we are continually losing the skill set from the Department Of Veterans Affairs' (through the high churn rate) which the Department Of Veterans Affairs' needs in order to do its job.

3.0 DVA Specific Problems In Delivering

3.1 DVA Good At Paying

For the most part the Department Of Veterans Affairs' is good at paying where the problem comes in is with Delegates making the right decision the first time

3.2 Most Important Function Of DVA Is Making Decisions

The most important function that the Department Of Veterans Affairs' is making decisions on claims in a timely manner.

As can be seen from **Annexures A and B** they are being hampered by inadequate computer systems.

Annexure C makes reference to an Australian National Audit Office Report on the Department Of Veterans Affairs cherry picking figures on wrong decisions. With proper computer systems this would not be possible.

3.3 Unacceptable Delays In Decision Making

The writer can speak from their own experience whereby their claim for benefits was:-

- Lodged on 20 January 2018 but
- Not even looked at until 23rd April 2018.

The writer worked at National Mutual on their Pro Plan Industry Superannuation System.

When an application for a benefit payment came in:-

1. It would be entered into the Pro Plan System
2. If no action had occurred within 14 days, the administrator would be required to enter why no action had been taken as yet and
3. Exception reports would be produced for Management to aid both management and the administrator.

The Department Of Veterans Affairs' staff and management have no such support, a support that is common in the Private Sector.

3.4 Decisions Not Being Made In Accordance With Law

Again speaking from the writer's own experience, some Delegates have no understanding of the law or of the rules of procedural fairness.

There is no central repository of the law and new precedents that come out from the Courts.

So the wrong law keeps getting applied again and again.

3.5 Implication Of Lack Of Support And Wrong Decisions

Once a wrong decision is made, the Applicant has to wade their way through the appeals process which can take a long while whilst the Applicant is in dire financial straits.

This leads to mental health issues and on occasion suicide.

3.6 DVA Tries Its Best But Fails Through Lack Of Computer Support

The Department Of Veterans Affairs Executive does examine a percentage of overturn decisions from the various appellate jurisdictions but has no way of sheeting these decisions back to individual delegates so they have no way of identifying:-

- Those delegates who are getting it persistently right and
- Those who are getting it persistently wrong and being able to take corrective action.

3.7 DVA Handicapped By Thoughtless And Ill Conceived Restrictions On Permanent Staff

3.7.1 Importance Of Permanent Staff

The Corporate knowledge of any organisation resides in its permanent staff.

Unlike permanent staff contractors do move in.

3.7.2 High Turn Over Of Contractors In DVA

Furthermore from various sources it is clear that the Department Of Veterans Affairs has a high churn rate in its contractors.

Every time that occurs, permanent staff have to be taken off assigned duties to train the contractor.

Then just as we begin to get return on the training, the contractor leaves and the Department Of Veterans Affairs goes through the process yet again.

This hinders the Department Of Veterans Affairs' ability to deliver outcomes.

3.7.3 Misuse Of Contractors False Economy

It may allow the Government of the day to proclaim how it has cut places in the Australian Public Service but given that the total cost of the contractor is 1.5 the cost of the equivalent permanent employee, it is:-

1. A false economy and
2. Not very productive.

3.7.4 Issue Of Contractors Being Bound By Public Service Code Of Conduct And The Ability To Take Action Against Contractors For Breaches

Also there is also the issue of the accountability of the contractor under the Australian Public Service Code Of Conduct.

3.7.5 Government's Own Digital Transformation Agency Says Caps ?On Public Services And Use Of Contractors Barrier To Change

Digital Transformation Agency has highlighted Contractors and Public Service Caps as barriers to change within Government Departments – See **Annexure E**.

3.8 Computer Systems

Normally in Government, the worst decision you can make is throw money at a problem.

However, the current situation in the Department Of Veterans Affairs is one of the rare situations where it would actually work.

In March of this year our Association was informed by the then Department Of Veterans Affairs Secretary, Simon Lewis the following:-

1. The 180 Computer Systems of the Department Of Veterans Affairs' had all been rated serious fraud risks by the Department of Finance.
2. He had been promised \$160 million by the Minister (The budget only delivered \$100 Million and
3. The Department Of Veterans Affairs ' needed \$300 Million to properly upgrade its computer systems properly.

3.8.1 Systems That The DVA Desperately Needs

Amongst other things, the Department Of Veterans Affairs needs the following systems:-

In order to deliver what ever compensation scheme is decided upon the Department Of Veterans Affairs' needs:-

1. A central computer data repository of the Guide and precedents as they come out from the Appellate jurisdictions to aid delegates in making the right decision.
2. A system to slate decisions back to the individual delegate so that delegates whose decision are consistently being overturned at an unacceptable rate can be dealt with.
3. The Department Of Veterans Affairs' only has the ability to record the bank account details of one person.

This creates a problem where:-

- a. The Department Of Veterans Affairs' Beneficiary is receiving a pension and
- b. Has through a lawyer put in a lump sum claim.

This leads to:-

- a. The monies from the Lump Sum claim being paid directly to the Beneficiary and not via the Lawyer who would then deduct their fees and forward the balance to the Department Of Veterans Affairs' Beneficiary.
- b. The lawyer being out of pocket.
- c. Discourages lawyers from doing claims yet Department Of Veterans Affairs yet it is in everyone's interest that claims be done professionally.

3.9 Need To Have Delegates And Advocates Do The Same Training Course At The Same Time

Previously both Delegates and Advocates would attend the same training courses and every one would be on the same page.

That is no longer occurring so that Delegates are having different understandings of the Department Of Veterans Affairs' Acts from the Advocates.

This again hinders the delivery of outcomes, regardless of the Act to Veterans.

The previous practice should be readopted.

