28 June 2018

Productivity Commission
GPO Box 1428
Canberra City ACT 2604

By online submission

Dear Sir/Madam,

Re: Veterans' Compensation and Rehabilitation Inquiry

The Royal Australian and New Zealand College of Psychiatrists (RANZCP) is pleased to provide this submission to the Productivity Commission on issues related to compensation and rehabilitation for veterans of military service in Australia.

The RANZCP is a membership organisation that prepares doctors to be medical specialists in the field of psychiatry, supports and enhances clinical practice, advocates for people affected by mental illness and advises government on mental health care. The RANZCP has more than 6000 members including over 4000 fully qualified psychiatrists and around 1400 members who are training to qualify as psychiatrists.

The RANZCP is well positioned to provide assistance and advice around veterans' mental health due to the breadth of academic, clinical and service delivery expertise represents. Many RANZCP Fellows have specific interest and knowledge relevant to this inquiry and, as such, we have consulted widely in developing this submission, obtaining feedback from the RANZCP Military and Veterans' Mental Health Network along with members representing multiple state and territory perspectives.

This submission provides an overview of issues relating to veterans' mental health, and the barriers that veterans face when seeking compensation and assistance. Of most concern, the RANZCP would like to highlight the lack of coordination and growing bureaucratic complexity within veteran systems, as well as the persistent problems faced by veterans when transitioning from the Australian Defence Force (ADF).

More support for specialised clinical services, in addition to substantial systemic changes in the Department of Veterans' Affairs and the ADF, are required. The RANZCP notes that greater involvement from psychiatrists and clinical experts will help to build a more responsive, evidence-based system of support for veterans.

For any queries on the points raised, please contact Rosie Forster, Executive Manager, Practice, Policy and Partnerships

Yours faithfully

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The Royal Australian & New Zealand College of Psychiatrists

Submission to the Australian Productivity Commission

Inquiry into Compensation and Rehabilitation for Veterans

July 2018

advocating for equitable access to services

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Royal Australian and New Zealand College of Psychiatrists Submission

Inquiry into Compensation and Rehabilitation for Veterans

About the Royal Australian and New Zealand College of Psychiatrists

The Royal Australian and New Zealand College of Psychiatrists (RANZCP) is a membership organisation that prepares doctors to be medical specialists in the field of psychiatry, supports and enhances clinical practice, advocates for people affected by mental illness and advises government on mental health care. The RANZCP is the peak body representing psychiatrists in Australia and New Zealand and as a bi-national college has strong ties with associations in the Asia-Pacific region.

The RANZCP represents almost 6000 qualified psychiatrists in Australis and New Zealand. Psychiatrists are clinical leaders in the provision of mental health care and use a range of evidence-based treatments to support a person in their journey to recovery. The RANZCP is well positioned to provide assistance and advice about the health and wellbeing of veterans due to the College's breadth of academic, clinical and service delivery expertise. Many RANZCP members have specific interest and knowledge relevant to this inquiry. We have consulted widely in developing this submission, obtaining feedback from members from multiple states and territories.

Summary

The RANZCP is pleased to provide this submission to the Productivity Commission regarding compensation and rehabilitation for veterans. The RANZCP recognises the unique occupational risks associated with Defence Force roles, and welcomes the opportunity to explore the deficiencies in the current system of care for Australian veterans.

This submission provides an overview of issues relating to occupational risks for certain groups. Key priority areas include:

- The lack of coordination and growing bureaucratic complexity within veteran systems.
- Persistent problems faced by veterans when transitioning from services run by the Australian Defence Force and to compensation systems managed by the Department of Veterans' Affairs.

Content for this submission has been shaped around the areas identified in the Inquiry's Terms of Reference.

Recommendations

The RANZCP makes the following recommendations to improve support provided to veterans and ex-service personnel and improve mental health:

- Develop a strategy to support and encourage clinical services for veterans, and to prioritise injury prevention and early intervention within the DVA and the ADF.
- Consider merging health, compensation and rehabilitation services provided by DVA and the ADF to ensure continuity of care and support.
- Review and improve processes to hasten the administration of claims, improve decision outcomes and reduce demands on health services.
- Increase the roles and responsibilities for psychiatrists and clinical experts within DVA, and review the DVA remuneration for psychiatric consultations.

- Continue to fund the Transition and Wellbeing Research Programme, and support further longitudinal research on veteran mental health through a national research program. This should include a commitment to acting on the findings of the funded research.
- Maintain the availability of treatment through the non-liability pathway for all mental health conditions.
- Implement awareness programs to increase understanding of the benefits veterans are entitled to under the legislative framework.
- Review the provisions in the MRCA and DRCA that require an impairment to be 'permanent and stable' with regard to mental illness.

