



**THE AUSTRALIAN FEDERATION OF TOTALLY AND
PERMANENTLY INCAPACITATED EX SERVICE MEN AND
WOMEN LIMITED.
ABN 61 008 591 704**

**Response to the Productivity Commission Inquiry into
Compensation and Rehabilitation for Veterans
Draft Report
A Better Way to Support Veterans
December 2018**

Contents

1	TPI Recommendations	<u>3</u>
2	Introduction	<u>4</u>
3	Overview	<u>5</u>
4	Discussion	<u>8</u>
5	Governance	<u>10</u>
6	<i>'Compensation Package'</i>	<u>11</u>
7	Offsetting – Superannuation/Incapacity Payments	<u>12</u>
8	<i>'Compensation for Impairment'</i>	<u>13</u>
9	<i>'Compensation for Economic Loss'</i>	<u>15</u>
10	<i>'SRDP'</i>	<u>16</u>
11	SRDP Removal from MRCA	<u>19</u>
12	Veteran Centric Reform Program	<u>19</u>
13	Transition	<u>19</u>
14	ADF Remuneration to include Compensation payments	<u>20</u>
15	Superannuation	<u>20</u>
16	<i>'Generous Package'</i>	<u>21</u>
17	Loss of <i>'Pain and Suffering'</i> Compensation	<u>21</u>
18	Social Insurance Schemes	<u>21</u>
19	<i>'Education'</i>	<u>21</u>
20	Conclusion	<u>23</u>
21	Attachment A – PC Draft Report Recommendations	<u>24</u>
22	Attachment B – PC Draft Report Information Request	<u>30</u>
23	Attachment C – PC Draft Report Draft Findings	<u>31</u>
24	Attachment D - DVA Staffing	<u>34</u>
25	Attachment E - TPI Erosion Chart	<u>35</u>
26	Attachment F - Dave Finney Story	<u>36</u>

1. 1917 –Prime Minister Billy Hughes
We say to them go out and fight and when you come back,
we will look after your welfare. We have entered into a bargain
with the soldier and we must keep it.
2. Martin Parkinson – Prime Minister’s Department Secretary – CT – 18 Dec 18
Australia’s public service should not be treated as a set of Lego blocks for disorienting
and politically-driven restructures’
3. Prime Minister Scott Morrison – SMH – 20 Dec 18
‘...that on any of those days, you didn’t know how much your country appreciated you’
4. Prime Minister Scott Morrison – The Australian – 20 Dec 18
“The Productivity Commission will make recommendations from time to time but
what is most important to me is that veterans get the support, the benefits,
and the respect that they deserve”
5. Appeal to Fools by Thomas Murner, 1512
"Don't throw the baby out with the bathwater"
is an idiomatic expression for an avoidable error in which
something good is eliminated when trying to get rid of something bad

TPI FEDERATION’S RECOMMENDATIONS

- [Recommendation 1](#): NOT to devolve DVA into a Department of Defence (DoD) Agency.
- [Recommendation 2](#): That the ‘*Economic Loss*’ component of the TPI/SR Compensation payment be re-examined and corrected as it currently stands at only 63% of the gross minimum wage.
- [Recommendation 3](#): NOT to repeat the incorrect “Package” language for Veteran compensation – Compensation is Compensation and medical and ancillary assistance are totally separate.
- [Recommendation 4](#): NOT to remove the MRCA SRDP access for younger Veterans.
- [Recommendation 5](#): NOT to continue the mistake of the various tiers of Veterans – Operational, Non-Operational, and their associated variations as a Veteran is a Veteran.
- [Recommendation 6](#): NOT to discriminate after a Veteran’s claim has been assessed under the two standards of proof because following acceptance of the claim, all other benefits and entitlements should be the same for all Veterans
- [Recommendation 7](#): NOT to ‘*harmonise or normalise*’ DVA clients into Medicare or a private insurance company.
- [Recommendation 8](#): NOT to confuse the entitlements for TPI/SRs health requirements, including pharmaceuticals, for those most disabled Veterans, as they must be maintained as compensation – not welfare.
- [Recommendation 9](#): Why is it that DVA does NOT have the data publicly available on 14 years of MRCA clients, when they have decades of figures on the VEA and DRCA clients because poor computer systems are not excuses for this any longer.
- [Recommendation 10](#): NOT to remove the allowances that assist those who have disabilities and hardships that require those allowances in order to attempt to maintain their quality of life.
- [Recommendation 11](#): Recommend allowing the rehabilitation sections of MRCA to be made available to VEA eligible DVA clients and MRCA remain as only Rehabilitation for all eligible DVA clients.

INTRODUCTION

The TPI Federation (Federation) is deeply disappointed and concerned about the Productivity Commission's (PC) Draft Report analysing Compensation and Rehabilitation for Veterans, which was released on the 14th December 2018, with (unbelievably) responses due by 11th Feb 2019. Admittedly, this was extended to the 28th Feb 2019.

TPI Recommendation # 1 – *NOT to devolve DVA into a Department of Defence (DoD) Agency*

The Federation totally rejects the PC's unfounded recommendation for the closure of our Department of Veterans' Affairs (DVA) – in favour of a quasi-Agency or Statutory Authority being created within the Department of Defence (DoD). As history will attest, Defence failed the administration and provisioning of care for Veterans through the old Military Compensation & Rehabilitation Service. In part, this is why the function and responsibility was transferred to the DVA in late 1999.

The Federation is also aghast at the recommendation to abolish the 100-year definition and provision of Totally & Permanently Incapacitated/Special Rate (TPI/SR) for all future VEA and MRCA claimants, together with the abolition of the Gold (health care) Card. Doing so, completely and wrongly dismisses the classification and care of currently 28,000 TPI/SR Veterans and any future most disabled Veterans.

On the sunset of the Centenary of ANZAC, and on the eve of Christmas, the immense anger, fear and trepidation, that these recommendations have caused, is real and palpable. Maybe the PC should try staffing Federation phones for a day or so, to feel the pain and angst that is felt when such a document is published!

On balance, the Productivity Commission has failed and the Prime Minister should immediately follow his initial instincts to reject and repudiate the PC Draft Report. To expect the Veteran community to plough through a 704-page tome in order to provide a considered, and well-researched response by 11th February, was to deny ESO volunteers an unencumbered Christmas with their families.

It is inefficient and a total waste of ESO resources to continue to repeat the obvious that is laid out throughout this Report. Most of these issues were addressed in the well-researched and well-resourced initial submissions to this Commission. This submission is close to being just a repeat of this. The title of the Report – “*A Better Way to Support Veterans*” is ambiguous, disingenuous, false, misleading and bewildering to all. The Federation contends that the Report reflects an objective of trying to placate the need of the Government's Economic Review Committee (ERC), in order to save money at all costs, and that it is not about the good of the Veteran.

The DVA Veteran Centric Reform program (VCR) has been working so well. It is mentioned seven times in this submission for a reason. This is because the program is working. The PC should give this program a chance and not ‘*rearrange the Lego blocks*’ on it.

Minister for Defence, Senator Robert Ray, Senate Estimates, 31 August 1993

***‘What we have said is that the bottom line is the dollar
– that is, how can we do it cheapest and save money.’***

Have we not learnt anything in nearly three decades?

“Don’t throw the baby out with the bathwater!” Thomas Murner 1512

It is ironic that the “*Efficiency and competitiveness of Australia's superannuation system*”, which reviewed the conduct of the richest entities in Australia, had their report released on the 21st December 2018 to which both the Government and the Opposition

had door-stop interviews with their opinions stated. Now the PC are reviewing the most deserved of the population, who have given their all and having released their Report on 14th December neither the Government or the Opposition made any door-stop statements. This Review seems to be aimed at cutting budgetary costs for the Government, while not improving the lives of the current or, more importantly, future, old and younger, Veterans, but rather they have recommended to ‘rearrange’ the entitlements of Veterans and their families?

This is discourteous, offensive and objectionable!

If this Report and its 48 recommendations, progresses further, it will do much harm to the Veteran Community. Notwithstanding, the VCR program, it is likely to increase the suicide rate of Veterans and it will not improve the ‘*fit for purpose*’ outcome for the Veteran Community. It will be a huge backward step for the entire country.

The Federation’s comments on the PC’s Draft Report’s Draft Recommendations, Information Requests and Draft Findings are located at [Attachment A](#), [Attachment B](#) and [Attachment C](#) respectively.

OVERVIEW

The Federation’s initial response to the Report was published on their Facebook page on the 21st December 2018.

The proposed relegation of the Veteran’s Department – DVA – to an Agency or Statutory Authority with the Department of Defence is without solid reasoning. Not to have a true Department head or Minister relegates the Veterans and the Veteran community to an extremely low rung on the ladder. Who will listen to the Veteran then? The Defence Department is not equipped – and I suspect does not want to be equipped – to deal with compensation and health issues of their former employees. Their experience with SRCA attests to this.

To dismantle DVA is akin to ‘*throwing the baby out with the bath water*’. What is required now is to repair any sections within DVA that need to be repaired. To this extent, the DVA Veteran Centric Reform program is succeeding. To attempt to ‘reinvent the wheel’ and start again is an insult to the last 100 years of the Australian Repatriation System and all those who worked in that system and who helped many hundreds of thousands of Australian Veterans and War Widows through their darkest times.

This ‘reinvention’ concept was managed unsuccessfully when it was felt that the VEA did not attend to the needs of the then current day Veterans. Instead of repairing VEA for compensation issues and introducing a new Rehabilitation Act, the Government of the Day decided to create a more complex number of Acts – VEA, CECA, SRCA, DRCA, MRCA – in which the Veterans and their Advocates needed to navigate. Now it has been recommended to do it again.

The TPI Federation also is most disappointed that the PC Draft Report recommends the abolition of the TPI/SR and the Gold Card for future VEA claimants and all MRCA claimants.

To infer that Veterans and their Families are to be denied their due compensation for both living and health expenses is against all that the Australian Repatriation System has stood for. It negates the words of so many politicians, of all political spectrums, over the last 100 years, with their many, many, many words of empathy and compassion. They will become mere senseless and unfeeling words if the Draft Recommendations are adopted.

To place this degree of uncertainty on the Veteran community, at that time of year, especially those who may have psychological issues, is to place a merciless strain on them and create suspicion and mistrust on their future prospects for their health and wellbeing.

The PC's recommendations and narrative

- a. To 'harmonise' (mentioned 19 times in the Report) along with the 'normalise' concept is to not acknowledge the very basis of the much-applauded Military Covenant.
- b. To not list 'assumptions' within the report, along with so many items that are listed as 'facts', without any proof associated with them, enforces the lack of legitimacy and validity of the Report.
- c. [TPI Recommendation # 9](#) – *Why is it that DVA does NOT have the data publicly available on 14 years of MRCA clients, when they have decades of figures on the VEA and DRCA clients because poor computer systems are not excuses for this any longer*

To utilise "Unpublished DVA Data" 45 times within the Report is to deny a legitimate discussion by respondents to the Draft Report. How can a contention be made to 'unpublished data'?

- d. There has been reference to publications and reviews that dated from 1976 (Toose 1976 x 32 times, Tanzer 1998/9 x 26 times and Clarke 2003,2010 x 47 times). There have also been references to 'experts' who were employed by DVA in the compensation section from 1995-99 in the case of Mr Reece (6 times), and Mr Campbell who was DVA Secretary in 2008 (35 times). These aged references do not enable a concept of a modern and up-to-date Veteran Support Commission to be sought by the PC. The Report loses its credibility when it tries to enhance the system for the younger cohort that relies on such dated opinions for its argument.
- e. To deny future TPIs, and especially future SRs, true compensation entitlements and have them discarded into a civilianised, profit making, outsourced, and no doubt, into an inadequately funded future regime, would be most foolhardy and reckless and most inept and un-Australian. Australians cares for its Veterans and would be appalled at the thought that they may be integrated into the general population social welfare systems just to save a dollar. There are many instances of how the Australian population recognises the respect they show toward their Veterans – current and ex-serving –
 - i. There is the Joint Media Release of 27 Oct 18 by the Prime Minister, Scott Morrison MP, and the Department of Veterans' Affairs (DVA) Minister, Darren Chester MP with the subject heading of '*Recognising and respecting our Veterans*'.
 - ii. There is the Australian Institute of Health and Welfare's '*Profile of Australia's Veterans 2018*' where they state '*The unique nature of military service means many veterans experience health and welfare challenges above those of the Australian population.*'
 - The general public who attend many of the military memorial commemorations, not the least Anzac Day and Remembrance Day – to name just a few. Will the PC tell all these people that they were wrong?