3.9 Disallowable Instruments – The DVA Guide To Delegates

3.9.1 Looking After Our Veterans Is Good Public Policy

“What was said in Starcevich v Repatriation Commission (1987) 18 FCR 221 at 225 (and approved in Repatriation Commission v Hawkins [1993] FCA 479; (1993) 117 ALR 225 at 231) is relevant here:

"It is hardly necessary to say so, but the legislation should in my view be given a reasonably liberal interpretation; it has often been pointed out that it is a matter of great public importance to provide adequately for incapacitated ex-servicemen."

Madgwick J

Paul Raymond Whiteman v Secretary, Department of Veterans Affairs [1996] FCA 1786 (17 September 1996)

3.9.2 Parliament Is The Authority for Determining How To Compensate Our Veterans

Parliament, through the Acts and Second Reading Speeches determines how our Veterans are to be compensated.

It is a function of the Parliament – not the Department Of Veterans Affairs’ and its Commissions.

3.9.3 The Guide

This is a policy guide from the Department Of Veterans Affairs’ that has the effect of being effectively binding on delegates as was seen in the Rollin’s affair but is not a disallowable instrument.

This is a document created by the Department Of Veterans Affairs’ and not the Parliament or approved by the Parliament.

Yet changes in it have a dramatic impact on Veterans and their eligibility to claim compensation under the various Acts.

Documents like this should either lose all binding status and be just a non binding policy / guide document or be a disallowable instrument.

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3.10 Henry VIII Clauses

3.10.1 Disallowable Instruments - Regulations

Most regulations are done via the medium of disallowable instruments.

This means when changes are to be made:-

1. The proposed new regulations are required to lay on th dispatch boxes in both Houses for 15 sittings days.
2. If no one objects they come into force.
3. If a member or senator objects they must be debated.

3.10.2 The Problem With Henry VIII Clauses

These clauses by pass direct review by the Parliament by giving the department and Minister the ability top change regulations on the fly.

It was such behaviour that created the problem of the Mr Martin Rollin's Affair.

The use of King Henry VII clauses in acts such as the Defence Rehabilitation And Compensation Act:-

- ✕ Create uncertainty over interpretation and
- ✕ Allow Rafferty's Rules

Neither which is consistent with Good Public Policy about looking after our Veterans.

They should be removed to provide certainty of outcome.

3.11 Remove Freeze On DVA Medical Payments

AS a result of Government Policy, the Department Of Veterans Affairs has frozen the medical payments to Doctors and Specialists for both the White Card and Gold Card.

What we have observed is that more and more doctors and specialists, especially in the Country are refusing to accept either card.

Of course the Department Of Veterans Affairs will pay for transport to the nearest Doctor or Specialist who will accept the card, but this is taking money from direct frontline services e.g. treatment and spending it on non treatment items such as a cab – See **Annexure D**.

We need to deliver more of the money that Department Of Veterans Affairs to the bottom line – treatment.

Therefore this freeze has to be lifted, permanently.

That the freeze on repayment of medical expenses be immediately lifted and that payments to Doctors and Specialists be at current scheduled rates.

3.12 Require The RAAF To comply With The Law – RAAF Frustrating DVA Claims

Unlike the services, quite often does not keep the medical records with a Veterans Military Records.

What has been happening is that they are getting separated and being held at the base of discharge.

This has resulted that when the Department Of Veterans Affairs contacts Defence to access the medical records of a Royal Australian Airforce Veteran, Defence does the following:-

1. Informs the Department Of Veterans Affairs that it has conducted an exhaustive search.
2. That they could not locate the medical records and
3. Because they have done an exhaustive search they will not search again.

The ramifications of this are:-

1. Veterans claims are adversely affected and hindered in their processing and
2. Vital medical documents are at risk of destruction.

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Inc. A0059257W To The Productivity Commission Inquiry Into Veteran's
Compensation**

3.13 Summary Of Recommendations Regarding DVA

- ✓ Provide \$300 Million to provide adequate computer systems
- ✓ Increase the number of Permanent Staff and cease using Contractors to replace Permanent Staff
- ✓ Have Delegates and Advocates do the same training courses at the same time.
- ✓ The Guide should be made a non binding policy document or Disallowable Instrument.
- ✓ The use of Henry VIII Clauses should be stopped and those in place removed.
- ✓ That the freeze on repayment of medical expenses be immediately lifted and that payments to Doctors and Specialists be at current scheduled rates.
- ✓ Require the Royal Australian Airforce to keep the military and medical records of veterans together at the central locations as is done by the other services.

However, given that some of the IT systems are based in hubs with other departments, care must be taken to ensure that the money is not effectively diverted to those other departments.

4.0 Military Superannuation

4.1 Military Superannuation At Odds With Government Policy And Hurting Veterans As A Result

When a person leaves the Australian Defence Force prior to retirement they are required to leave the employer component and Superannuation Guarantee Component in Military Superannuation.

Yet Government Policy is for people to concatenate all of their superannuation in the one fund to:-

- Reduce Administration Fees and
- Maximise Returns.

By not permitting this, Military Superannuation is

✂ Costing our Veterans extra Administration Fees and other charges.

✂ Minimising returns

As part of the compensation considerations, Veterans should be allowed to rollover the employer and superannuation guarantee components to the fund of their choice as every one else can do in Australia.

4.2 Hurts Veterans On Conversion To Medical Discharge / Invalidity Pension

4.2.1 Conversion To Medical

4.2.1.1 Defence At Fore Front Of Technology

It has to be acknowledged that the Australian Defence Force has to be at the forefront of technology.

This means that the Australian Defence Force adopts technology without knowing all the downsides e.g. Agent Orange.

Furthermore some of these downsides take a long while to manifest themselves.

4.2.1.2 Impact

Quite often a person is discharged for reasons other than medical.

This creates problems when they try to convert to medical for the purposes of claiming an invalidity pension from Military Superannuation.

4.2.1.3 Military Superannuation Will Only Rely On Medical Reports At Time Of Discharge

Military Superannuation will only use those reports taken by the Australian Defence Force at time of discharge and not current medical reports.

