Productivity Commission Draft Report
A Better Way to Support Veterans

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General

Military service is a unique occupation. Australians join the Defence Force for a variety of reasons, but collectively they accept the forfeiture of certain freedoms enjoyed, and taken for granted, by all others in Australian society. Almost every aspect of uniformed life comes with a risk or cost to the member and/or to their families. They have a right to expect that they will be looked after both during and after service. Governments continue to struggle with ineffective treatment and rehabilitation given the long term effects and nature of Military Training

A major new report was published in 2017 drawing on veterans' testimony and around 200 studies from the last half-century to explore for the first time the effects of modern army employment on soldiers, particularly their initial training. The studies are mainly the work of military academic research departments in the UK and US, supplemented by research in other countries including Australia, Canada, Germany, and Norway. The report finds that army employment has a significant detrimental impact on soldiers' attitudes, health, behaviour, and financial prospects. This is partly due to soldiers' war experiences, but also to how they are recruited and trained, how they are conditioned by military culture, and how they re-adjust to civilian life afterwards.

It reveals how in the process of transforming civilians into soldiers, army training and culture forcibly alter recruits' attitudes under conditions of sustained stress, leading to harmful health effects even before they are sent to war. Among the consequences are elevated rates of mental health problems, heavy drinking, violent behaviour, and unemployment after discharge, as well as poorer general health in later life.

Army recruitment, training and culture

To ensure that new recruits will follow all orders and kill their opponents in war, army training indoctrinates unconditional obedience, stimulates aggression and antagonism, overpowers a healthy person's inhibition to killing, and dehumanises the opponent in the recruit's imagination. Recruits are taught that stressful situations are overcome through dominance, and that soldiers are superior to civilians.

The available evidence points to appreciable changes to the recruit population once they are enlisted: to personality (more antagonistic and conformist, and less emotional); to attitudes (more authoritarian and militaristic); to mental health (more anxious, depressed, and suicidal); and to behaviour (more likely to drink heavily and behave violently, including the sexual harassment of women by men). Traumatic war experiences typically reinforce these changes.

Any proposal to pass responsibility for veterans' compensation and rehabilitation to the Department of Defence (under whatever guise) should be resisted. There is little doubt that Defence will adopt their usual practise of contracting out these services to the lowest bidder. Those veterans who have recently left the Service and those currently serving will be well aware of what this means. Take for example the following:

a. Currently base services are contracted out to Estate & Infrastructure Group (E&IG) the prime contractor. The various functions are then sub-contracted to other contractors such as rationing to

organisations such as Spotless, security to Wilson Security, movement and accommodation to Defence Housing, and so on. This has led to meals being centrally prepared and moved to the various dining areas in hot boxes (demise of unit messes with attendant effect on unit esprit de corps); access to weapons and stores controlled by civilians working to union rules; and movements and accommodation are arranged with little regard for the individuals rank or preferences;

b. Ranges are controlled and maintained by civilian contractors. As it is more economical to do periodic maintenance rather than fix targets as they become unserviceable units will often have to conduct their practices with fewer targets which can take longer with more downtime for participants;
c. Health services within Defence are currently contracted to MHS but this will transfer to BUPA this year, on a three-year contract. These services are predominantly provided by civilian staff with little knowledge of the conditions under which service personnel operate and lacking in empathy. Surely Defence Health Insurance would have been a better option as they deal with the serving and ex-service community daily;
d. Transition, not a strong point for Defence. They are more interested in maintaining defence capability, as they should, and have little use of broken service men and women. In times past, we would put broken service men and women into sedentary jobs to keep them with their mates while they recovered. Now it appears that the sooner they are gone they may be able to get a fit replacement.

Note: Each contractor and sub-contractor needs to make a profit for their shareholders leaving whatever is left over to supply the contracted services.

Department of Veterans Affairs

Over the years successive Federal Government have undertaken to keep the Department of Veterans' Affairs as a discreet entity to service the needs of the ex-service men and women and their families.