The PC was initiated, initially, as an outcome of the '*Foreign Affairs, Defence and Trade References Committee – The Constant Battle: Suicide by Veterans*'. Unfortunately, the Federation is most concerned that should the Government accept any of the PC's current recommendations, that the very reason for the FADT Inquiry, which was to attempt to curb the number of Veteran suicides, would be thwarted and possibly increase the very numbers we are all trying to reduce. An example of this is the most recent loss of a Veteran who should not have lost his life this way. This most regrettable loss of life could well have been avoided – see his story at [Attachment F](#).

The Federation insists that irrespective of the first dot point principle for a future system in Recommendation 4.1, there ARE, and WILL BE in future, those Veterans who are

seriously DISABLED, and for whom attempts to ‘rehabilitate’ them to be employed in full work is impossible. Even if they are rehabilitated to sit in a wheel chair and blindly fold papers, they and their families must still be fully compensated for loss of their potential earnings and other opportunities that are due entirely to their Service. Sight of this has been lost by the PC through the economic rationalist, reorganising, devolving and ‘removal of entitlements’ ideology behind the Report.

This Report is an attempt by the PC to re-engineer the Veteran Community into the more general population so that they are no more, or less, than the general population. Their contribution to their country’s security would then be equal to the welfare recipient of many decades. Such disrespect is intolerable.

The PC Terms of Reference were to –

Comprehensively examine the compensation and rehabilitation system

- How it should operate in the future
- Whether it is ‘fit for purpose’
- Whether it reflects best practice
- Review the efficiency and effectiveness of the legislative frameworks
- Consider the Statements of Principles
- Whether it is well-targeted, efficient and veteran-centric

Based on the Federation’s reading of the Issues Paper, it appears to have had a pre-determined finality to it. The point of the PC appears to have been a determination from the outset to devolve DVA into DoD from the outset, purely for economic reasons.

TPI Recommendation # 7 – *NOT* to ‘harmonise or normalise’ DVA clients into Medicare or a private insurance company

The Issues Paper also appears to have a motive to merge all Veterans, and their families, compensation and health entitlements into the general population social welfare services via Medicare, Centrelink and a private insurance company – i.e. to ‘normalise and harmonise’ to the fullest extent. This then denies the Veteran their compensation entitlements and benefits.

DISCUSSION

The Federation agrees that DVA and the Commonwealth Superannuation Commission (CSC) should work together to benefit the Veteran. The Federation also believes that DVA should be a **single DVA ‘front door’** for all liaisons with any other Government Department or Agency for **all** Veterans and their families. The Veteran does not need to be confused by the numerous complexities of the other departments and agencies in order to achieve the best outcome for themselves and their families. These departments and agencies are not aware, and care even less, about what Veteran’s entitlements are, or what their physical, or psychological, limitations may be.

There are so many idiosyncrasies that affect Centrelink, CSC, Department of Health, the Child Support Agency (CSA), MyAgedCare and others, where the individual departments and agencies are not aware of how they affect Veterans in a variety of situations. The Veterans and their families need DVA to act on their behalf, liaise with these other areas of Government, and then advise the Veteran, or Veteran’s family, of the result of that liaison – through their ‘front door’. This DVA liaison must be Government wide.

The Federation must address a misconception that the PC Report stated on Page 19 –

“RSL NSW said DVA’s health card system ‘encourages a view of the system as a contest to be won, with the Gold Card as the prize’”

Having read this in context in the NSW RSL Submission (#113), the TPI Federation commends the NSW RSL for their attempt to change the language of the DVA Health Cards, but after all is said-and-done, regardless of what name the cards have, the holders of those cards must still have the same entitlements.

The PC must be aware that ALL DVA disability clients have a medical condition of some degree. This can be anywhere from 10% disability up to, and including, TPI/SR. When a client is classified as TPI/SR by DVA, (Centrelink acknowledges that the testing of this category is so rigorous that they do not contest the validity of it when assessing other pension entitlements) it is a gross insult to insinuate, or to state emphatically, that it is some sort of ‘prize’ or not conducive to a ‘wellness model’. A sick or maimed TPI/SR is not interested in a ‘wellness model’. They just want their good health returned to them – which is impossible. To insinuate that they are ‘bludging’ on the system and a ‘drain on society’ is demoralising, contemptuous and unfair. A Veteran does not ask for this – they do not want this – but due to their Service they are left in a poorer condition than when they first enlisted.

TPI Recommendation # 8 – *NOT to confuse the entitlements for TPI/SRs health requirements, including pharmaceuticals, for those most disabled Veterans, as they must be maintained as compensation – not welfare.*

To try to economise on the back of their illness by stating that the Gold Card is a ‘Prize’ is just adding to these insults. The Gold/White Card is essential to make it simple for the Government to meet all medical and pharmaceutical expenses for the Veteran’s disabilities. This is a Worker’s Compensation Act entitlement. To debate this is futile. The pharmaceutical costs have already been ‘harmonised’ by now being equal to the general welfare entitlements. Pharmaceutical benefits are now a welfare benefit – i.e. \$6.50 per script – just as a jobless welfare recipient is entitled to. What happened to full medical and pharmaceutical compensation for Veterans?

The Gold Card is about more than rehabilitation. It is also for support and treatment of those injured or maimed and is of key importance to TPI/SRs, but also for others who need lifelong treatment (and compensation) for their service caused condition(s), even while, and after, being rehabilitated to the extent they can be. Permanent loss of hearing, or irreparable back or knees, or the loss of a limb/s are good examples to name a few.

The first statement above – ‘....system as a contest to be won, with the Gold Card as the prize’ needs to be addressed. A Gold Card has been issued for generations to those DVA clients (TPI/SR) whose health, psychological or physical, is of such a condition as to require full medical care. The Government has other Gold Card clients who for a variety of reasons they have deemed it necessary to also give full medical care. They include, but are not limited to, War Widows (which is covered by its own compensation legislation) and those with Operational Service and are over the age of 70 and BCOF Veterans. These are Government decisions that should never be confused with the needs of those TPI/SRs whose medical requirements must be continued and should always have priority over those of other classifications. To put all Gold Card holders in the one interpretation is an injustice to the TPI/SRs.

The DVA (and previously The Repatriation Department) Budget Statements include two Outcomes that must be maintained at all costs.

Outcome 1: Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons.

Outcome 2: Maintain and enhance the physical wellbeing and quality of life of eligible persons.

Page 19 of the Draft Report destroys this deeply embedded purpose to ‘*maintain and enhance*’ of the Repatriation legislation. The entire purpose of supporting the current and ex-serving ADF personnel is for them to have the confidence that the Government will care for them if, and when, they are wounded, or injured, in the course of their Service

to this Nation, as stated in quote #1 on page 1 of this submission. The DVA client community consists mainly of ex-ADF personnel who are 'broken' as a result of their Defence service. To attempt to '*normalise and harmonise*' with '*contemporary compensation insurance*' methodology is to negate the true responsibility that this, past and future, Governments have within their 'Duty of Care' towards their Defence Service men and women.

The definition of wellness is – '*the state of being in good health, especially as an actively pursued goal*' and '*wellness is an active process of becoming aware of and making choices toward a health and fulfilling life*' and '*an approach to healthcare that emphasizes preventing illness and prolonging life as opposed to emphasising treating diseases*'.

The optimistic objective of achieving the greatest extent of 'wellness' for all DVA clients is admirable. The realistic viewpoint is that not all DVA clients are able to manage this. The word 'wellness' infers that those who are reliant on support and health treatment for an extended period are some-how 'bludging' on the rest of the community. To label our most disabled Veterans in this manner is abhorrent.

MRCA is '*far more incentivised to encourage rehabilitation than VEA is*'. The rehabilitation requirements for a Veteran with MRCA entitlements are extremely extensive and intensive. The services available to MRCA clients are far more extensive and inclusive than VEA clients have ever been offered. It is just not possible for Veterans to have '*little incentive for Veterans to rehabilitate and return to work*'...when the rehabilitation services have never been available to them.

As stated many times by the TPI Federation, the error in 2003-4 was to introduce an entire new compensation Act. Utilising 'KISS', the VEA should have been adjusted as required for financial compensation, and then the MRCA would have been able to concentrate purely on rehabilitation. The VEA is, and has been, over many decades, totally suitable for Veterans and War Widows compensation. The compensation arena has been skewed into a convoluted and complex mix of three Acts, which just confuses those administering it, and those who are trying to work out their futures based on them.

The PC Draft Report states '*...the VEA is compensation, not wellness focused (it is based on lifetime pensions and health care – this does not align with contemporary workers' compensation schemes)*'. The DVA submission has agreed with this. Had the PC recommended allowing the rehabilitation sections of MRCA to be made available to all eligible DVA clients (VEA & MRCA), and the compensation sections of VEA be made available to all eligible DVA clients (VEA & MRCA), then the results for all DVA clients may well have been different, and beneficial, but unfortunately, this was never offered.

TPI Recommendation #11 – *Recommend allowing the rehabilitation sections of MRCA to be made available to VEA eligible DVA clients and MRCA remain as only Rehabilitation for all eligible DVA clients*

The TPI Federation would strongly support such a suggestion. If the PC were serious about doing the best for the Veteran, and the Veteran's families, then they would have made such a suggestion.

The pre-MRCA generation are considered with contempt in many areas. It is said that the post-MRCA cohort has different issues than that pre-MRCA cohort. This is true but mainly because the pre-MRCA cohort never had the benefits and considerations that the post-MRCA cohort has. The families, for example, had absolutely no entitlements, or considerations, until about seven years ago. The usual reason given to families at that time was that the legislation did not allow for it.

It is also said that the post-MRCA cohort has a different type of PTSD than the WW2 or Vietnam cohorts had. There is also a reason for this. These two cohorts did not have PTSD recognised so that they could obtain treatment or compensation. After many years

the Vietnam cohort managed to get legislation changed to acknowledge PTSD as a condition. They did this, initially, with the institution by them of VVCS. The early stages of PTSD were not noted by DVA. It is logical then that the post-MRCA cohort 'have a different type of PTSD' because the previous eras did not have it as a recorded condition!

The post-MRCA cohort does not have different issues to the pre-MRCA cohort, but they do have the benefit of having all their issues recognised by Government. The pre-MRCA cohort fought hard for the enlightenment of the Government of the day and, thankfully, the post-MRCA cohort are now able to gain the benefit of this.

Based on this Report, how many of the current post-MRCA benefits will be available for future Veterans, War Widows and their families?

The Federation fully supports the ADSO PC Submission #004 and especially Recommendation 7, which states –

“ADSO recommends that the Productivity Commission Inquiry into Compensation and Rehabilitation for Veterans find that:
*a. the national defence and social consequences of a **purely economic approach** to veterans' support are unacceptable.”*

Governance and Funding

The main contention that the Federation has with the Report is the recommendation to devolve the DVA into the DoD. This is probably the most ill-considered recommendation of all. The 100-year historic value of The Repatriation Department (which has now evolved into DVA) is well known, and often referred to, by many politicians and the general public, as being the very fabric of the Australian ethos and values of the Australian people and their way of life. To denigrate it to a mere Agency or Statutory Authority is to denigrate this ethos and those values.

The longest serving member on the TPI Federation (the Federation) Board (18 years) knows that all past DVA Ministers and Secretaries, during that time have guaranteed that they have no intention of closing down DVA. There have been so many assurances given and it is now inappropriate to renege on that.

If DVA is to be demoted to such an insignificant element of the DoD is to besmirch the Service of those men and women who have died and/or been maimed in mind or body at the beck-and-call of all Governments and the Nation.

The DoD is in existence, and has as its main priority, to defend our Nation. The machinery of war, and training of their people for war and humanitarian missions, is therefore its main core focus. It is not in existence to care for – beyond their period of Service – those who are wounded or injured during Service.

The DoD has tried to care for Veterans previously when it was responsible for the Safety, Rehabilitation and Compensation Act 1988 (SRCA), now known as Defence, Rehabilitation and Compensation Act 1988 (DRCA). In the 1990s, it was decided that this was not being managed to the benefit of the Veterans and the responsibility was transferred to DVA. DoD has already proven where their priorities are – as they should be.

Should there be an international conflict of any magnitude, the lowest priority for the DoD would be to care for those who are wounded or injured. This is to be expected as its main concern is for the conflict at hand. If DVA were to be relegated to just a section within the DoD then it would be extremely difficult, and costly, to reinvigorate a semblance of DVA to care for the wounded or injured members of the ADF.

This entire concept of relegation of DVA to a DoD Agency is narrow-minded and not at all forward thinking and definitely not “*a Better Way to Support Veterans*”. Were this relegation to occur then the DoD would be even less ‘*fit for purpose*’ than DVA is said to currently be for Veterans and their families.