This creates an almost insurmountable hurdle for Veterans To Meet.

4.2.1.4 Even When Met, Military Superannuation Under Pays The Veteran

Should Military Superannuation, finally agree to pay an invalidity pension, they underpay the Veterans.

Instead of:-

- Using the current pension rate and multiplying I by the period of Back Pay or
- Taking the historical pension amounts and paying interest or
- Taking the historical pension amounts and grossing them up into current dollars

Military Superannuation instead:-

- ✂ Adds up the Historical Pension amounts
- ✂ Deducts a huge amount of tax
- ✂ Relies on the Veteran to pay for a lawyer to claim the tax back from the Australian Taxation Office.

In one of our members case, the member should have received \$1.6 Million but instead was paid \$920,000

4.3 Different Standards For Incapacity Assessment To That Of The DVA

One of our members was able to convert to medical discharge.

The assessment of the incapacity was minimal by Military Superannuation and no pension was payable.

However, taking the same incapacity to the Department Of Veterans Affairs resulted in the payment of an Incapacity Payment.

Military Superannuation should use the same standard as the Department Of Veterans Affairs'.

4.4 Despite Claims, Military Superannuation Is Not As Low Fee / High Performing As Industry Superannuation Funds

When a comparison is made to the fees and charges and performances of Industry Superannuation Funds such as AusSuper, it does not compare favourably.

As a way of increasing the compensation for Veterans and reducing the costs to Government, Military Superannuation should be outsourced to an Industry Superannuation Fund.

4.5 Military Superannuation Not Complying With Court Decisions

As can be seen from **Annexure F**, Military Superannuation does not even comply with Court Decisions with regards Invalidity Payments.

Instead it ignores Court Decision because “it knows best.

Yet last time we checked, the Appellate Division for the Family Court as Family Court Full bench and then the High Court.

Not Military Superannuation.

4.6 Ripping Off The Disabled Veteran

1. One of our members went to retrospectively convert to Medical Discharge.
2. He was done as a “special” by Admiral Griggs who walked through his conversion to Medical Discharge with both the Australian Defence Force and Military Superannuation.
3. His invalidity pension was backdated to 1972.
4. Instead of:-
 - a. Taking current pension rate and multiplying it by period of back pay or
 - b. Grossing up into current dollars or
 - c. Paying Interest
5. Military Superannuation merely added up the historical amounts and paid him on that basis - \$920,000 rather than \$1.6 Million
6. They then took out about half as tax.
7. Now for the fun part, they applied the Budget Repair levy to the whole amount not just that component to which the levy actually applied.
8. Fortunately for our member, his Tax Accountant picked up on this and was able to get a refund from the Tax Office,
9. He had \$250,000 refunded and was paid interest (unlike Military Superannuation)

It begs the following questions:-

1. How many other injured veterans have been ripped off by the LNP through Military Superannuation and were not aware and thus able to get the money back and
2. Why couldn't Military Superannuation get it right the first time, why was our member put to the additional expense of having to engage the service of a Tax Accountant to get it back.

4.7 Recommendations With Regards Military Superannuation

- ✓ Veterans be allowed to do the same as every one else in Australia and roll their employer and preserved component into the Superannuation Fund of their choice.
- ✓ In assessing whether a Veteran should be assessed as medical discharge, the use of current medical reports should be allowed and have the most sway as is the case with the Department Of Veterans Affairs’.
- ✓ When paying back pay for an invalidity pension, the calculation should be simply the current pension by the period of back pay.
- ✓ Military Superannuation should adopt the same standard and principles when assessing disability as the Department Of Veterans Affairs’.
- ✓ Military Superannuation should follow the law.
- ✓ Military Superannuation should be outsourced to an Industry Superannuation Fund.

5.0 Defence Not Providing Civilian Qualifications

5.1 Why People Join Defence?

People join Defence to get qualifications be it blue collar e.g. driver, electronic or electrical etc.

Indeed in its recruiting advertisements it promotes this as a benefit of joining the Australian Defence Force.

5.2 What Defence Actually Does – Only Military Not Civilian Qualifications

Defence does not actually give them Civilian Qualifications.

The reason is that they are afraid that they will leave the Australian Defence Force upon expiration of their enlistment and not reenlist.

5.3 Defence Not Converting As Part Of Discharge Process

As part of the exit process, it is suppose to convert the Military Qualifications to Civilian Qualifications. But that does not seem to be occurring.

5.4 Defence Recruiting Under False Promises Of Providing Trade Qualifications

Furthermore they have been recruiting under false pretences – see **Annexure G**.

5.5 Class Discrimination – Only Officers Get Qualifications

The only group who actually get their civilian qualifications are the officers who go through the Australian Defence Force Academy.

5.6 No Point Setting Up Employment Service

No civilian employee will touch a Veteran who does not have the requisite civilian qualification because of:-

1. Legal Requirements
2. Legal Liability Issues
3. Insurance Issues.

5.7 Recommendation

**Submission Of Victims Of Abuse In The Australian Defence Force Association
Inc. A0059257W To The Productivity Commission Inquiry Into Veteran's
Compensation**

- ✓ Have Defence provide conversion of Military Qualifications to Civilian Qualifications prior to discharge.

6.0 Incapacity Payments Under SRCA

At the moment under SRCA, there is a 5% charge deducted being supposedly for Superannuation Guarantee.

However, it is not paid into a Superannuation Fund.

Given that Incapacity Payments cease at the time of your Notional Retirement Age, were this deduction to be actually paid into a Superannuation Fund, it would mean that the Veteran would not be wholly reliant for the Old Age Pension in retirement.

This we submit is in more accord with Government Policy than the current practice.

6.1 Recommendation

- ✓ Have the 5% charge being deducted from SRCA Incapacity Payments and have it paid into the Veterans Superannuation Fund Of Choice.

7.0 SRCA Lump Sum Compensation Levels

The SRCA Compensation Amounts have not been updated since the 90's so the real value of those amounts have been dramatically decreased.