In the main, the Department of Veterans' Affairs have done a reasonably good job of meeting the needs of the ex-service community, despite the complexity and interpretation of the various Acts. Additionally, there appears to be a need for better training and supervision of delegates in the interpretation of these Acts in the manner intended by the Parliament. That said, although these Acts are intended to be interpreted as beneficial to the veteran, in recent years there appears to be a trend towards adversarial interpretations by a growing number of delegates. And, reviewing officers seem loath to override/change a delegate's decisions making appeals under Sections 31, 136, 347 and 352 a waste of the advocates time and effort even, when additional evidence is provided in support of the appeal. Clearly there is a need for the claims process to be simplified and streamlined for faster resolution. This is currently being undertaken but needs the resources to speed up the process.

In each Department of Veterans' Affairs (DVA) Branch office there used to scheduled 'Veterans Awareness Week' whereby local veterans were invited to interact with DVA Staff as part of their training and induction into the DVA. Unfortunately this practice ceased many years ago without any explanation.

There is a need to fine-tune the process of transition from Military to civilian life. Given the nature of Military Training and the long term effects significant research is needed towards the restoration to a normal state of mind following service.

In particular, any rehabilitation program being undertaken at the time of discharge should continue to be provided by Defence until compensation claims are settled by DVA or the veteran is fully fit for suitable civilian employment. After a period full-time service veterans' should be eligible to receive funding to further their qualifications to obtain work in an appropriate civilian industry and be able to get a reestablishment loan from Defence or DVA on beneficial terms, similar to that provided to National ervicemen following service during the period 1965 to 1972 .

Item No	Draft Recommendation	Comment
4.1	Objectives and Principles	a. Agree focus should be on ability rather than disability. b. Transition procedures need to be better coordinated between Defence and DVA, particularly with regard to on-going rehabilitation treatment during claims processing by DVA. c. The administration process needs to be simplified with consistent determinations from delegates. These problems may be exacerbated by the periodic performance contracts under which they are employed.
5.1	Prevention – augmenting Sentinel database with DVA database	Agree
5.2	Prevention – Injury prevention program trial	No comment
5.3	Prevention – publication of full annual actuarial report on estimates of notional compensation premiums.	No comment
6.1	Rehab & Wellness Services – ADF Joint Health Comd to report outcomes of ADF Rehab prgms	Agree
6.2	Rehab & Wellness Services – compare outcomes with other compensation schemes	Agree if it is to improve services. If designed to achieve savings through efficiencies, then have reservations (more for less?). However, the 'unique nature of military service' should lead to a more equitable and generous outcome than those associated with the civil workforce
6.3	Rehab & Wellness Services – DVA to engage more with rehab providers	Strongly agree. Essential that rehab services being undertaken at end of service be continued whilst disability claims are being processed and continued when beneficial to the veteran.
7.1	Transition to Civilian life after Military Service – Joint Transition Command	Current practice is far from satisfactory. When a service man or woman finishes their service, whether voluntary or medical discharge, the main concern of the ADF is to get rid of them ASAP so that a replacement can be obtained. Most advice and assistance are cursory at best. An organisation within Defence would seem an appropriate solution and have carriage for at least six months after discharge or until DVA entitlements are finalised. Such an organisation would need to work closely with DVA
7.2	Transition to Civilian life after Military Service – Joint Transition Command to require ADF members	What are we asking recruits to do? Initially all they will be interested in is being a good member of their chosen Service, and that is what being a

	to prepare a career plan	member of our National defence force should be all about. (Imagine one of the first questions of a recruit being "and what do you plan to do when you leave the service". Surely, they will have other things on their mind then. I am sure it will be a long time into their service before they will be considering life after service. A reasonable qualifying time in service would be around five years (or five years before intended discharge), as that is a reasonable period of service to the Country.
7.3	Transition to Civilian life after Military Service – DVA to support veterans to participate in education	This has traditionally been poorly handled. If you were an officer, you could be assisted to attend university, but soldiers were apparently perceived to be incapable of achieving such levels of qualification, despite what they may have achieved during service. Service in the Reserves normally does not require the member to absent from their normal lifestyle for more than short periods and hance there should be little need for transition arrangements. Periods of fulltime duty should attract full-time service conditions. Perhaps an indicative allowance based on Abstudy would cover most transition training needs. Additionally, under the DFRDB scheme after 20 years' service veterans could commute four years of their pension that enabled them to establish themselves in their new civilian environment. Transition loans for this purpose should be considered.
8.1	Initial Liability Assessment – Harmonise initial process across three Acts	Agree that Statement of Principles should apply to all three Acts and the adoption of a single standard of proof. Preferred standard is 'Reasonable Hypothesis'. In the interim, the adoption of 'Balance of Probability' SOP could be used to determine case under DRCA.
8.2	Initial Liability Assessment – Medical review	Current duplication is hardly warranted. A single authority, the Repatriation Medical Authority, should be given the task with the necessary augmentation and medical specialists
9.1	Claims Administration & Processing – DVA public reporting & 'MyService'	Agree that DVA should publicly report results of reviews. MyService may be good for DVA and their processing however when a claimant gets their claim rejected, because they do not understand the use of SOPs, they are generally advised to