The PC Draft Report recommendation on this stated that:

‘the functions of the VSC should be to:

- achieve the objectives of the veteran support system (draft recommendation 4.1) through the efficient and effective administration of all aspects of that system*
- manage, advise and report on outcomes and the financial sustainability of the system, in particular, the compensation and rehabilitation schemes*
- make claims determinations under all veteran support legislation*
- enable opportunities for social integration fund, commission or provide services to veterans and their families.’*

It should be noted, that the DVA Veteran Centric Reform has addressed all these dot points listed above. If the financial and staffing support for such reforms had been delivered to DVA in a timelier manner, then services and functions would have also been delivered to the Veterans in a more appropriate manner. As usual, financial constraints and efficiency dividends are delaying the complete implementation of these reforms. DVA must have the staff and financial resources to serve their Veterans and their families.

The Compensation Package

TPI Recommendation # 3 – NOT to repeat the incorrect “Package” language for Veteran compensation – Compensation is Compensation and medical and ancillary assistance are totally separate

The Federation made it quite clear in its initial submission (#134 of 27 Jul 18) to the Inquiry, how DVA has misconstrued the word ‘package’ again. The Federation also made a supplementary submission (#145 17 Aug 18) denouncing DVA’s PC submission #125 (specifically Annex 14). This supplementary submission has been totally ignored by the PC. Since the initial interview with the PC (but not as a result of it), DVA, the DVA Minister and the Prime Minister have all stopped calling it a ‘package’. Also, since the initial interview with the PC, the DVA, the DVA Minister and the Prime Minister have all agree that the TPI “needs to be fixed”. Remember a Gold Card does not put bread on the table!

Now the PC has negated this. Why?? Why was our submission ignored on this major and most important point?

This concept of ‘a package’ is so wrong. All compensation clients receive health care and have entitlements to income support without any effect on the actual Compensation they receive. All Australian compensation recipients do not have to include the value of their health care or their income support (which is income and assets tested) when assessing their compensation. There is no such thing as a package. The General Rate (or Pain & Suffering) component of the DVA compensation payment is an actuarial table that was created many decades ago. Whereas, the Above General Rate (Economic Loss) was created in the 1920s and was based on 90% of the Basic Wage. Since the cessation of the Basic Wage in the 1960s, no Government has replaced the benchmark of the Basic Wage. The Above General Rate is to provide compensation for ‘*economic loss*’ which is no longer available through continued employment. The Government and DVA understand this, but apparently, the PC does not.

The Federation also asked the PC to change the language to its correct methodology by noting that the TPI/SR is a Compensation payment – not a pension. A pension infers welfare and the TPI/SR is not welfare. Again, this was ignored!

Boxes 12.6 and 12.7 of the Report compare TPI for two different Veterans. Both examples are PC estimates – not DVA figures. In Box 12.6, there is no inclusion of Superannuation, and the result of the example is that MRCA Permanent Impairment and Incapacity Payments are the preferred option. Both MRCA and VEA have a value for the Gold Card included in the ‘*Package*’. The comparable table in 12.7 has incapacity superannuation and no Gold Card included in the ‘*Package*’. This is a biased and prejudicial comparison of entitlements, which invalidates its results.

Recommendation 12.1

If there is to be a ‘*harmonization*’ of DRCA and MRCA why is it that the previous DRCA clients would not be entitled to a Gold Card? If they have the required permanent impairment points equal to MRCA client requirements then why deny them the benefits of the MRCA Act? This has been one of the biggest complaints from the DRCA clients – their inability to access extended health care. The PC Report is trying to ‘*harmonise*’ and ‘*normalise*’ but at the same time, the DRCA clients are being isolated. This makes the Report even more confusing and conflicting. How many classes of Veterans do we need? Why is it that the PC suggests an option for reform for DRCA clients that should enable MRCA and DRCA to be merged, (see page 546 PC Draft Report) while at the same time denying them some of the MRCA entitlements? If it were a true merging of the Acts, it would enable them to receive MRCAETS. There is obviously a need for the education assistance for the DRCA clients. However, not to give the medical assistance! This is illogical!

If, as stated in the PC draft report, ‘*age-based lump sums under MRCA will mean that some older veterans may receive less compensation under MRCA than they would have under DRCA*’, then why the hesitancy in providing a Gold Card should they have the appropriate number of impairment points. Another example is a Veteran who has dual eligibility under DRCA and MRCA. The Veteran has the top half of the body covered by DRCA and the bottom half by MRCA. Together as a whole of body, under MRCA, would he be entitled to a Gold Card? If the two Acts were to be *harmonised*, how would this affect his impairment points and his eligibility for a Gold Card?

Again, just to amend DRCA to include the provisions of the MRCA permanent impairment approach is still leaving a three Act system. This is not *harmonization*. This is Veteran population re-engineering.

Compensation should always be available under the same rate – the warlike rate. Whether a Service person has operational service or not, they trained for it, were prepared to go when, and if, called upon, and some went. All Defence service should be compensated in the same manner. The Government and the experts (non-Veteran) have created this mess over a number of decades. Now to fix it, the Veteran must again pay the ultimate sacrifice by being denied some of their benefits.

Incapacity Payments should be the same under DRCA and MRCA as well as identical to the war-like payment. The biggest complication to the Incapacity Payment is the offsetting processes. To lose the full total of the Incapacity Payment or SR compensation to the point of receiving a zero balance for compensation may be lawful under MRCA but it is totally immoral.

Draft Finding 12.1 states –

*The principle of not providing two sources of income replacement to the same Veteran is sound. There is **no case** for changing the current offsetting arrangements between government-funded superannuation payments and incapacity payments.*

TPI Recommendation # 6 – *NOT to discriminate after a Veteran's claim has been assessed under the two standards of proof because following acceptance of the claim, all other benefits and entitlements should be the same for all Veterans*

The TPI Federation disputes this finding because the stated 'government-funded superannuation payment' is actually Income Protection Insurance, which was paid for by the Veteran as has been attested to at the recent Senate Estimates (Finance and Public Administration Legislation Committee – 19 Feb 19). The Veteran is then penalised for receiving compensation from an insurance policy that they paid for. Had this policy been with a private insurance company (if it had indeed been available) this offsetting would not have occurred. The Veteran is being penalised for something that they have no control over. Had the Veteran, as a civilian, attended court for a payout then a private insurance entitlement would not have been considered in the final judgement. Yet the Veteran is penalised!!

The compensation is, and should always be, compensation, and the offsetting amounts from the individual's own paid superannuation income insurance should be disregarded as a calculation for their compensation. They have this insurance because they are unable to gain personal income insurance from any other source. To be penalised in this way for having a dangerous occupation is against the Australian sense of 'fair play'.

The Report states that '*superannuation arrangements add to the complexity of the system*'. This is only because it is treated as a Government payment and not an individual's payment. Again, this has been caused by the Government and the Veteran pays the price!!! Simplify this issue by, again, using KISS by treating this as a personal insurance payment. Any Invalid Superannuation Pension does not offset the VEA compensation clients whereas it does with MRCA compensation clients. The Government seems determined to create many tiers of Veterans as they can. This is discrimination. A Veteran – is a Veteran and ALL should receive the same compensation, rehabilitation and health benefits.

Compensation for an Impairment

The Military Rehabilitation and Compensation Act (2004) (MRCA) should never have had the compensation legislation written into it. The Veterans' Entitlement Act (1986) (VEA) was suitable for compensation. To introduce the required Rehabilitation requirements for Veterans would only have required the MRCA to be Rehabilitation only. Government has caused the confusion by having three alternatives for compensation. The Government has never used KISS in any of its legislation for Veterans. As a result, after having had so many reviews, none of which has resolved the issues that the Veterans have and none have been beneficial to Veterans, and which has just added more complexity to an already too complex system.

The PC draft report has pursued another extreme effort to further complicate the Veteran compensation issues.

When a Veteran enlists in a fully fit – psychologically and physically – state (or they would never have been initially accepted into the ADF), then any psychological, or physical condition, that they have at the time of discharge – or within a reasonable period – (as stated in the Statement of Principles (SOP), is statistically attributable to their ADF service – especially knees, backs, hearing, PTSD etc to name a few.

'KISS' needs to be applied to the Veteran's compensation legislation, and conditions, so that it is not more complex, but rather more simplified and usable by all – the

Government, the Department and the Veteran and their families. The current DVA VCR program is already using this method in streamlining accepted conditions.

The Centrelink methodology of accepting, at face value, a diagnosed condition is the simplest method for the medical condition. To push a Veteran from 'pillar-to-post', from Specialist to Specialist, so as to 'prove' a condition is Service related and to then push them, literally, through unrealistic hoops to prove that rehabilitation has been completed in unrealistic time frames is most inhumane. The Veteran is not stupid. No Veteran wants to be treated in any way as 'disabled' but if they are 'disabled' then the legislation should stop pushing them to prove otherwise – when they can't.

DVA's Veteran Centric Reform has developed this concept already by streamlining 40 known common conditions that Veterans usually end up with because of their Service and are therefore already accepted as Service related. DVA's attempt to streamline the processes and procedures is only just in its infancy. They should be given time to progress it further before such judgements are made as to its success or not.

Many foreign countries have commended Australia for the excellent service that it gives to its Veterans and their families. Why retard this progress by trying to equate the Australian Veteran's conditions to others. To belong to the 5Eyes community is one thing, but it is another to try to compete or replicate any of the poorer quality systems. This is an extremely backward step for our Veterans' Compensation and Health system.

Other benefits, such as MRCA education and training scheme (which should also be available to VEA and DRCA eligible clients), household and attendant services and the motor vehicle compensation scheme, although relatively small, they are no less an essential part of the services that should remain available to those who really need them. To deny them just because the payments are relatively small is not a 'wellness' solution but rather a denial to those in need.

The absolute need for a '*permanent and stable*' condition to be assessed is inflexible for the Veteran. In many instances, the condition cannot be stabilised and the compensation decision remains in limbo for an indeterminate time. This is most unhelpful to the Veteran and the Veteran's families and their well-being. There needs to be a provision for '*permanent and unstable*' so that the processes and procedures can be concluded.

Any fear of the Veteran '*being overcompensated for impairments*' is totally unfounded. Statistics have shown that the fraud rate in the Veteran community is as low as less than 3%. This is far, far removed from the fraud rate within Centrelink. Why is the Veteran and their family being punished more than the average population in this way?

The number of DRCA clients that would be eligible for a Gold Card should DRCA and MRCA be merged would also be minimal. If the DRCA clients have the equivalent MRCA points, or the combined DRCA and MRCA points) would make the DRCA client eligible for a MRCA Gold Card why should this be denied? If previous eligibility has been established, and points given for each disability, why deny such a small number of DRCA clients an equal entitlement? This is not logical or fair even though it may be fiscally preferred.

DRCA clients still require full compensation while they go through the processes of trying to improve their medical conditions. Should they succeed that is the ultimate and compensation would then cease. Should they NOT succeed then the compensation would continue. Where then is the likelihood of '*overcompensated for impairments*' like to occurring?

To attempt to align the DRCA with MRCA and remove any possibility of the DRCA clients utilising the points allocated to their disabilities in order for them to, possibly, be eligible for a Gold Card is both mean spirited and discriminatory. Should these disabled

Veterans be ‘forced’ to merge with MRCA they should then be entitled to the same benefits and entitlements that MRCA may have.

In fact, for our most severely maimed people and their families the sacred trust and covenant between them and the Nation MUST NEVER EVER BE BROKEN FOR ANY REASON, or abused by constant reductions, or financial rearrangement of their compensation. The only principle should be ‘*what is best for the Veteran and their families*’ – not ‘*what savings can be made here or there*’. This cost-cutting, or cost-saving, only insults the Service the Veterans have given.

Compensation for economic loss

“Better targeting the compensation package?”

Incapacity payments should be targeted at the economic loss actually faced by veterans. The compensation package would be better targeted if the remuneration loading was removed, and replaced with superannuation contribution for veterans on incapacity payments who:

- *have been on incapacity payments for at least a year*
- *are not eligible to receive a defined benefit superannuation payment*
- *are not receiving an invalidity pension through their military superannuation.*

Not only would this better target the economic loss faced by veterans, it would also target support towards those veterans who most need it — those who are facing long-term disadvantage as a result of their impairment.”

The Federation asks that the PC look at these three conditions and advise just how many current and future MRCA clients would not have an ‘*invalidity pension through their military superannuation*’ (page 525) available to them? This section negates itself. Under the current Superannuation laws, every ADF person would have to contribute to the Defence superannuation fund of the day. A defined benefit scheme has not been available since DFRDB closed. If a Veteran were deemed by CSC to be eligible, they would indeed receive an invalidity pension. There is no one left in the system to pay incapacity payments. This is not a logical argument. This would entail the total demise of the compensation system, as we know it – which is what is wanted by the ERC.