They should be restored to current dollar values and indexed in line with CPI.

7.1 Recommendation

- ✓ Increase SRCA Lump Sum Amounts In Line With CPI to current values.

8.0 Need To Make One Act To Cover Every One.

8.1 Why The MRCA Act Was Brought In – Black Hawk Incident

The MRCA Act was brought in as a result of the Black Hawk Helicopter incident.

This was because some of the people who died were under SRCA and others under the VEA.

This lead to completely different outcomes when it came to the Next of Kin.

8.2 Need To Acknowledge Little Difference Between Peace Time Service And Combat Service

We also need to acknowledge that these days, the peace time training tempos are almost the same as being in combat.

The impact on the body and danger is pretty much the same.

Service and training in Australia today is not that of the 1930's.

Thus it makes little sense to distinguish between those who have served in Combat and those that have not.

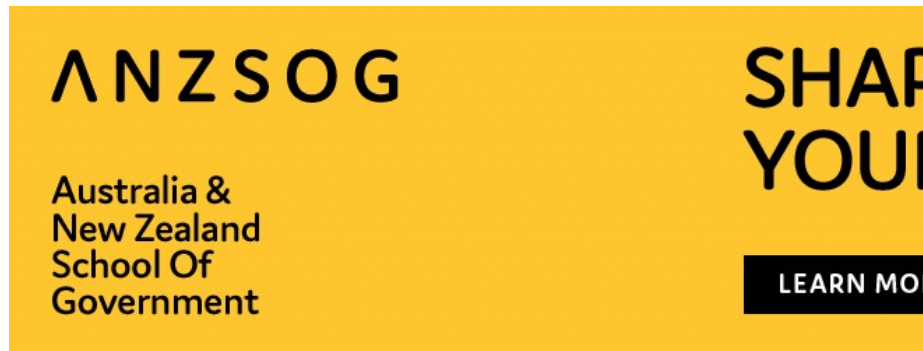
8.3 Recommendation - Make VEA Cover Every Veteran, And Make It Retrospective

- ✓ Given that the Veterans Entitlement Act is well understood and covered you 24 hours, 7 days a week and you are bound by the Defence Force Discipline Act 24 hours, 7 days a week.
- ✓ It is only fair that you be covered 24 hours, 7 days a week.
- ✓ The Veterans Entitlement Act is generally deemed to be the more beneficial, although some would argue that you can get more money out of the MRC Act, we recommend that VEA be extended to cover every one and be made retrospective to cover those previously covered under SCRA, MRCA and DRCA.
- ✓ There would of course need to be a no disadvantage test for the Veteran.
- ✓ At the moment, there is great confusion because of the different acts.
- ✓ Give everyone the benefit of the distinction of qualifying service
- ✓ Have members of the Australian Defence Force automatically covered from the day they join.

Annexure A – Claims Getting Lost In System

Veterans' Affairs department letting claims get 'lost' in system

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POLITICS FEDERAL PUBLIC SERVICE

VETERANS' AFFAIRS DEPARTMENT LETTING CLAIMS GET 'LOST' IN SYSTEM

By Doug Dingwall
27 June 2018 – 9:15pm



5

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The government agency overseeing compensation payments to veterans has allowed claims to become "lost" for up to 183 days and delayed while handled by officials, the national auditor says.

A report on Wednesday found the Department of Veterans' Affairs had been slowed in dealing with some claims as staff made multiple requests for information from third parties and the same voluminous case files were subjected to agency review multiple times.

The Australian National Audit Office found it dealt with most cases within agency targets and that average times dealing with claims had fallen since 2015.

But the department was failing to monitor for long-delayed claims that threatened to damage its reputation and could significantly affect veterans.

The auditor found one claim was effectively "lost" for 183 days before it was assigned to an official.

Annexure B – DVA Claims Hindered By Processing System Flaws

DVA claims hindered by processing system flaws

By Justin Hendry
Jun 28 2018
6:52AM

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Lacks visibility of staff workflow.

Australia's national auditor has cast a spotlight on serious problems with claims processing at the Department of Veterans' Affairs amid a major program of work to improve support systems.

The Australian National Audit Office today delivered its assessment on how well the department delivers services to around 165,000 veterans.

It found "weaknesses in DVA's business systems and processes" that have hampered its ability to process claims efficiently.

This is particularly the case with the department's new integrated support hub (ISH) system used to process rehabilitation & compensation (R&C) claims for veterans.

The ISH system was introduced to streamline claims processing after a \$23.9 million investment in the 2016 federal budget.

It will eventually replace 18 legacy systems that a 2013 IT vulnerability review by the Department of Finance found wanting. The "systems supporting R&C processes had 'a high risk of catastrophic failure'" Finance said at the time.

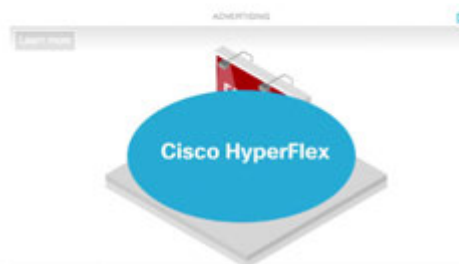
For the moment the ISH is still only being used for several - rather than all - claim types covered by the 18 legacy systems.



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It is still not being used by DVA to manage workflow, "but rather as repository of records associated with a claim at the completion of processes".

This is because the "ISH system does not require a sequential approach to processing of claims".

The auditor said R&C claims were being primarily managed outside the processing system and "input ... when they are complete".

"Testing identified that the workflow of R&C claims is primarily managed through the use of spreadsheets that are maintained outside of the primary processing system (ISH)," the audit states.

This approach to workflow management could mean that, in some instances, claims are lost between hand-off points.

The ISH system also lacks "controls to ensure integrity over the high volume of manual records placed in the system".

Introducing the system for only several claim types has also meant that DVA staff are now "using multiple systems" to process claims, which "could affect timeliness and accuracy of processing".