		seek support from an advocate. Almost invariably their second claim will differ from the first, due to the advocates adherence to the correct claim process, raising the question as to which claim is the lie. There needs to be better guidance to the claimant when they are encouraged to lodge their own claim on-line
9.2	Claims Administration & Processing – Staff Training	There is a growing feeling within the veteran community that DVA staff are interpreting the intended 'beneficial' legislation in a similar manner as major insurance companies, that is 'adversarial'. Clearly there is an ongoing need for beneficial consideration under the Acts. Previously DVA provided outreach briefing session to pension advocates on legislative changes and procedures. This has not occurred in recent years but needs to be resurrected. Delegates to be better resourced and trained with pro-active supervision. Delegates should be employed full-time, not on contract. That said, from my experience most DVA staff handle enquiries with respect and due diligence.
9.3	Claims Administration & Processing – Quality Assurance Process	Agree with the proposal to reconsider all claims in a batch when excessive error rates are found in any batch. This should also include the work of decision makers. There is a significant problem within DVA when Section 31 Appeals are lodged. Although additional evidence is needed when lodging an appeal, the delegate's determination is seldom overturned by their supervisor leading to a waste of the advocates time and energy. Many of these appeals are then upheld by the VRB or AAT
9.4	Claims Administration & Processing – External Medical Assessors	Often veterans will be referred to external medical assessors when documentary evidence on file or provided by the claimant is readily available. This often requires referral from a GP to a specialist with the attendant additional costs and delays. Also, on some occasions contrary reports that do not suit the delegate's opinion are disregarded for reports already on file. And, DVA have a preferred medical report provider in MLCOA. That said, there will continue to be a need for external medical advice.
9.5	Claims Administration & Processing – Veteran Centric Reform (VCR)	The problem with 'MyService' claims has been addressed recommendation 9.1 above
9.6	Claims Administration &	This has been, and continues to be, a major

	Processing - ESOs	problem, not helped by Government/ Departments picking winners and setting up a divide and conquer mentality. Too many small ESO have been granted charity status and yet they service a very few self-interested individuals. Only the RSL has a presence in most large regional towns with some of the other larger ESOs only located in capital cities. Few provide real-time welfare and advocacy support to the veteran community. To a certain extent this has led to the establishment of regional veteran support centres such as TESSA in Tasmania. Unfortunately, grant funding under the BEST program is scewed in favour of the smaller applicants (30 factors) resulting in inadequate funding for network support centres that generally service large areas. These centres are invariably staffed by volunteers whose task is made more onerous by the Grant reporting obligations. These centres are in danger of closure as younger veterans seem unwilling to assist, despite wanting to use the service.
10.1	Reviews – Accuracy of DVA assessment	From experience, the VRB determinations clearly identify why the overturn or confirm the delegates decision. It would seem that DVA staff are not encouraged to read those reports and adopt appropriate measures in future claim processing. This is a DVA problem.
10.2	Reviews – Review decision	Agree many decisions by delegates and their supervisors are often overturned at review by the VRB & AAT. These decisions are very explicit in why the determinations have been overturned and should be readily available for review by DVA delegates.
10.3	Reviews – Pathways to review decisions	Agree with the adoption of the ADR procedure adopted by the VRB. Do not agree that the decision powers should be removed from the VRB in favour of the AAT
10.4	Reviews – Role review of VRB	While DVA delegates continue to make incorrect determination there will continue to be a role for the VRB. It should continue to sit as an independent body and have the ability to conduct reviews on merit. They should also have the ability to overturn incorrect decisions made by delegates.
11.1	Governance & Funding – Ministerial Responsibility	Any decision to place Veterans Affairs under the Defence portfolio should be resisted.