The Veteran community really needs a strong DVA and DVA Minister to take on the ERC, especially on necessary expenditure to meet uncapped non-discretionary government obligations!

‘Special Rate Disability Pension’ (SRDP) Compensation – page (526)

TPI Recommendation # 2 – *That the ‘Economic Loss’ component of the TPI/SR Compensation payment be re-examined and corrected as it currently stands at only 63% of the gross minimum wage*

The TPI/SR ‘economic loss’ compensation, which currently equates to 63% of the gross minimum wage, shows that the DVA TPI/SR compensation is not adequate in itself, as compensation, for not being able to be employed, and for not being able to save any form of superannuation for their retirement. This was shown dramatically in the graph that was presented in the Federation’s original submission (#134), and which is ably explained by the graph attached at [Attachment E](#).

The privilege of an extended working life is not given to TPI/SR clients. Some TPI/SR clients are extremely young – 30 or 40 years of age – when they have no choice but to

rely on their compensation. They do not choose to be TPI/SR. It happens because of their accepted, Defence caused, physical and/or psychological conditions.

To combine items, such as Service Pension, Income Support, Gold Card, War Widows compensation etc, into a '*package*' negates the true meaning, and intent, of compensation for the most disabled Veterans. This suggests that the TPI/SR is already equal to the tax-adjusted minimum wage. This nullifies the 'pain and suffering' compensation for TPI/SRs (i.e. the General Rate) that is granted to DVA Compensation clients. The General Rate clients are still able to earn whatever they can, and improve their superannuation, without restriction, for their full working life up to retirement while still being compensated for their 'pain and suffering'.

Contrary to this Report, there is an overwhelmingly powerful case for increasing the amount of the Above General Rate compensation (which is compensation for no longer being employable) to the tax-adjusted minimum wage for those Veterans who are unable to work as result of the Defence caused wounds or injuries.

The PC has been extremely remiss with regard to the Federation's compensation claim. It is important to point out that the PC is using the same improper philosophy that DVA, and the Minister, used for some years up until their agreement to the Federation's rightful compensation claim in late 2018. The PC is egregiously using a flawed theory in persisting in combining any welfare payments, which may be received by some, with the Gold Card benefits, into the '*package*' concept, to promote the idea that there is already a sufficient compensation for TPI/SRs.

The Report states that '*Only about 15 Veterans received more than \$10,000 through the SRDP over the lifetime of the MRCA as of July 2017*'. These figures have not been proved and are incorrect when compared to the figures that DVA has provided over the years. According to the June 2018 Pension Summary there are –

59,001 War Widows

88,811 total VEA clients – including 27,564 TPIs under VEA.

147,812 total VEA clients = 82% total DVA compensation clients!

In the DVA Annual Report – 2017-18 it is stated that there are –

14,150 – DRCA Permanent Impairment

1,874 – DRCA Incapacity Payments

16,024 – Total DRCA clients

12,414 – MRCA Permanent Impairment

3,893 – MRCA Incapacity Payments

16,307 – Total MRCA clients

32,331 – Total post-1999 clients = 18% total DVA compensation clients!

It should be noted that the DVA Annual Report for 2017-18 does not note any SR clients under MRCA. This proves that the SR is not promoted to younger Veterans who just MAY BE better off with SR! It should also be noted that the DVA produced March 2017 'Stats at a Glance' note –

25,224 – MRCA Veterans, which includes –

9,028 – Permanent Impairment

3,121 – Incapacity Payees

51,926 – SRCA Veterans, which includes –

13,226 – Permanent Impairment

1,800 – Incapacity Payees

In October 2017, the DVA Statistical Section provided the Federation with a total number of MRCA SR clients as being 273. Why is it that this has not been acknowledged in the report? This, again, is a re-engineering of the DVA compensation clientele to '*harmonise*' and '*normalise*' them into the general population.

Is there a reason the numbers do not add up here? Why are Veterans just taking the lump sums and losing any further compensation entitlements for the rest of their lives? Is this satisfying the Government's Duty of Care to their employees?

It should also be noted that the older VEA clients are still clients. The PC has forgotten and neglected the other 82% of DVA clients who are still covered under VEA (and will be for over 50 years) in their attempt to re-organise compensation to a negligible entitlement and to help the Government to deny their responsibility to those who they send into harm's way. This large group of Veterans, which include WW2 and Vietnam Veterans (who all fought for the entitlements that the younger Veteran now have the privilege of receiving), must still have the support of their Department as promised by their forefathers. This must never be denied to them.

The only reason given for the younger Veterans not to take up the SRDP, according to the PC, is that the *'incapacity payments are more generous than the SRDP for most young Veterans'*. This could not be further from the truth. The reasons this could occur includes, but is not limited to,

- a. recommendations by many Advocates,
- b. the recommendations by Financial Advisors, causing confusion to very young Veterans who see such large sums of money entice them, and not always being honest or truthful.
- c. the attraction of large sums of money to young people who don't think about their future requirements; and
- d. and the recommendations of DVA.

The Government has neglected its Duty of Care by literally throwing large sums toward the younger Veteran who will sometimes spend it wisely with buying a home or investments. However, when, because of the Veteran's medical condition, a spousal partnership ends, the home is sold and the Veteran ends up with perhaps half his compensation, and so the compensation dwindles away. Some Veterans just spend the lump sum and, as a lotto winner might do and end up broke in a few years. Very few Veterans have the wherewithal to manage such large sums for the remainder of their lives. The Government should take some responsibility for this. After a few years the Veteran realises that with the lump sum spent, that they then have no way to survive when their Defence caused wounds and injuries interfere with their employment opportunities. Their only other choice is to stand in the Centrelink queue. Is this what is wanted for our Veterans?

Given that not every Veteran on Disability Payments will survive until their estimated actuarial life expectancy rate, has the Government asked an Actuary to calculate how much the Government would save if they only paid compensation on a regular fortnightly basis? Some Veterans will survive until their 40s, 50s, 60s or 70s or up to their life expectancy rate. Yet the Government has paid them all a lump sum compensation based on a full life expectancy!

The Federation, under the guidance of the then President, John (Blue) Ryan OAM, strove to ensure that the Special Rate (SR) be incorporated into the MRCA in 2003. The reason for this was to ensure that those Veterans who could not be rehabilitated to the point of being able to return to work, would have a 'Safety Net' that would ensure their financial and medical security and that their compensation would continue to support them. This is not a failure of any 'wellness model' or attempts to rehabilitate, but rather just an honest assessment that the Veteran can no longer be employable. The Report is attempting to close this avenue of compensation to the younger and future Veterans. This goes against all compensation methodology, as not every wounded or injured Veteran can be rehabilitated. There must always be a safety net for them.

Compensation was designed previously to support the Veteran and their family – not destroy it. This would be a huge failure of Government policy, and responsibility were it to be accepted.

Financial Advisors are a huge cost to the Government because when MRCA was deemed too complex for the Veterans, it was decided they needed financial advice. Unfortunately, as is known, the only way for a Financial Advisor to earn an income is if they ‘encourage’ their clients to at a minimum invest in something from which they are able to gain a commission. They do not gain a commission from advising to Veterans to take regular fortnightly compensation. This is not always in the best interest of the Veteran but the Government can say they tried by having a provision for this suspect advice. The recent Banking Royal Commission highlighted and exposed the failures of many financial advisors. Does the Government take responsibility for having given the Veteran the wrong advice to approach a financial advisor?

Again, a huge failure in the Duty of Care!

The legislation, over time, has diminished to such a poor level, that the MRCA SR is rarely considered in the final decision making process for the compensation. In the Report, DVA is quoted from their submission that the SRDP *‘is complex to administer and can act as a barrier to employment’*. If the Government can make something more complex, then it is more likely it will not be utilised or understood. How can that be a *‘barrier to employment’*? It is the offsetting, not the SRDP, that is too complex to administer. The only *‘barrier to employment’* is the ability, or not, to work.

This does not hold for the TPI under VEA as it has never been too *‘complex to administer’* and has been so for many decades. So why should the exact same payment under MRCA be more *‘complex’*. Because of the immoral aspect of offsetting. The VEA does not have any offsetting for superannuation because the Invalidity Policy portion of their superannuation cannot be considered as *‘double-dipping’* whereas for MRCA it has a double standard and is considered as *‘double-dipping’*. This is duplicitous and discriminatory.

The language used by the PC in this section is quite disturbing. Phrases such as *‘labelling themselves as totally incapacitated for life’* is not what a TPI or SR Veteran does or want. They push themselves, at times for many, many years, to the point where they cannot go on-and-on and they then *‘Hit the Wall’*. They then have the security of the TPI/SR compensation and health care, which then becomes one less thing they have to worry about. The VEA TPI never had the option for incapacity payments of 75% of their discharge pay, so to say that having achieved a job of \$40,000+ (in many cases over \$100,000) and to then *‘label’* themselves as TPI is some type of joyous success is described below. It is also very disparaging to the Veteran and the Service they have given.

NO ONE CHOOSES TO BE TPI/SR
THIS IS A GROSS INSULT AND
EXTREMELY DEMEANING TO THE TPI/SR.

The TPI Federation’s notation that the superannuation offsetting affected MRCA SRDP was noted in the Report. The simplest solution to this would be to remove the SRDP offsetting arrangements as it is under VEA.

Recommendation 13.6

TPI Recommendation # 4 – NOT to remove the MRCA SRDP access for younger Veterans

The TPI Federation objects strongly to this recommendation to remove the SRDP from MRCA just for convenience sake. Even so, few are taking it up then the costs and so-called reduced incentive to return to work would be extremely minimal. The TPI Federation insists that the MRCA SRDP remains as a safety-net as originally intended.

Changes to eligibility for the service pension and other welfare payments means that the package of compensation received by veterans on the special rate of disability pension is reasonable. Despite strong veterans' representation on this issue, there is no compelling case for increasing the rate of this pension.

The TPI Federation is most concerned that the PC Draft Report does not reflect on either of our submissions (#134 & #145) given to this inquiry on the need for an adjustment on Economic Loss component value of the TPI Compensation Payment. The Federation explained this issue perfectly clearly. The Draft Finding 13.3 demonstrates a lack of comprehension of the explanation given to the PC on this. Compensation is **compensation** and welfare is **welfare**. They should never be conflated.

Page 22 – VCR Program

The PC statement that '*...the objective of the VCR program is to create an agency focused on policy, stakeholder relationships and commissioning services*' is incorrect.

Its intention was not as stated (and has not been stated at ESORT level) but rather to enable the Veteran's department to concentrate on the needs of Veterans' and their families and to institute the means and methodology by which the best care can be given to them. This would then mean that the Department would be more '*fit for purpose*' than any other thought bubble might produce. For the PC to have this viewpoint from the outset shows the bias that has been shown throughout the Report for the concept of an '*agency*' and other non-veteran centric applications.

Page 26 - Transition

The fact that '*Transition support services are not highly rated by participants*' – indicates the ineptitude of DoD to even process transition let alone something as important as compensation and rehabilitation. If the funding and resources that would need to be literally thrown at DoD to achieve this perceived '*fit for purpose*' value then why is it that the same funding and resources (and the cessation of the efficiency dividends) could not be thrown towards DVA? DVA not only has a perceived '*fit for purpose*' value but also actually applies it to their Veterans and their families. It can be noted from [Attachment D](#) – a snapshot of DVA staffing 1990 – that in 2016 when the chart was created that the total APS staffing declined in the 1999-2000 era and then had a sharp increase up to 2016. The DVA staffing level however, had the same steep decline until the 1999-2000 era but continued to remain at the lower level up to, and including, 2016. The Government budgetary requirement for efficiency dividends exacerbated this downturn dramatically.

DVA has been able to continue to provide services and support for their Veterans at a reasonable level despite this emaciation of their staff who had the corporate knowledge of the Veteran's needs and how to support those needs as their main aim. Following on from this the Department was accused of not supporting the Veteran community in a full and knowing manner. With the resources Government gives them, it is a wonder they are able to continue at all. The Government has watched as the staffing levels have dwindled and the way the remaining staff have been ostracised by a few unsatisfied Veterans. The Government has not tried to rectify this in any way. This issue has been created by Government and not by the staff or the Veterans.

The Veteran Centric Reform that was commenced by DVA, under the guidance of the current Secretary, a couple of years ago, has made a huge difference to the Veteran Community and the Department doesn't need the Report to demoralise its staff and potentially slow them down from continuing with this wonderful reform.