In response to the audit findings, the department said future ISH system releases would improve management reporting and monitoring.

At least some of the work is expected to overlap with future stages of the department's veteran centric reform program, which scored an additional \$112 million in **last month's budget**.

The funding will be used to begin remediation work on 13 major systems that underpin income support business capabilities and support the R&C work that began following the 2016 budget.

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Annexure C - DVA Accused Of Cooking The Books

DVA accused of "cooking the books" in reporting botched cases

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DVA accused of 'cooking the books' to make it look better

Veterans claim the department is known to massage statistics for its own benefit. Photo: AAP

John Power EXCLUSIVE

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Veterans advocates have accused the Department of Veterans Affairs of "cooking the

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26/07/2018, 8:04 PM

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DVA accused of “cooking the books” in reporting botched cases

<https://thenewdaily.com.au/news/national/2018/07/24/dva-accus...>

books” after an external audit found that the agency’s method of reporting mishandled compensation claims massively understated the proportion of cases affected.

The Australian National Audit Office (ANAO) last month revealed that the proportion of claims botched by the DVA in 2016-2017 far exceeded reported error rates due to the agency’s practice of subdividing cases into “work elements”.

By measuring errors against individual stages, the DVA was able to report error rates several times lower than would be recorded if cases were assessed as a whole.

Under one compensation scheme for veterans with a permanent impairment, the official error rate was reported as 3.8 per cent despite mistakes being identified in 16.7 per cent of cases.

Errors were identified in 31.7 per cent of cases in another compensation scheme, compared with a reported error rate of 16.4 per cent.

Vietnam veteran and advocate Alan Ashmore said the DVA had been caught out trying to deceive veterans and the public about its effectiveness as an organisation.

“This decision to fudge the figures to hide deteriorating performance must have been made and approved by very senior management within DVA,” Mr Ashmore said.

“Serious questions must now be asked of DVA’s management as to why they would authorise such deception. It also calls into question their integrity.

“If a company listed on the stock exchange effectively hid their true ‘performance’ from shareholders then ASIC would be all over their directors who could end up facing criminal charges, including massive fines and/or a custodial sentence.”

Rod Thompson, a Gulf War veteran and advocate, said the department was known to massage statistics for its own benefit, for example with veterans who make multiple claims related to different injuries.

“So instead of reflecting each as an individual claim, they will process the easiest one first and then use that as their statistic for that processing time on that claim,” he

DVA accused of “cooking the books” in reporting botched cases

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said.

“They also do not reflect whether or not the claims have been accepted or rejected.

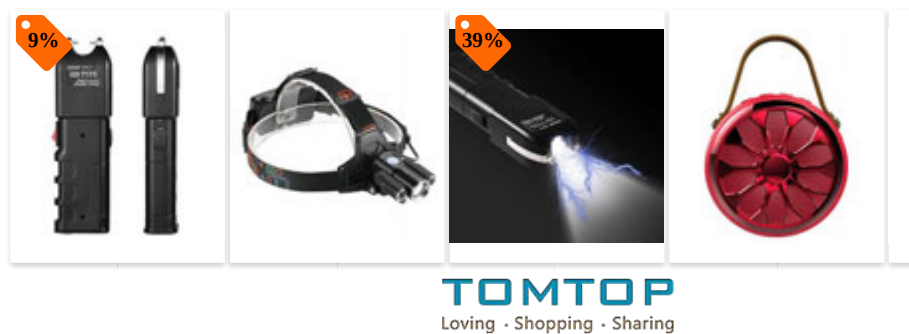
“The department has really been behind the eight ball on processing for the last 10 years, and now they’ve now taken to manipulating the statistics.”

In its report into the efficiency of veteran care last month, ANAO found that the DVA’s focus on average processing times did not provide a “sufficiently complete picture of performance”, even though processing times were falling across the board.

When contacted by *The New Daily*, the DVA defended its methodology for reporting mishandled claims as “fair” and “more accurate”, and said that up to 40 per cent of errors had no financial impact on the claimant.

“The Department of Veterans Affairs takes the quality and timeliness of its work seriously,” a spokesman said. “Cases can vary in complexity and often have numerous elements. Reporting overall error rates does not reflect this.

“For this reason, the key performance indicator used by DVA to report quality assurance performance is based on the total number of work elements containing errors compared to the total number of work elements in the cases checked.”



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Annexure D – Freeze On DVA Medical Rebates Article

Veterans' payouts

EXCLUSIVE

RORY CALLINAN
DEFENCE WRITER

Multiple health checks are being forced on mentally ill veterans, delaying their compensation claims for more than a year, while others are struggling to find medical providers who accept scheduled fees, the Commonwealth Ombudsman has warned.

The government watchdog's criticisms have been endorsed by veterans' advocates and relatives such as Connie Boglis, whose Afghan veteran boyfriend Jesse Bird, 32, committed suicide last year after battling for two years to get financial assistance.

"It was only after Jesse's death

that the payments arrived. The government needs to acknowledge it happens," Ms Boglis said yesterday.

The ombudsman's office raised the criticisms in a June submission to the Productivity Commission Inquiry into Compensation and Rehabilitation for Veterans, established in response to concerns about the effectiveness of the government services and assistance.

Based on 710 complaints received over the past five years, the office said the most common concerns related to pensions, access to healthcare services, incapacity benefits, offsetting of payments and pensions, and service delivery issues.

It reserved its strongest criticism for the government's handling of claims, revealing wait times

of more than 12 months while medical assessments were conducted.

"We have also seen cases where veterans have been required to attend multiple medical assessments by DVA (Department of Veterans Affairs) contracted providers, resulting in prolonged claims-processing timeframes, often greater than 12 months," it said in its submission. "These cases are particularly concerning where the veteran has significant mental health issues and is unable to access the appropriate health treatment and income support."