		Defence has a very poor record of contracting out services to the lowest bidder. This generally results in the appointment of a prime contractor who then sub-contracts part of the service, again to the lowest bidder. After all contractors take their profit the resultant service provided is generally of poor standard. DVA should be retained with responsibility vested in a single Minister, responsive to but separate from the Defence Department.
11.2	Governance & Funding – Veterans Services Commission	Agree on abolishment of RC & MRCC when Acts are amended and that they be replaced with a single entity such as the VSC. Would like to see representatives from the serving/ex-service community on the Council. VSC should not be within the Department of Defence but be a separate body, such as the VRB, with appropriate powers.
11.3	Governance & Funding – Veterans Advisory Council	Experienced members of appropriate ESO should be included on the Veterans Advisory Council. Many current members of the ESORT (presidents of a dozen ESOs and retired senior ex-service officers), who provide little support to the wider serving and ex-service community, and have little understanding veteran needs, should not be included on the VAC.
11.4	Governance & Funding – Australian War Memorial	Passing responsibility for commemoration functions and War Graves to the AWM would seem appropriate, provided adequate funding and staffing was provided. It certainly would reduce the opportunity for politicking in relation to these matters.
11.5	Governance & Funding – Fully funded compensation system	Government problem but would seem to be a good option if funded similarly to the Future Fund. Note however what happened to the Defence Super under the Whitlam Government – taken over and placed in consolidated revenue.
12.1	The Compensation Package – Harmonisation of compensation	Agree there is a need to simplify the offsetting arrangements between the three Acts and invalidity payments from the CSC. Harmonising the process for assessing permanent impairment incapacity compensation for DRCA and MRCA would alleviate many current problems and associated trauma. The big issue of getting specialist determinations that conditions are 'permanent' and 'stable'

		needs to be addressed as these seem to be the biggest stumbling block to getting decisions and the cause of so much angst in the veteran community. The introduction of the new 'Veteran Payment' to provide support while claims are being assessed was a positive step. There does not seem to be a case for extending eligibility for the Gold Card to claimants under DRCA.
12.2	The Compensation Package – Streamline administration	Consideration should be given to moving assessment of disability claims under DVA and the CSC to a single authority, in this case DVA would be preferred. In any event, a single medical assessment process should be implemented, and any compensation provided by one agency. This should alleviate some of the difficulties associated with offsetting payments.
13.1	Compensation for an Impairment – Warlike & Non-warlike	While it is accepted that all who enlist undertake to do whatever the Government asks of them, even to sacrifice their life. While probably more than half are not asked to deploy in harm's way, they are needed in the training and supply base at home. Additionally, training to be ready for operations has inherent dangers not normally experienced by the general community. That those who do deploy are more likely to be exposed to additional risk to life and/or limb would seem to warrant additional consideration. This could be achieved by the adoption of a single SOP, based on the 'Reasonably Hypothesis' criteria, with more beneficial conditions for operational service similar to those currently contained in 'Reasonable Hypothesis' SOPs. See also comments at Recommendation 12.1 above in relation to 'permanent and Stable'.
13.2	Compensation – Interim Permanent Impairment Compensation	Disagree with the proposal to remove lump sum payments under MRCA. However, agree with the proposal to adjust interim compensation if the impairment stabilises at a higher or lower level. That said, there should be no provision to recover any perceived overpayments in the event of a lower impairment. Consideration should be given to requiring a substantial part of any lump-sum payments to be paid into the members superannuation fund