Page 118 – Remuneration includes compensation

*'as a guiding principle, the 'unique nature of military service'
and the 'element of exposure to risk of injury/disease arising out*

of, or in the course of, employment’ are best accounted for in the remuneration arrangements during military service rather than the compensation arrangements after injury the new scheme should be funded by a ‘premium’ calculated by the Australian Government Actuary and paid for by Defence (Tanzer 1999, pp. 91–98)’.

ADF personnel have to fight for fair and equitable wages with the Defence Force Remuneration Tribunal (DFRT) on a regular basis. The recommendations stated in submissions FAD&T #378 and this inquiry #049; ask that the remuneration of ADF personnel be taken to include any potential compensation payments that may be required for their health and well-being. The DFRT need to adjudicate on R&Q, uniforms, technical categories, salaries. The ADF personnel fight just as hard to be able to pay their rent and utilities as the rest of the population. To suggest that ‘the risk of injury/disease arising out of, or in the course of, employment are best accounted for in the remuneration arrangements’ is, again, unconscionable. This would negate the entitlement of one only – just one – sector of the Australian population which is not entitled to any form of compensation should they be wounded or injured. The reference of a 20-year-old idea from the Tanzer Review on this is not keeping up with the contemporary thinking that this inquiry is meant to project.

Page 122 - Superannuation

CSC Superannuation is a good example of how a new scheme usually leaves the Veteran worse off – e.g. DFRDB – MSBS – ADF Super. Once a new scheme is introduced it becomes obvious to all that the previous scheme was the preferred option – but it then becomes too late. This happened when SRCA and MRCA were introduced but the issues were never addressed.

Page 126 – Generous Package

‘When considered as a package, compensation provided by the system is generous (chapter 12), and the eligibility rules have numerous traits that are ‘beneficial’ for claimants’.

“The MRCA and DRCA both also offer incapacity payments to compensate veterans for their lost wages resulting from their condition. These payments generally offer between 75 and 100 per cent of the difference between their pre and post-incapacity earnings.”

The word ‘generous’ is mentioned 44 times in this report and NDIS 10 times. Is 63% of the minimum wage ‘generous’ when compared with the MRCA Incapacity Payments of 75% of the pay they had in Service a fair and equitable compensation?

Page 127 – Loss of ‘pain and suffering’ compensation

“Veteran compensation is generally provided for lost wages due to their condition (‘economic loss’) and for pain and suffering (‘non-economic loss’).

The VEA blends compensation payments for both loss of income and pain and suffering in its ‘disability pensions’. This pension is payable at four different base rates depending on the level of impairment, age and the ability of the veteran to work: the ‘general rate’, the ‘intermediate rate’, the ‘extreme disablement adjustment rate’ and the ‘special rate’ of disability pension (previously referred to as ‘TPI’ — totally and permanently incapacitated).”

The Federation disputes this contention. The 10%-100% **disability** compensation rate does not include any form of ‘**economic loss**’ compensation mainly because until they are increased to the TPI/SR level they do not yet have any loss of income to compensate.

The only time ‘economic loss’ is included is when the Veteran is no longer able to continue in paid employment for any more than eight hours (or ten hours for MRCA) per week. This must be verified by medical evidence and employer’s reports – it is not just handed out.

This is not a desired position for any Veteran. To then ***blend compensation payments for both loss of income and pain and suffering*** into the TTI or TPI compensation means that the most disabled Veterans have ***no entitlement to ‘pain and suffering’ compensation***. How can this be just and fair?

The VEA TPI Veteran never had the benefit of the option of 75% of their discharge earnings. They never had the facility of the vast rehabilitation services that the contemporary Veterans have. This is not to denigrate the improved services that they do have, but rather to point out the difference. The TPI/SR is now being ‘dis-acknowledged’ because of this.

The word ‘generous’ is used 44 times in the Report. What is wrong with a Veteran compensation scheme being generous towards the Veteran, who has actually defended their Country in many, many ways, and as a result is now wounded or injured and unable to maintain a normal lifestyle, such as mortgages, rent, education, food, utilities etc? The PC seems to infer that this type of Service is of no significance and should just be ‘normalised and harmonised’ into the general population!

Page 147 – Social Insurance Schemes

Why is a Veteran entitled to more than ‘...best practice features of workers’ compensation and contemporary social insurance schemes...’? Workers Compensation and contemporary social insurance schemes are not aware of the conditions of Military Service and their effect on Veterans and their families. This is why the ‘Uniqueness of Military Service’ has been explained, and accepted, many times. It is a well-accepted concept by the Australian Government and the general population. Many politicians and Governments have stated they will care for the defenders of this Nation. The Report states on page 79 – ‘military service is clearly a unique occupation’ and page 82 – ‘Serving in the ADF is likely to be more dangerous than most civilian occupations’.

The medical requirements of Veterans and their families are well documented and have been stressed in many of the submissions of the Foreign Affairs, Defence and Trade References Committee (FADTRC) ‘The Constant Battle: Suicide by Veterans’. To devolve DVA into a basic compensation agency for Veterans would be to disregard the submissions and the findings of that Inquiry. It would be a backward step and actually cause more angst to Veterans, especially to families, who would then be ignored under a civilian compensation system.

Page 544 – Education Schemes

‘Options for Reform’ in the Report indicates that a ‘trade-off’ is required for the proposals to take place. Why is a ‘trade-off’ required for the Veterans and their families who have given their all for the security of this country and now have to pay the price again in ‘trade-off’s.

An example of the importance of this allowance was received from a Veteran whose name is withheld for privacy reasons. He stated –

“As a younger veteran (medically discharged in 2016 after 31.5 years), aged 51, the education and work allowances/entitlements have been of valuable assistance to both my sons, now aged 25 and 20.

The eldest can clearly articulate the issues he encountered whilst I was deployed numerous times and the battles he faced during his school years (9 schools) and the ongoing process of trying to decide on a career, in the forefront of his mind and his priority during his school years was to ensure

“mum” was ok whilst dad was doing what he had to for “work”, wherever that may have been. This severely impacted on his schooling and this obviously impacted on career decisions. It took him until he was 21 to decided that he would become an electrician. He received DVA entitlements whilst completing TAFE courses, these payments went towards fuel and basic course requirements.

The youngest has also started down this pathway and as at today, commenced a TAFE Course with the associated DVA entitlements, however, his story is different. He completed school in 2016 and he experienced the full blown medical issues that I faced during my last 2 years in the ADF and the complete failure of the Dept of Defence - Army to administer my discharge. He assisted with day to day living requirements and sacrificed his working/career choices to be on call to assist as required. He suffered economic loss during these years and continues to do so.

Both my children have received counselling at various levels, one particular councillor noted that he could not assist as the one simple question that was asked he could not answer in an appropriate way. My son was 12.

Veterans children make and continue to make ongoing sacrifices during their educational years. This allowance should not be based on income/means testing or any other testing basis, it is an allowance to ensure that they are not left behind other children/dependants any longer.”

A further response that has been received is –

“I can also agree that the contingencies of service life can be devastating to the education of dependants, it was one of the reasons I chose to discharge at 21 years’ service (albeit my child was much younger than XXX's) but had already been in three different education systems at 7 years of age including an international school. I should also add I took a 12% penalty on my DFRDB entitlement as well, to ensure our child could stabilise in an education system - such were our concerns.”

TPI Recommendation # 10 – *NOT to remove the allowances that assist those who have disabilities and hardships that require those allowances in order to attempt to maintain their quality of life*

These stories can be repeated many times over. The Report concentrates just on the financial aspects of this. The real “better-target” for all Veteran allowances is those Veterans, and their families, who are not able to live a ‘normal’ life because of their Service. Those allowances make life more bearable for them. Comparisons can be made to all types of civilian allowances but none of them would have the same hardships or inconvenience to life that the Serviceperson and their families have.

Repetition Data

The following words have been acknowledged and/or recognised within the Report a number of times. Is there a pattern?

ESOs	Statistical
ADSO = 12	Actuarial = 22
PVA = 12	AGA (Dept Aust Govn Actuary) = 127
RAAC = 13	Unpublished DVA Data = 45
RSL = 99	Words
TPI Federation = 9	Abolish = 7
War Widows Guild = 1	Compensation = 1252
Government Entities	Economic Loss = 27
Aged Care = 13	Families = 433
Foreign Affairs, Defence & Trade (FADT) = 69	Generous = 44
NDIS = 19	Gold Card = 186
Individuals	Harmonise = 19
Campbell 2008 = 35	Key Performance Indicators = 2
Reece 1995-1999 = 6	Prize = 4
Sutherland = 33	REMOVE = 86
Reviews	Reward = 8
Clarke Review 2003, 2010 = 47	Suicides = 141
Dunt 2014 = 5	Unique Nature of Military Service = 9
MRCA Review = 7	Veteran Support Commission = 92
Tanzer 1998 –1999 = 26	Civilian Companies
The Constant Battle: Suicide by Veterans = 5	EML (civilian compensation company) = 17
Toose 1976 = 32	Maurice & Blackburn (Solicitors) = 14

CONCLUSION

The TPI Federation (Federation) is deeply disappointed and concerned with the Productivity Commission's Draft Report on Veteran's Compensation and Rehabilitation.

The Report appears to have had a pre-determined finality to it. The prescribed purpose appears from the outset to have been to devolve DVA into DoD, purely for economic and fiscal reasons. A similar savings imperative seems also to lie behind a number of the Recommendations. The Federation gained a clear impression that in the quest for administrative efficiency, financial sustainability and affordability, sight has been lost entirely of the *overarching need to improve the wellbeing of veterans and their families* – above all else.

The Federation totally rejects the PC's recommendation for the closure of our Department of Veterans' Affairs (DVA) – in favour of a quasi-Agency or Statutory Authority being created within the Department of Defence (DoD).

The Federation is aghast at the recommendation to abolish the 100-year definition and provision of Totally & Permanently Incapacitated/Special Rate (TPI/SR), as well as the recommendation to abolish the Gold Card.

The Federation urges the Commission to recognise that the DVA's Veteran Centric Reform (VCR) program is succeeding. To attempt to 'reinvent the wheel' and start again would be an insult to the last 100 years of the Australian Repatriation System, and all those who worked in that system and who helped many hundreds of thousands of Australian Veterans and War Widows through their darkest times.

The PC has forgotten, or does not understand, that ADF personnel are not 'employees'. They also do not understand what the current and future Veterans and family's needs are or will be. All those involved need to be reminded, that they all have a responsibility, and a '*duty of care*', to ensure that people sent into harm's way must be looked after.

This responsibility does not end when the band stops playing, or the television cameras are no longer running or the ceremonies dedicated to other eras are over. All these things are important to remind people of the commitment made by politicians, both past and present. However, without a system that backs those pledges and ensures our Veterans a decent future, the whole process is completely hollow and cynical.

If this Report and its 48 recommendations, progresses further, it will do much harm to the Veteran Community. Notwithstanding the VCR program, it is likely to increase the suicide rate of Veterans and it will not improve the '*fit for purpose*' outcome for the Veteran Community. It will be a huge backward step for the entire country.

Ms Pat McCabe OAM
President
TPI Federation of Australia

Productivity Commission Draft Report Recommendation TPI Federation Comments

Recommendation 4.1

There are many unexplained assumptions in this recommendation, as well as a number of others. Rash statements have been made, and then stated as fact, by the entire Report. For example – in this recommendation there is a statement - “*restoring injured and ill Veterans by providing timely and effective rehabilitation and health care so they can participate in work and life*”. This is a wonderful utopian aim or all disabled Veterans but there is a huge, vastly utopian, assumption here that all wounded and injured Veterans will actually be able to participate in some form of “work and life”. There must always be provision for those who cannot achieve this. There is a re-engineering of language, which only enables the Government to ignore the obvious – that there will be those who do not have the “ability” but rather have a “**disability**”. This inevitably leaves the most disabled Veterans disassociated and feeling inept in the “life” they are trying to maintain. The final dot point stresses the actual outcome that the PC is attempting to achieve – “*financial sustainability and affordability*”. This statement indicates that what the Veteran has already given by way of their Service is not fully understood, or comprehended, by the PC.

Recommendation 5.1

The DoD needs to ensure that Veterans who report wounds or injuries are not penalised in any way – either financially or on their deployment or promotional schemes – so that the Sentinel can be fully maintained as a true record of the Veterans Service and medical history. DVA and DoD would then have a transparent insight into the Veterans healthcare needs. This transparency is already occurring between DVA and Centrelink and has already started to occur with DVA and DoD. This Defence issue needs to be addressed by them.