The submission says that while veterans can get non-liability healthcare, which allows current and former defence personnel to receive free care for cancer, tuberculosis and any mental



Connie Boglis, left,
and her Afghan
veteran boyfriend
Jesse Bird, above

AARON FRANCIS

health condition, the length of time that a claim remains outstanding can significantly affect vulnerable veterans.

Another issue of "particular concern" was the difficulty experienced by veterans in finding medi-

cal providers that accept the standard repatriation rate.

"Medical service providers often have significant waiting periods, given the high level of demand. Access may require significant travel by veterans to have

hostage to red tape

their medical needs met inside the repatriation fee schedule," it said.

Veterans starting a course of treatment that then changes to a type not fully covered by the repatriation rate was also identified as being of concern.

While the department had the discretion to pay above the repatriation rate, it could only do so in "exceptional circumstances", potentially leaving veterans out of pocket if they pay upfront.

Ms Boglis, who had been in a relationship with Bird for two years, believes the government needs to offer immediate mental health assistance.

She said every veteran who "goes to war or is trained by the army" should be given a card so they can get mental health treatment the moment they leave the

military. "Their mental health is broken down because their training teaches them to go to war. It's a program flight-or-freeze mode they are being trained in and it affects their mental health," she said.

Ms Boglis said Bird died with just \$5 in his bank account and it was only after his death that the department sent the assistance payments he was owed. "If Jesse was monetarily acknowledged within the two years we were together, the pressure would have been taken off him," she said.

"He could feel like he was contributing to society again and not helpless and sitting with his acute depression, PTSD and anxiety at home all day."

Veterans advocate Rod Thompson said the medical

assessments issue was one of the "biggest bugbears". "One of the issues is that the process is so complicated when it comes to medical assessments and a lot of busy treating doctors are struggling to deal with the volume of questions about the injuries," he said.

The Department of Veterans Affairs yesterday said it had acknowledged some of the issues in its own submission to the commission and it was undertaking a reform program to "put veterans and families first by transforming business processes and culture, improving service options and information and redeveloping outdated ICT systems".

The Turnbull government last year apologised to Bird's family saying the department's processes "failed their son and brother".

Submission Of Victims Of Abuse In The Australian Defence Force Association Inc. A0059257W To The Productivity Commission Inquiry Into Veteran's Compensation

Annexure E –DTA Calls Out Contractors And Consultants As Barriers To Change



DTA calls out contractors and consultants as barriers to change

By Julian Bajkowski
Jul 18 2018
12:10AM

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Cultural and systemic issues.

The Digital Transformation Agency (DTA) has **cited** federal government dependency on IT contractors and combined public service headcount limits as a key struggle the bureaucracy faces in delivering technology-driven reforms.

The frank assessment of what's working – and what clearly isn't – penned by DTA head of digital capability, Lucy Poole, said "skilled digital professionals still face many obstacles" after the agency held discussions "to understand what they need to make change happen."

The comments, made on the DTA's official blog, signal

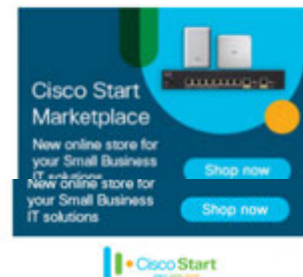
The comments, made on the DTA's official blog, signal mounting impatience with "cultural and systemic issues" that Poole said can "seem insurmountable" when it came to the "things people are struggling with".

Poole's up-front stand comes as Randall Brugeaud assumes control of the organisation following the departure of former bank technologist Gavin Slater in June after just a year.

Slater's exit was preceded by the spectacular exit of imported disruptor Paul Shetler amid frustrations over the pace and scale of digital reforms which he later publicly criticised.

The clear signal now being sent by DTA is it promptly wants to know where the choke points inhibiting progress are, straight-up, without messages being sugar coated.

"Our in-depth interviews with people across federal government organisations have shed light on what helps and slows transformation," Poole said in a call to arms for the APS to build the digital skills it needs.



Submission Of Victims Of Abuse In The Australian Defence Force Association Inc. A0059257W To The Productivity Commission Inquiry Into Veteran's Compensation

3 Comments		So far agencies don't appear to be holding back.
		Poole cited "hierarchies that discourage diverse thinking and group problem solving, or the staffing caps which see contractors filling skills gaps" as issues raised with the DTA.
		Policy makers and IT lobbyists have also copped a serve of sorts from the self-reforming government IT machine.
		"Old legislation, policies and technologies including procurement rules also hamper transformation," the DTA blog said in its taxonomy of struggles.
RELATED ARTICLES		The derivative jibber jabber of the consulting classes also cops a spray.
ATO to ditch AUSkey for myGovID		"Many of those we spoke with felt they are tripping up on unhelpful terminology and management consultant speak, missing the practical opportunities in front of them," Poole said, adding interpretations differed as to whether digital was a technology, methodology or mindset.
SAP flips Australian leadership again		Imbuing APS staff with a digital state of mind that lasts the distance is also clearly an ask, especially when the hired cooks might not give up their recipe books.
Gavin Slater out of DTA		"While contractors can be a huge help to teams, it's a challenge to transfer their skills to permanent staff," Poole observed.
Turnbull directed DTA to study blockchain		The challenge of attracting people to Canberra, as opposed to other hipster digital hubs like Surry Hills, also appears to rate a mention with "specialists that people need being hard to find."
		"Whether data, developers or designers, it's not easy to attract people from better paying jobs in bigger cities. Once in place, a lack of understanding of their skills and limited career path, limits how long we can keep them," Poole noted.
		On the positive side of the ledger Poole said there was strong appetite to learn what really works.
RELATED ARTICLES		"People want to hear about progress and success, and have those stories land in your inboxes just as quickly as the failures which usually get the attention.
ATO to ditch AUSkey for myGovID		"People want to celebrate people doing the hard work to make it simple, crave community and collaboration, and draw inspiration from thought leaders and champions of change."
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Annexure F – Military Superannuation Not Following The Law

Injured veterans don't have to split invalidity payment

<https://www.news.com.au/national/courts-law/injured-veteran-fi...>

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Injured veteran fights and wins court invalidity payment splitting

IN a massive victory for injured defence veterans, a Family Court judge has ruled that invalidity payments are immune from divorce settlements.