13.3	Compensation – Two-year Permanent Impairment Offer	Agree with proposal to give DVA discretion to offer veterans final impairment compensation after two years provided all reasonable rehabilitation and treatment has been undertaken by the veteran
13.4	Compensation – Remove Lump sum payment to Dependent Children	Agree. Payment should be made to the injured veteran only. See no need for lump-sum payment to dependent children.
13.5	Compensation – Review Lifestyle Ratings	Disagree. Lifestyle ratings/questionnaire completed by veterans provide a better illustration on how the disabilities affect the veteran. Determinations based only on medical determined level of impairment is purely subjective and does not consider the real lifestyle effect on the veteran.
13.6	Compensation – Remove SDRP option from MRCA	Although few Special Rate Disability Pensions have been approved, there is obviously some need, unless it is replaced by a greater level of compensation. In the absence of the latter, the SRDP should be retained.
13.7	Compensation – Remove Dependants eligibility for SDRP under MRCA	In many instances, partners have had to cope with the effects of a veteran's disabilities during their life together. It seems reasonably that they receive some compensation for their sacrifices in providing care for their veteran partner.
13.8	Compensation – Increase the wholly Dependent Partner Compensation	Agree that lump-sum payments to partners of veterans who died as a result of their service are probably difficult to justify. Proposal to increase weekly payments is more appropriate, provided the total compensation has minimal effect on their wellbeing and lifestyle.
14.1	Streamlining & Simplifying Additional Payments – Remove DFISA-like Payments from the VEA 1986.	The provisions of the DFISA administered by Social Security is archaic and the cause of much stress to those caught up in that system. Its should be removed from the VEA 1986.
14.2	Streamlining & Simplifying Additional Payments – Align Education Payments	Agree that education payments to children over 16 years should be removed as these allowances are available, means tested, through other Government Departments. For children under 16 years, the DRCA should be amended to adopt the Military Rehabilitation and Compensation Act Education and Training Scheme.
14.3	Streamlining & Simplifying Additional Payments – Remove	Supplements payable under DRCA, MRCA and VEA should be consolidated and veteran

	Supplement Payments	payments increased by the equivalent amount of those supplements.
14.4	Streamlining & Simplifying Additional Payments – Remove or Payout Outdated Payments	Agree that outdated payments should be paid out and removed.
14.5	Streamlining & Simplifying Additional Payments – Amend VEA Attendant Allowance	Attendance allowance currently paid by DVA should be removed and replaced by the same household and attendant services available under MRCA.
14.6	Streamlining & Simplifying Additional Payments – Amend Vehicle Assistance Scheme	Agree that entitlements under the VEA and DRCA relating to vehicle should be amended to reflect the MRCA Motor Vehicle Compensation Scheme.
15.1	Health Care – Gold Card Eligibility not to be Extended	Provision of the Gold Card to veterans with qualifying service is just reward for sacrifices made during service. These include exposure to added dangers, deprivation of amenities, separation from families and exposure to exotic diseases. Eligibility for the Gold Card should continue for those veterans with the current levels of service caused disabilities and on reaching the age of 70. Current Gold Card holders and those who may become eligible should continue to receive treatment at Government expense. There is probably a case for not extending such entitlement to dependents.
15.2	Health Care – Amend Veterans Care Program	Agree payments under the Coordinated Veterans' Care program should be based at a level commensurate with the risk rating. Reviews based on clinical evidence would seem appropriate.
15.3	Health Care – Update the Veterans Mental Health Strategy	Agree with the need to update the Veteran Mental Health Strategy. Recent adoption of non-liability access is a good step forward and further development and implementation needs to be soundly evidence based.
15.4	Health Care – Monitor Open Arms Outcomes.	A program of on-going review of the Open Arms program is recommended. It has a history of providing a good service under its former name, VVCS, but probably needs a continuing revamp to meet the needs of more recent veteran cohort.
16.1	Data & Evidence – DVA develop outcomes & performance framework.	Agree. This will require additional investment in IT systems and appropriate qualified staffing levels.

16.2	Data & Evidence – Trials & Reviews	Agree. See Recommendation 16.1 above.
16.3	Data & Evidence - Priorities	Agree.
17.1	Bringing it all Together	Agree with the recommendations for the two schemes and the proposed implementation. However, application of the new Section 9A of the VEA already requires any claims made under the VEA after July 2004 to be assessed under MRCA. Is it the intention to align Border Force and civilians working for Defence, currently subject to entitlement under the VEA, to be transferred to these new schemes?

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