Recommendation 5.2

DoD needs to improve its rehabilitation processes, especially for recruits and junior Defence members. The Report does not indicate in any way how DoD would be any more ‘fit for purpose’ than DVA currently is.

Recommendation 5.3

This would only be relevant if some of the reckless, ill-informed and non-researched suggestions and notions in this Report were to be accepted by Government.

Recommendations 6.1 – 6.3

This is obviously the way it should be! DoD and DVA are working towards this with the DVA VCR project.

Recommendation 7.1

DoD has tried, for a number of years, to get the transition of Veterans organised to a point where there is equitable treatment in CTAS and Rehabilitation. As DoD did with SRCA, perhaps it is time for DoD to acknowledge that this, too, is not their core business, and ask DVA to organise the transition as well as the rehabilitation for all Veterans. This could be achieved under the current VCR project and it would also enhance the ‘fit for purpose’ purview for Veterans.

Recommendation 7.2

DoD already has this responsibility and the success rate for Veterans is minimal.

Recommendation 7.3

DoD should not have any responsibility for Veterans following their discharge from Service. For a successful transition for education and medical requirements, there is a need to have just one co-ordinator. That should be the responsibility of DVA.

Recommendation 8.1

[TPI Recommendation # 5](#) – *NOT to continue the mistake of the various tiers of Veterans – Operational, Non-Operational, and their associated variations as a Veteran is a Veteran*

The Federation disagrees in part with this recommendation. To “*harmonise the initial liability process across the three Veteran support Acts*” would deny the Veteran with Operational Service the lower standard of proof for their claims. Once a claim is accepted using the two standards of proof, DVA benefits following on from the result of the claim should not have two standards. Once any claim – operational standard or non-operational standard – is accepted by DVA then any Veteran is a Veteran and there should be no distinction when accessing rehabilitation and medical requirements.

Recommendation 8.2

Agree

Recommendation 9.1

Agree – they have provision on their website for publicly available publications.

Recommendation 9.2

Agree – but the staff turnover (which is extremely difficult to control) is a major problem. Case Managers for complex cases are a well-intentioned initiative, (and has proven to be most successful) but when they have a staff turnover problem, the complex cases become even more complex. It is just adding to the individual Veterans problems. This needs to be addressed by DVA.

Recommendation 9.3, 10.1 – 10.4

The Federation is not aware of the full ramifications of this recommendation as it is out of their range of its expertise.

Recommendations 11.1

Disagree – DVA has a ‘policy group’ that already reports to a DVA Minister. Why is the PC recommending moving the ‘Lego blocks’ for no apparent gain to the Veteran?

Recommendations 11.2

Disagree – again just moving the ‘Lego blocks’ for the sake of being seen to supposedly having achieved something. It may be sound financial advice (as far as the ERC is concerned) to consolidate a full working Department into an insignificant Agency, within a huge Department, but it is not, in the view of the Federation, to be best for the Veterans and their families including the contemporary Veterans and future Veterans. DVA has the knowledge and the expertise to assist Veterans and their families. Does DoD have this expertise or enthusiasm for such work? What would this do to the Veteran suicide rate?

The PC is attacking the wrong issue. DVA needs some adjusting in order to assist the contemporary Veterans, but to dismantle DVA is showing a lack of foresight, and insight into just what a Veteran is.

The DoD has as its core business to prepare for a war-time situation in acquiring the machinery for war and then to train those who will go to war. It has been seen with the DoD inability to cope with SRCA and a number of smaller ‘agencies’ already within DoD, that it is not a priority for them. Does DoD want, or need, such a responsibility?

There are so many unpublished and unfounded assumptions in this recommendation that the proposed concept is without substantial foundation. The proposed functions of this VSC is exactly what the VCR project has already commenced. What is the cost of this type of replication?

Recommendation 11.3

Agree in principle but disagree in suggested members of such a board. To have civilians ON the board is contrary to the idea of ‘Veterans advising the Minister’. To have expert attendees on specific subjects is always welcome but is not necessarily in the best interest of the Veterans to have them as permanent Board Members. Civilian insurance, worker’s compensation, public policy and legal fields fall into this category.

DVA does need to reassess their consultative forums. The current forums – ESORT (ESO Round Table), NACCF (National Aged Care Consultative Forum), YVF (Younger Veterans Forum), OWP (Operational Working Party) and FVFF (Female Veterans and Families Forum) – bring many important and relevant issues to the attention of the Department. It is not apparent, however, that the issues are escalated to the Minister and if he has a view on the issues. The issues raised at these forums do not seem to obtain a result, in either the positive or negative. All these forums already report to the Minister via the minutes that are produced. It needs more than that. The Minister needs to actually attend, if possible, or at least provide a response to issues raised. This response should not just be a departmental response with his signature, but rather the Minister needs to actually show interest in the issues by responding directly to the Forums.

Recommendations 11.4

Disagree – the AWM are expert in the field of domestic commemorations. To transfer the commemorations section of DVA onto the AWM platform is, again, just moving ‘Lego blocks’. What does it really achieve?

Having argued that the DVA should be transferred to Defence, it is obvious that the PC had to find some way of reallocating the Commemoration function! Perhaps the AWM can adequately handle the extra responsibility. But the point should be made that the Commemorative function is very capably handled now by DVA. They are actually ‘fit-for-purpose’ for this. The Federation suggests that Government would most probably think likewise. The case for the move has not been made beyond that if DVA doesn’t exist, Commemoration has to go somewhere.

Recommendation 11.5

Disagree – DoD is not a Department that should have the responsibility of the Veteran community. They should only be responsible for the security of Australia and its people. The current DVA system is a “fully-funded compensation system” as an uncapped support system for all, current and future, Veterans in need. This recommendation suggests there are more subtle nuances within the recommendation that DoD, DVA and the Veteran community should be wary of.

Recommendation 12.1

Agree in part and strongly disagree in the second paragraph – it has been obvious for many years that the DRCA should be integrated into MRCA.

The need to integrate DRCA into MRCA, but with the caveat that the DRCA clients would not have access to the Gold Card even if they have the MRCA equivalent in the number of disability points, is unfair for those Veterans concerned. It is abhorrent that

this discrimination should even be considered, without being beneficial to all affected Veterans. An injured Veteran only covered by an incorrectly adopted compensation system in 1988 should not be penalised for being under the only available incorrect system of the day. If these wrongs are to be finally corrected with the integration of DRCA with MRCA, then full benefits and entitlements should also be corrected to those affected Veterans.

Recommendation12.2

Agree – as this is already occurring under the DVA VCR project.

Recommendation 13.1, 13.2 & 13.3

The Federation is not aware of the full ramifications of this recommendation as it is out of their range of expertise.

Recommendation13.4

Disagree – this appears to be another contention where hard-fought for benefits are to be removed without any solid supportive alternative evidence to attempt to improve the current system. To deny payments to Veterans for their dependant children and other eligible young persons is to attack extremely vulnerable young people by insinuating that their parent's Service was of no value.

Recommendation13.5

Disagree – a concerted effort should be made to investigate where the current lifestyle rating could be improved.

However, it is the Federation's impression that the Pension Officer would like the lifestyle rating to be adjusted to reflect what the community norm is. We are Veterans and not civilians covered by Comcare or any other compensation acts.

Recommendation 13.6

Strongly disagree – the need for the MRCA SRDP is vital as a safety net that can provide financial and medical support to those most disabled Veterans. A past TPI Federation President, Blue Ryan, insisted on the inclusion of the MRCA safety net, to ensure all future Veterans would have it for this exact purpose. The PC appear to be unaware of the historic arguments that enabled this Safety Net to be included in MRCA. To now suggest, that with the manipulation of the SRDP legislation (including the offensive offsetting legislation), that there has not been a large uptake of the SRDP so it should be removed, is to deny the younger Veterans the full gamut of compensation entitlements options. This recommendation is quite wrong and should not be supported. This is a slap-in-the-face for all the hard-fought for benefits and entitlements.

Recommendation 13.7

Strongly disagree – the recommendation *“to remove the automatic eligibility for those benefits for dependants whose partner died while they had permanent impairments of more than 80 points or who were eligible for the MRCA SRDP”* is totally against the concept and legality of the War Widows compensation. These families have paid the price for caring for, and coping with, a Veteran and all that this entails. To deny them this compensation when the Veteran dies is the ultimate insult and contempt that the families could receive. Veteran's spouses/partners save the Government billions of dollars in the caring of their Veteran spouses/partners. To deny them their due compensation is to negate the savings these spouses/partners have already given to the country.

Recommendation 13.8

Disagree – the Federation would prefer that the proposed recipients of the dependant partner compensation be given a choice of either a lump sum payment or a fortnightly payment of this compensation.

Recommendation 14.1

Disagree – it is much harder to change DSS legislation, than it is to readjust the DVA processes. If the DVA (who already has the ISS computer facilities for Service Pension and IS aged pension payments) could pay the equivalent single payment of DFISA, for non-operational Veterans, then the problem would be resolved. To adopt a '*Keep it Simple Solution*' (KISS) is much easier to enable. To force Veterans to have to enter the Centrelink arena, and to then be forced to cope with the vagaries of the civilian population, who have no idea of what the Veteran is and how to deal with Veterans is very damaging to many of the Veterans. Many Veterans have not claimed DFISA because of the need to enter a Centrelink office.

Recommendation 14.2

Disagree – this does not allow for the disadvantage that the children of Veterans have when consideration should be given to the instability of the education those children have to date. Comments from Veterans on this can be found at [HERE](#) in this submission.

The hardship of young children of Veterans is unquestioned and this is why the *Opens Arms* facilities are now available to the children of Veterans. To deny those allowances to them that, in a small way, can compensate them, and assist them in their future educational endeavours, is, again, mean spirited.

Recommendation 14.3 to 14.5

Disagree – these allowances (there are too many to list, but they include all the supplements, decoration, attendant allowance and household services including Veterans Home Care (VHC) to name a couple) should be examined individually to ascertain the reason they were granted and to seek input on each allowance by ESOs for further comment. The VHC must be retained for the consideration of the Veteran. If any of the household allowances are integrated into the general population grouping then the Veteran will not have a chance of obtaining his services as required.

Recommendation 14.6

Strongly disagree – in the Key points section of this part of the report the PC note that '*the Gold Card appears to have become more one of compensation — providing the Gold Card as gratitude for service — than health care*'. This is so extremely patronising, wrong and an insult to the Veteran community. The Government is obliged to provide health care to those disabled in the Service of their country. The Governments of many eras have approved the Gold Card for non-health reasons including for Veterans with operational service people having reached the age of 70.

The vast majority of Gold Card holders have the card as part of their health compensation. They do not consider the Gold Card as a '*prize*', but rather a necessary support for their health, and well-being. The Government does not present the Gold Card as they do a medal, for gratitude, but rather it is their obligation to care for the disabled Veterans.

Recommendation 15.1

The Gold Card has served the Veteran well to satisfy the Government's obligation to those wounded and injured Veterans for the coverage of the Veteran's medical costs. This is not an '*income*' for Veterans – it is medical support for the Veterans. The alternate method of having receipts sent to DVA and DVA processing paperwork for reimbursement of costs would be a primordial and obsolete reversal of processes.

The current medical responsibility of the Government served the Veteran well with the Gold Card. The fact that the eligibility for the Gold Card has been extended a number of times adds to the cost of the medical facilities that are provided by DVA. This has not

been because of overuse by the compensated Veterans but rather by the Government of the day who extended the Gold Card entitlements.

If the operational service Veterans, over the age of 70, were to receive a more restricted, to non-compensated Veterans, type of medical entitlement, this would lower the cost of the Gold Card on the DVA health system. If the operational Veterans over 70 were to be means tested (as they have had the opportunity to have a full working life), and if still remaining eligible, then a restricted medical entitlement might be possible. This is something that would lower the cost of the Gold Card facilities.

However, to deny future Veterans, who may become our most disabled Veterans, the benefit of full medical coverage would be wrong, and possibly illegal in the workers compensation Act. The Gold Card must be retained – as the War Widow compensation must be retained – so that all compensation of a more extreme nature can maintain full medical coverage. It is the Governments responsibility to enable this full coverage for future Veterans and War Widows.

Another misconception of the Gold Card is that it ‘promotes unwellness’. A Veteran would not wish to remain unwell for any reason, and this idea is an insult to all Veterans who need the Government’s assistance through the available compensation. Even welfare recipients (who have never done anything for their country), and have a Centrelink concession card, receive full medical care and are treated with more respect than this.

Recommendation 15.2

Agree – the medical profession that co-ordinate the CVC do not receive proper remuneration for the services that the CVC program requires. Doctors should be able to request a review of a patient’s risk rating based on the clinical evidence. The DVA Chief Health Officer should be able to monitor this.