Ken McPherson



Intimidated ... Veterans say they are often bullied by lawyers into splitting their invalidity payments to their ex-spouses. Picture: Darren England. Source: News Corp Australia

EXCLUSIVE

IN a major victory for injured defence veterans, a Family Court judge has ruled that invalidity payments are immune from divorce settlements.

The judgement means that thousands of veterans have been wrongly advised by the Commonwealth Superannuation Corporation (CSC formerly CommSuper) that the payment was "splitable".

It could involve hundreds of millions of dollars in incorrect payments and unnecessary court action.

The ruling was made by Justice Michael Kent in Queensland after a Family Court battle by a 44-year-old army veteran who ran his own case against the might of the Commonwealth.

Justice Kent ruled that the CSC's argument that invalidity entitlements under the Military Superannuation and Benefits Scheme (MSBS) were "superannuation" was wrong.

The ruling was not contested by the veteran's former spouse.

EARLIER: Bravery Trust fills the gap for battling veterans and their families

Despite the judgement, the CSC still regards invalidity benefits as "a form of superannuation payable as income support for the pensioner for the extent to which the person has been incapacitated for civilian employment by their ADF service."

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Submission Of Victims Of Abuse In The Australian Defence Force Association Inc. A0059257W To The Productivity Commission Inquiry Into Veteran's Compensation

He said he could see why the CSC was reluctant to admit its error because there could be thousands of cases like his and hundreds of millions of dollars at stake.

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2/07/2018, 9:54 AM

Annexure G – Defence Engaged In False Recruiting Over Promises Of Trade Qualifications



Sailors sue Navy saying they were 'tricked' into joining with promises of trades

By Ursula Malone

Updated 16 Feb 2016, 5:37pmTue 16 Feb 2016, 5:37pm



PHOTO: Clayton Searle is suing the Navy for false promises he would end up with a trade. (Supplied image)

More than 200 sailors, some of them still serving, have joined a class action against the Royal Australian Navy alleging they were tricked into signing up for four years under false promises they would leave with a trade.

KEY POINTS:

Submission Of Victims Of Abuse In The Australian Defence Force Association Inc. A0059257W To The Productivity Commission Inquiry Into Veteran's Compensation

- More than 200 sailors claim they received no training
- Say they were strung along with empty promises
- Trainee says experience impacted mental health

Instead, they claimed they received no training and little practical experience and were left twiddling their thumbs for months at a time.

In a case filed late last week, 220 of them are suing the Navy for negligence and breach of contract.

Former sailor Clayton Searle was 18 when he signed up. He had just left school and was struggling to find work in his home town of Rockhampton in Queensland.

"One day mum suggested the idea of what about the military and no-one I'd known had joined the Navy," he said.

"I like getting out on the water and I thought it would be a pretty interesting career and it definitely seemed it from the website."

Mr Searle joined up under a program known as MT2010 and was given a contract that said he would receive training leading to a trade certificate IV in engineering.

But at the end of his four years he still had no qualification. He alleges the recruitment process was dishonest and the Navy strung him along with more empty promises.

"At the four-year mark they were offering new courses to act as compensation for where they had gone wrong but it was still three years before we'd receive a lesser qualification than what we were scheduled to have," he said.

TRAINEE SAYS TIME 'SPENT SITTING AROUND WAITING'

Former trainee Jon Henderson from Sydney was in the same intake.

"As my career progressed it was quite obvious that we were never going to get the training as promised and all along the way the Navy were in the position of power and we were always beholden to what the Navy dictated to us," he said.

He said much of his time in the Navy was spent sitting around waiting.

"I was basically warehoused in a site called PSU or Personnel Support Unit where numerous sailors basically sit around, read the paper, go online," he said.

He said most of the work was done by contractors and there was little opportunity for the promised training.

"Kids are going in there at 17, 18 and leaving with nothing. There are guys who've been in there 10 years and are coming out and having to do excess training just to get a qualification to get a civilian job," he said.

Their lawyer Stewart Levitt said these stories were just the tip of the iceberg.

"The disappointing reality has been that hundreds of Australian apprentices and graduate students were placed in a position where they were enticed to join the Navy with a promise of a certificate IV in engineering, when the Navy had never developed a program let alone had any demonstrable, sustainable intention to provide the course," he said.

Mr Levitt said billions of dollars was being wasted.

"These people have been paid salaries to do nothing by the Australian taxpayer for the last four years, to play cards, to be miserable and to be made miserable," he said.

He alleged that sailors who complained were locked in a room and pressured to sign a release clearing the Navy of its training obligations.

Others, he said, were punished by being sent on undesirable assignments.

"I have spoken to a number of trainees who were despatched to chase boat people back to Indonesia for example," he said.

EXPERIENCE TOOK TOLL ON TRAINEE'S MENTAL HEALTH

After years working as a concreter 24-year-old Mitchell Cupitt joined up in October 2011, enticed by the prospect of a qualification as an electrician.

"I wanted to get a trade and travel the world," he said.

Instead he also ended up at the PSU.

"We used to go to work and do pretty much nothing all day. We'd get our name marked off and fight over a lounge to get the comfiest seat," he said.

The experience took a toll on his mental health.

"I had a bit of a rough patch, I suffered from depression. I was diagnosed while I was in. It wasn't just me suffering, everyone was," he said.

Mr Cupitt left the Navy after two years and is now back concreting.

"I was lucky I got out and had something to fall back on. I just don't want this happening to anyone else," he said.

"They've done the wrong thing by everyone."

In a statement, the Department of Defence said: "Navy is aware of the concerns raised by some current and former marine technicians, who joined the Navy under the Marine Technician 2010 Career Continuum, and has engaged with those affected."

"Navy's position is to solve this training issue," the statement said.

"Unfortunately, as a result of the legal proceedings being commenced, the Navy is unable to comment further."

The case is due to come before the NSW Supreme Court on May 20.

Topics: [courts-and-trials](#), [defence-forces](#), [australia](#)

First posted 15 Feb 2016, 6:57pm Mon 15 Feb 2016, 6:57pm

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Source: <http://www.abc.net.au/news/2016-02-15/hundreds-sailors-sue-navy-alleged-false-promises-trade/7170086>

Annexure H – Veteran Involved In Bikie Gang

Highly decorated former Army officer suspected of being senior...

<http://www.abc.net.au/news/2016-02-17/decorated-former-army...>

7NEWS

Highly decorated former Army officer suspected of being senior Bandidos bikie club leader

Exclusive by the National Reporting Team's Mark Willacy
Updated Wed 17 Feb 2016, 7:30pm

A highly decorated former Army officer who led soldiers in Iraq is suspected by police of being a senior figure in one of Australia's most notorious bikie gangs.

Secret police intelligence reports state the retired senior officer is an office bearer and chapter leader of the Bandidos, a motorcycle club connected to drug running, extortion and violent turf wars with other bikie clubs.

He is believed to be the highest ranking former Defence Force officer to have joined an outlaw motorcycle gang.

The case has concerned police, who have told the ABC that bikie gangs have long tried to recruit former soldiers in a bid to utilise their unique skills and experiences.

"[Former soldiers have] a familiarity with weapons, technical expertise, they might be used to violent situations, may handle stress better than a normal person, the ability to follow orders and organisational abilities as well," said former police detective inspector Terry Goldsworthy, now a criminologist at Queensland's Bond University.

"So I can understand why [motorcycle gangs] are looking for people like that."

The former officer commanded a combat team in Iraq during some of the most gruesome sectarian violence of the post-conflict insurgency. He later received commendations for his service and leadership.

But the ABC understands that after leaving the Army he was diagnosed with severe post-traumatic stress disorder (PTSD).

Do you know more about this story? Email investigations@abc.net.au

Dr Goldsworthy said many ex-servicemen drifted into bikie gangs seeking brotherhood and a sense of purpose.

"In the motorcycle gangs there's a clear rank structure, there's a uniform of some description," he said.

"Where you have conflict, then people coming out of that conflict who might be in crisis or might be suffering post-traumatic stress disorder, they often seek out these [bikie clubs] as a means to combat that."

A police source said the former senior officer was the perfect recruit for a gang like the Bandidos, and was now driving recruitment for a new chapter of the club.

"Organisationally, he's very capable," the source told the ABC. "We believe he's responsible for restructuring the Bandidos."

Dr Goldsworthy said he had never heard of a soldier of such senior rank joining a bikie gang, but said he could understand why bikies were keen to recruit former Australian Defence Force (ADF) officers.

"If you're going to put someone in control of your group, who better than someone who's come from a command and control environment in the armed forces," he said.

"They'll have a skill set that you would almost find irreplaceable anywhere else."



PHOTO: The Bandidos have been connected to drug running, extortion and violent turf wars. (AAP Image: Tracey Hearmy)

Key points:

- Secret police intelligence says the former officer is now a Bandidos chapter leader
- He commanded a combat team in Iraq, later receiving commendations
- It is understood police are also monitoring other former soldiers linked to bikies



AUDIO: Former army officer suspected of being senior figure in bikie gang (PM)

Highly decorated former Army officer suspected of being senior...

<http://www.abc.net.au/news/2016-02-17/decorated-former-army...>

Former officer a 'gentleman and a family man'



PHOTO: Steve McCrohon was in the Army for 26 years before joining the Rebels. (Supplied)

Steve McCrohon was in the Army for 26 years, serving in Rwanda and East Timor, and rising to the rank of major. He retired from the ADF in 2004.

For the past 10 years he has been a fully patched member of the Rebels Motorcycle Club. The retired company commander knows the former senior officer identified by police as a high-ranking Bandido.

"He's a gentleman, he's a family man... a soldier who has the respect of his soldiers," Mr McCrohon said.

"What [he] does in his own social time and activities, that's for [him]. But it's not about [him], and it's not about me, it's about all veterans who decide to join a motorcycle club."

Like the former senior officer, Mr McCrohon also suffers from PTSD. But he said the Rebels had helped him cope with his condition.

"They saved my life. Those men were unbelievable when I was brought into the club. It's a brotherhood, and these men in the Rebels Motorcycle Club — like the men I served with overseas — helped me, dragged me up and made me a strong person again," he said.



PHOTO: Former soldier turned bike Steve McCrohon said bikes saved his life. (ABC News: Scott Kyle)

Police monitoring other former soldiers linked to bikies

The ABC has been told the ADF has "regular conversations" with police in at least two states about bikie gangs attempting to recruit serving and former soldiers.

It is understood some former personnel with links to outlaw clubs are being monitored, including at least two Mongols in Victoria. A number of former soldiers are also believed to be Rebels members.

The ABC contacted the ADF for comment but received no response.

Last year a former Australian Defence Force sniper who served in East Timor was identified as a Comancheros bikie boss and sentenced to nine years in jail for trafficking ice, cocaine and ecstasy.

Joshua Faulkhead joined the bikie gang after returning to Australia, with the crown prosecutor telling the court he ran the drugs syndicate in Victoria's Mildura region on "intimidation, fear and violence".

But Mr McCrohon scoffs at suggestions that bikie clubs actively seek to recruit former soldiers because of their skills.

"Have I had a background in handling weapons? Of course I have. I was an infantry officer. Are we right for picking for the clubs? I think that's rubbish. I haven't touched a weapon since 2003 (when I left the army)."

Topics: unrest-conflict-and-war, law-crime-and-justice, crime, australia