Recommendation 15.3

Agree – a review now after 6 years since the previous strategy release would be beneficial to the Veteran community.

Recommendation 15.4

It is vital that any open monitoring or reporting of Open Arms should continue to maintain the security of the Veteran’s privacy and their information only be used on a numerical level. Open Arms – previously VVCS – has always provided high level services so that should not be a contention. The high level of security of patient information is paramount to them and the Veterans.

Recommendation 16.1 to 16.3

Agree

Recommendation 17.1

This is such a complex recommendation it would be absolutely irresponsible, and untenable, to just agree, or disagree, carte blanche. This appears at first inspection that either Scheme 1, or Scheme 2, would ultimately push the Veteran into the NDIS (if they are under 65) and MyAgedCare (if they were over 65). Neither the NDIS nor the MyAgedCare schemes are coping very well with providing services and having sufficient funding. The influx of the Veteran community onto such systems, besides being horrendous for them, would put further strain on an already overloaded system. Is this really the way the Veteran community should evolve for the supposed betterment (and ‘fit-for-purpose’ system) for all Veterans and their families? The Federation does not believe so.

PC Draft Report Information Requests

Information Request 11.1

This infers that the decision has already been made and that VEA as an “*existing liability should be capitalised into the insurance pool*”. The Federation does not support any version of any such “*insurance pool*”

Information Request 12.1

The Federation does not support any further integration between superannuation insurance benefits and the Veteran compensation scheme. This is just another way for the compensation to merge and end up just another form of an insurance policy. This negates the Government’s responsibility toward its own Defence Force, and its Veterans.

Information Request 13.1 & 13.2

This has many implications and cannot be stated as agreed, or not, until further structural information on the proposal is known. The PC has just put this into the public arena for effect, and not for a truly informed decision by the ESO community.

Information Request 15.1

The assumption, without data to back it up contention, that the Gold Card “*runs counter to a number of key design principles*”, does not indicate where the need or the reasoning is for any change to the current system. There is a lack of a definition of “*key design principles*”. The remainder of this request remains in the same vein.

Information Request 15.2

The entire concept of fee setting and co-payments for compensation is abhorrent. Compensation is compensation. Do not attempt to change compensation into welfare. White and Gold Card holders have a wide range of choice for providers for medical and allied health providers now, so how can changing the system improve on that. The PC should note, that the civilian worker’s compensation Act does not reflect this ‘*co-payment*’ concept. Again, Compensation is Compensation. This information request is incongruous and, possibly, illegal.

Information Request 15.3

The PC’s ‘*desirability to subsidising private health insurance for Veterans and dependants in place of other forms of healthcare assistance*’ is, again, most abhorrent to TPI/SRs and their dependant families. The Workers Compensation Act revolves around the responsibility of the employer (in this instance – the Government) to maintain a full compensation and healthcare regime for the employee (in this instance – the Veteran). The Government has a huge ‘Duty of Care’ to their Veterans and their families. They cannot abrogate themselves of that responsibility.

Information Request 17.1

The two scheme approach. The concept of merging DRCA with MRCA (without all the caveats that have been suggested) is a good approach. To suggest another two-scheme approach on top of that is just creating more complexity into an already too complex situation. This would then mean that there are too many legislative Acts to navigate for the younger Veteran. It would also create more tiers of Veterans as well as the ‘haves’ and the ‘have-nots’. If the intention of the PC is to split the Veteran community into even more sectors than there are currently, then this would achieve that. The PC has definitely gone away from the KISS principle.

PC Draft Report Draft Findings

Draft Finding 6.1

The Federation disagrees with the first paragraph of this finding. DoD does not have as its core business the incentive or responsibility to care for, or rehabilitate, wounded or injured Veterans. It should be possible for those still serving Veterans to receive their rehabilitation through DVA (even if it means they have to be seconded to a Defence Rehabilitation Unit) so that the full rehabilitation process can be initiated, and completed, by the most knowledgeable Department in this field. Once DVA has decided whether to recommend the Veteran return to their unit, or that they need to be medically discharged, the rehabilitation cycle will have either been completed or transferred to DVA so that claims can be finalised.

The DVA Veteran support system must be ‘demand driven’ as the demand can change at any time. How can it be predicted when someone’s Defence caused wounds or injuries – physical or psychological – cause a Veteran to ask for help through the Veteran support system. Is it right that the Veteran be denied support because they waited outside a certain timeframe? It is scientifically known that some wounds or injuries take some years to manifest themselves and then become too much for a Veteran to shoulder and they ask for help.

The other scenario would be if another conflict should occur and then DoD would have no interest in caring for those who can no longer assist with that conflict. What would happen to then?

Draft Finding 9.2

This finding proves that the Federation is correct in the assumption that this review is purely a financially driven review with the intent of saving money at the expense of the Veteran and their families. How does any Government predict the cost of war or protecting its borders? The cost of defending this country is a fluid cost and should not have any limitations on it. The same applies to the cost of caring for the country’s Veterans and their families. This, too, is a fluid cost that should not be curtailed by penny-pinching or cost cutting. The Government has the responsibility to care for its veterans and they should not shirk that responsibility.

The work of the VCR is a more modern and efficient way to care for Veterans and their families, but this should not be taken as an ‘efficiency savings’ for the benefit of the Government’s budget.

Draft Finding 9.5

DVA’s VCR project is continuing in a progressive, efficient and methodical way. DVA’s management team has changed and the PC should not interfere with this change. The PC should be encouraging it to continue such a successful progression.

Draft Finding 9.6

The Federation believes there is now more collaboration and communication between the various ESOs than there has been for a number of decades. This finding just reiterates a long-held view of Government that just no longer exists. The current ESO community should be applauded for their integration and collaboration with one another whilst still maintaining their own autonomy when required by their Members. The Government should be made aware of this.

Draft Finding 12.1

Table 12.2 (page 482) is very misleading. The comparison chart does not allow for the offsetting arrangements with MRCA. Therefore, it does not indicate how the majority of

MRCA SR and Incapacity Payment clients have a zero compensation because of offsetting. How can this be legal?

The Report clearly quotes the Vietnam Veterans' Association of Australia and the TPI Federation's submissions to this Commission on this subject. They also quote '*similar views were put to the 2012 Review of the MRCA (Campbell 2011b)*'. The Report states that the '*invalidity insurance is provided free of charge to members of the military*'. This is incorrect as the ADF Member pays for this insurance through their own superannuation payments from their remuneration. It does not specify on their pay sheets that the Government has deposited on their behalf 'x dollars for their invalidity insurance'. The payment is totally within the superannuation payments made by the ADF member.

Because of this, the CSC class A,B or C Invalidity Pensions that are received by DVA clients are from invalidity insurance that the ADF member paid for themselves. They are actually claiming on their own, paid-for, insurance.

Therefore, receiving the CSC pensions cannot be classified as 'double-dipping' when an ADF member also becomes entitled to compensation from DVA. The discrimination of the two policies – one for VEA clients and another for MRCA clients – is also duplicitous and disingenuous.

Draft Finding 13.1

For a Veteran to wait until "*a condition be permanent and stable*" is a huge impost on the Veteran and their families. This has been the cause of many suicides. Some conditions (such as psychological and skeletal conditions) will never be stable. The medical criteria for this should be "*a condition to be permanent or as stable as it can be*". The ideal "*to prevent Veterans from being overcompensated*" is not realistic, as there would be so few in this category. The criteria makes it extremely difficult for Veterans to get on with their lives, because of these difficulties associated with the stress of maintaining such an oppressive strain on the Veteran and their families. This is definitely not conducive to any type of wellness model.

Draft Finding 13.2

The Report's statement "*this payment is unique to the Veteran compensation system*" answers the question as to why the Veterans compensation for having children exists. The children of Veterans have enough to endure because they are children of Veterans without being told the compensation for that endurance should be removed. The PC does not appear to have investigated the reasoning for these compensations and why they were instituted.

The "*inequities and complexities*" of this payment can be resolved by having DVA care for all Veterans and their families through the '*DVA front-door approach*'.

Draft Finding 13.3

The Federation strongly disagrees with this finding. To state, "*changes to eligibility for the service pension and other welfare payments means that the package of compensation received by veterans on the special of disability pension is reasonable*" is outrageous. Why is it that the Veteran's compensation needs to be subsidised by so-called 'welfare payments'?

In the ANAO Audit Report No 35 1998-99 Performance Audit Appendix 1 it reads –

"4. The Australian Soldiers' Repatriation Act 1935 provided a service pension, subject to a means test, to veterans who had served in a 'theatre of war' (now referred to as having rendered qualifying service), and who were aged 60 or more or who were otherwise incapacitated for work. The pension's introduction reflected the **Government's recognition that the effects of war**

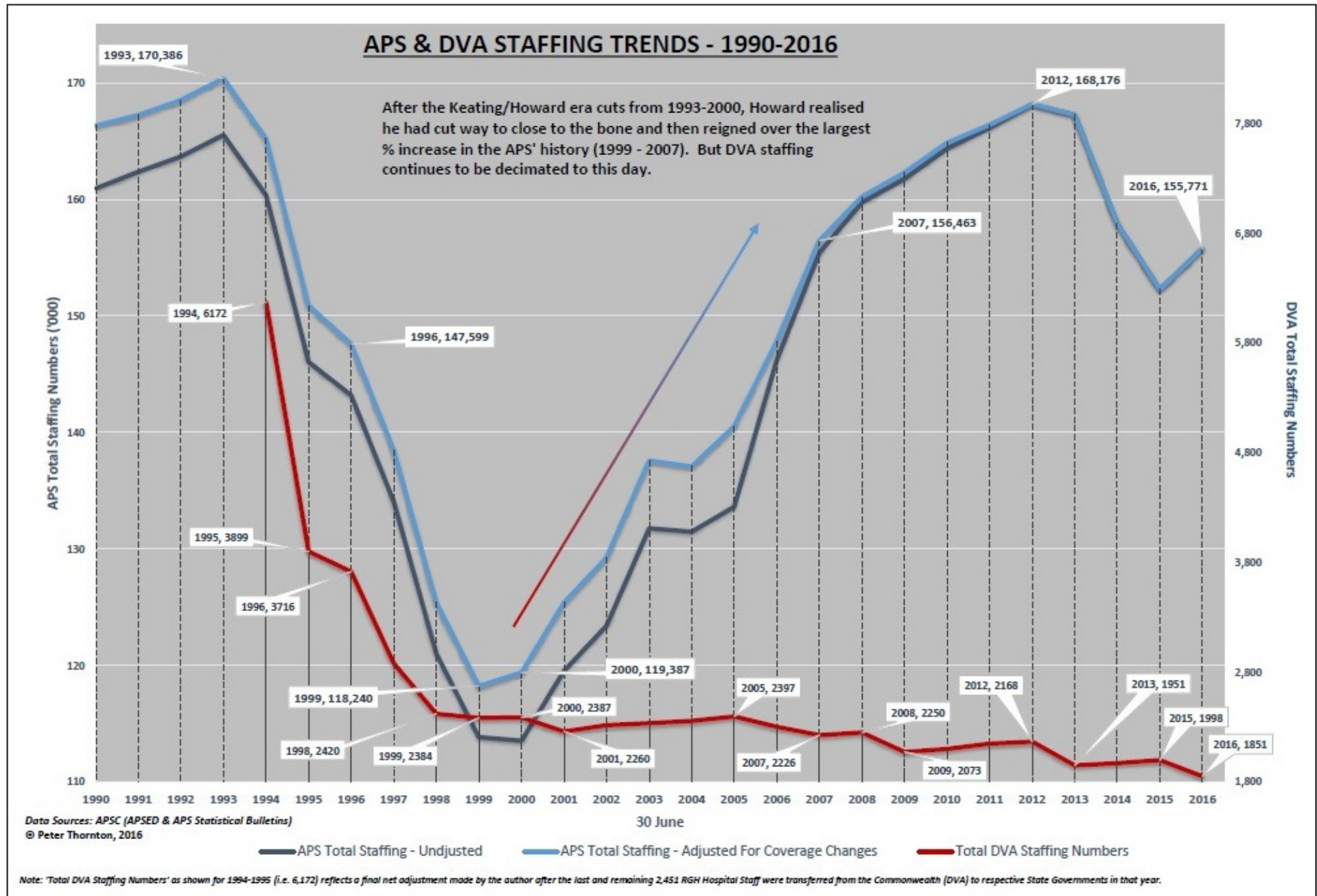
service might be intangible and result in loss of earning power and premature aging.

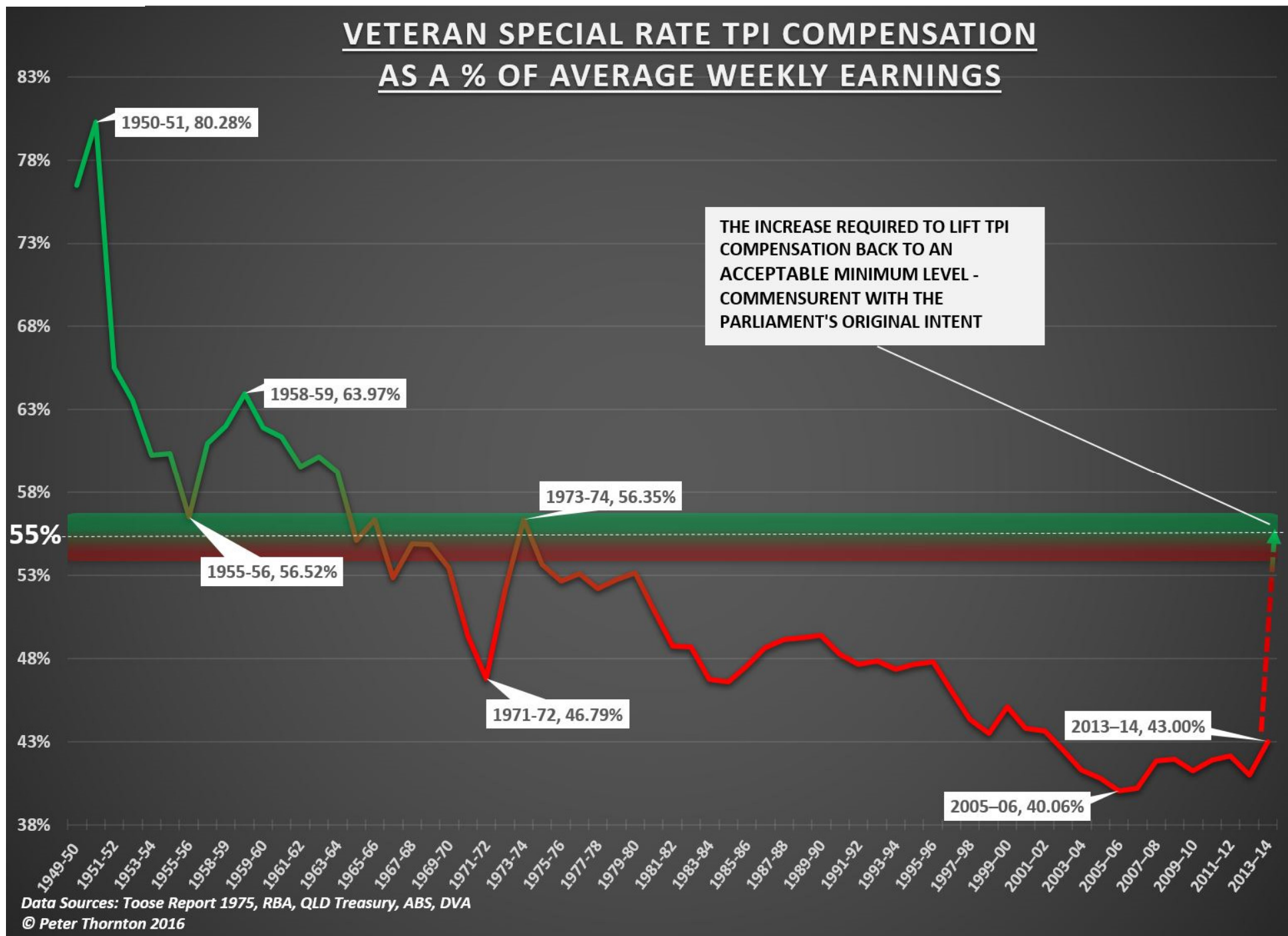
17. There are, however, some important differences between DVA's service pension and the Department of Family and Community Services' age and disability support pensions. They are:
- a service pension paid on the grounds of age is payable five years earlier than the age pension;
 - a DVA compensation pension is regarded as income for the purposes of assessing the amount of a DSS age-pension payable, but is not income for service-pension purposes;
 - service pensioners who satisfy a separate income or asset test are eligible for a wide range of repatriation health-care benefits."

When did the full responsibility of the Government's 'recognition' fall from compensation to welfare and become equal to what the person who has never worked in their life receives? As suggested previously, the Gold Card, which is supposedly a part of the so-called 'package', cannot put 'bread on the table' or pay the enormous electricity bills. Compensation is compensation. If the Government is serious about continuing the above highlighted "recognition" then the DVA compensation must abide by the original intent of the Service Pension and maintain its existence.

Draft Finding 15.1

The Report makes the bold statement – "*the Gold Card, however, runs counter to a number of the key principles ...*". A Gold Card is, in part, for those most disabled Veterans who are 'needs based' and targeted clients. To remove this from them would increase hardship and inefficiency to a compensation system. The TPI/SR clients must have their full medical and pharmaceutical requirements covered by the Gold Card. This is a legal requirement from within the Workers Compensation Act.





Attachment D & E above – Graphs provided by

Economist and Engineer, Mr Peter Thornton, who is a well-respected independent researcher and commentator who has assisted the ESO community in prosecuting matters surrounding compensation and superannuation for ADF personnel and Veterans. Over several years, Mr Thornton has been gracious enough to assist the TPI Federation develop a defensible case to ameliorate the years of erosion in TPI compensation payments and other matters.

MILITARY

These medals aren't free



Date: [February 15, 2017](#) Author: [davestafford10](#) Comments

These medals aren't free.



The truth is, I use to be tough, at least I thought I was, as a teenager I wanted to prove myself, I was happy to get a rifle, load it up and charge off to any part of the world. There is a feeling that you can't explain when you have a loaded pistol

or rifle and you step onto a boat, or onto the ground in some distant country and you are ready,

there is no more training, you are now in it. The feeling of having a weapon and knowing you may well have to use it is something that I have felt far too often.



At the age of 20 I thought I was a man, in hindsight, I realise that I couldn't have been further from the truth. I had the emotional maturity of a young teenager, not capable of comprehending the political concept of what I was involved in. I had no empathy for the people around me and learnt quickly that the children or locals that I was meeting had witnessed or were involved in things beyond my understanding of what could happen in the world. My whole life I had lived in relative safety, and although I lived out part of my childhood in South East Asia, my idea of international understanding was still only limited to that of functional, free societies.



By 21 I had met and conversed with oppressed people, men at war, people that had witnessed atrocities, lost family members or had been shot or injured in conflict. I had met revolutionaries, and to me now, when I hear that word it still sounds romanticized, these people had fought for independence and paid a price for it. In real life, there is nothing romantic about a violent revolution.



By 23, feeling somewhat less tough, but more professional and empathetic, I had been privy to wild mistreatment of children, stood up to groups with open discussion when I or my team have been outnumbered and/or out gunned. In 3 short years I had gone from knowing nothing but a free world to having a respectful understanding of people that had lived with war for far

too long. Most Australians do not know where Bougainville is, but so many of the people I met there were so tired of war, so tired of conflict that there was no anger in their eyes, even when they spoke of the men they had been fighting. I heard one man say “when we are dying, we call for our mothers, when they are dying, they call for their mothers, we are all the same.”



I could go on to talk about the night we were interrogated continuously by Iranian warships, shadowed by a Russian destroyer or stalked by an Indonesian submarine, but these are just different countries flexing their muscles in the ocean, we all do it and Australia is not a country to back down. Then there are the times

where our base was surrounded and held up, when our guys trying to maintain an entry point to the wharf were outnumbered 100 to 1, when we were approached by guys with machetes. I could talk about the time I was in a riot, in a diesel fueled engine room fire or at a memorial for my fellow sailors, but these are no longer the things I associate with the word “tough”.



Over the last 19 years I have seen so many changes in the navy, not just in strength and “getting it right”, but also in its professionalism and values. I doubt in this age as a stoker (Marine Technician) that I will be in many situations where I will be involved in peace talks or compound security, that seems less

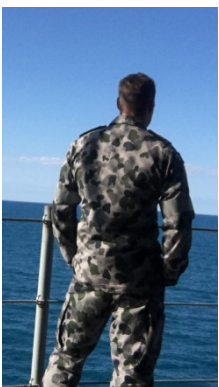
likely to be my role in today's navy. With the 13th biggest military budget in the world we are a key player on the world stage and definitely a regional power, if that's because of the political climate of the world or simply our geographical location I can't say.

As the navy, the country, and the world has changed over the last 19 years so has my opinion of the word “tough”. When I look at my medals I don't feel as though I got them for “charging into battle” as I wanted to do as a naïve teenager. I look at them as a sacrifice I made to my life, leaving my daughter at home with a young wife as I sailed over the horizon. Holding a machine gun one day then a new born the next, the constant internal conflict that tells me to be a family man, but also ready to sail to the other side of the world at a moments notice. When you are supposed to lead the way with regards to workplace relations, yet share a room with your colleagues for weeks, months or even years. All of this internal conflict leaving me constantly trying to work out what or who I am supposed to be, neglecting my own family at a huge cost to them, myself and my identity.



As I get older my experience has changed my view of the world, I can't speak to anyone that's in, been in, running from conflict without being empathetic. Tough isn't about fighting anymore, its coming home and being a dad, creating a

safe world for the people I care about, building up the courage to be myself and not hide my emotions, communicate with my family. I look at some of my mates that have been in the military for as long as I have, some have been in situations much tougher than mine, some have never been in a conflict, but their sacrifice is so great, what they have given up. The family breakdowns, the personal breakdowns, the slow overbearing breakdown of strength and endurance of some of the greatest people I know. I am not in any way tough, but I have some tough mates, that stand strong and have the energy to keep going no matter what is in their way. The demographic of the military is changing; women are leaving their children to take control of a warship in contested waters for months on end. I have seen other spend years in training environments which is a hard, exhausting process that takes its toll physically and emotionally.



I have seen too many broken souls, too many people with no fight left, too many people that can't voice the pain they are in. I have also seen so many thankful people, people that don't have to say a word when you take their hand. I have seen smiles on the faces of kids that are in regions where it looks like happiness is not possible. "Tough" to me is picking up your mates when you have nothing left, standing up for what is right and being able to accept that we cannot go through all of this without a support network, it's what so many mothers do for their children day in day out. "Tough" to me now includes the strength to say you can't go on, you need help or YOU ARE NOT OK! My heroes now include the parents that bring up the kids while their partners are on the other side of the world. People with the strength to look after people in the community that cannot look after themselves. People that have the decency and courage to give back to a community that they owe nothing to because they have given so much already.



When I look at other peoples medals, I think of the families left behind, the men and women that give up so much of their lives, sometimes for no good reason at all but they are there, for years on end, just on the off chance, someone, that they don't know in a country where there is no common spoken language, needs their help.

There is a new type of veteran in Australia, even I have an image in my head that comes to mind when I hear the word veteran. Today you will see women in their early 20's, young men, older women, you might meet them at a dawn service, you may see them in the bar, you might see them marching, or just on the job,

but these veterans are veterans, most teenagers in the military have a better understanding of the real world now than I did in my mid 20's.

If you serve or have served I am and always will be your brother. I understand, and although I might have run out of fight, I will still pick you up if you're down, and if you're down, please reach out, I am here.

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10 THOUGHTS ON “THESE MEDALS AREN'T FREE”

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1.  [Anna @ shenANNAgans](#)
May 5, 2017 at 10:56 am

Beautiful post Dave! I've never been in the military, but I can relate to your life journey on so many levels. I appreciate you, and thank you for all that you do for our world.

2.  **James**
May 30, 2017 at 8:20 am

Stand strong brother

3.  **Bryan Ross**
May 30, 2017 at 9:54 am

BRILLIANTLY WRITTEN. Puts words so eloquently to how I feel

4.  **Daniel Bergquist**
May 30, 2017 at 1:50 pm

Thank you for your service I can relate to your early impressions I felt the same as a teenager despite all the religion and politics a nation needs people to stand at the front and now as a great grandfather I thank you and your brothers in arms for your sacrifice.

5.  **Marc**
May 30, 2017 at 5:03 pm

I hear u loud & clear bro cheers

6.  **Matty Meier**
May 31, 2017 at 10:49 am

Good on you Dave, well said mate.

7.  **Adrian Surplice**
May 31, 2017 at 5:18 pm

Well said young man, well done.

8.  **Brent Gerdes**
June 2, 2017 at 1:57 pm

Truly moving Dave. Stand tall.

9.  [Tony Bottriell](#)
June 2, 2017 at 2:51 pm