Context

Veterans and ex-service personnel are subject to a range of factors and circumstances which impact on their mental health, including cumulative exposure to trauma, bullying and harassment, physical health issues, and social and occupational stressors upon transition to civilian life.

As a consequence of selection processes, military personnel would be expected to be significantly healthier than the general population. In particular, recruitment policies in the Australian Defence Force (ADF) exclude people with a range of existing health complaints and military personnel are well supported with ancillary health services, which offer both treatment and early intervention services aimed to mitigate occupational hazards distinct to military service. As noted in the ADF Mental Health Prevalence and Wellbeing Study (2010):

> Mental health and wellbeing in a military environment is unique. The military is an occupation where personnel are selected, trained and prepared to face adverse, stressful and potentially traumatising situations. To meet these demands, an approach that focuses on strengthening resilience and enabling recovery is essential (ADF, 2010).

Despite these efforts, mental health issues continue to affect many current and past ADF personnel. The ADF study quoted above, which interviewed up to 49% of ADF members, found that one in five met the criteria for a 12 month mental disorder (ADF, 2010). The study identified at risk sub-groups of ADF personnel as those in the lower ranks and Army personnel. Significant association was noted between the level of trauma exposure and levels of Post-traumatic stress disorder (PTSD) and depression, independent of whether those conditions were deployment-related.

Evidence provided by the Department of Veteran's Affairs (DVA) to the Foreign Affairs, Defence and Trade References Committee in 2016 stated that a total of 147,318 veterans with one or more disabilities were supported by DVA as at March 2015. Of these, 49,668 had one or more accepted mental health disability. Advocacy groups argue that estimates of the number of veterans with service-related mental health problems could be significantly higher, as not all veterans access DVA services or are allocated a DVA client number (Foreign Affairs, Defence and Trade References Committee, 2016). A report released as part of the Transition and Wellbeing Research Programme found that an estimated 46% of ADF members who had transitioned from full-time service within the past five years met 12-month diagnostic criteria for a mental disorder using a structured diagnostic interview (Van Hooff et al., 2018). The report notes that the most common type of disorder for the last 12 months for transitioned ADF was anxiety disorder (37%), followed by affective disorders (23.1%) and alcohol disorders (12.9%).

When evaluating mental illness, it is important to note that a person with a mental illness – even if severe and persistent – may have periods of wellness. However, periodically and sometimes regularly, the same person can experience severe symptoms that limit their day to day functioning. This episodic nature of mental illness can disrupt connections to employment, family and community and can make service continuity difficult to plan and achieve.

Consideration should be given to the varying needs of different groups of Australian veterans for compensation and rehabilitation. Currently the majority of older veterans require aged care services as their primary form of support. This is in direct contrast to younger, contemporary veterans who require more rehabilitation services focused on returning to work.

The RANZCP supports the ADF's increased focus on mental health, as illustrated by the development of the ADF Mental Health Reform Program, and also supports efforts made by DVA to safeguard the mental health of veterans and ex-service personnel, including the introduction of recent legislation to implement a Veteran Suicide Prevention Pilot and the extension of non-liability treatment to all mental health conditions. However, these reforms are limited and do not reflect the whole of system changes required to improve veteran outcomes.

Best Practice Arrangements

The Australian system of military compensation has historically provided valuable and meaningful support to veterans and ex-service personnel. In the past, veterans have been able to receive compensation and health care superior to that provided by the public health care system to the general population, and experienced improved mental and physical health through these systems of care. In this respect, the RANZCP strongly supports the work of the Federal Government to improve and support the mental health of veterans and ex-service personnel through compensation and rehabilitation. However, the continuing trend towards outsourcing services, a lack of coordination in the field and growing bureaucratic complexity within the ADF and DVA means that the system has become inefficient and veterans perceive outcomes as worsening. It is now the case that the focus on and provision of specialist health services for veterans has been diluted due to their devolution to the civilian health care system that does not necessarily have the expertise or programs they require.

Under the current model of service delivery, DVA rely on a purchaser-provider system, whereby health services are contracted from external providers. This is in contrast to historical veteran health care, which was often provided in veteran-specific hospitals and encouraged the concentration of psychiatrists and other health professionals with expertise in veteran health. In the current model veterans are required to source their own services, and there is little incentive to build specialised service areas related to veterans. This leads to a number of issues, including the possibility of market failure whereby certain services may simply not be available. In addition, the services which do exist cannot benefit from the advantages of consolidated clinical knowledge. Thus fragmented, services offer varying models of care at varying levels of quality with no guaranteed continuity of care. This leaves some veterans able to access specialist veteran centres, such as the Jamie Larcombe Centre in South Australia, while others struggle to find local services to fit their needs. Instead of improving care, this system creates issues that can exacerbate mental ill-health, and clearly does not prioritise the needs of veterans.

An important correlate of this is the significant decline of employment opportunities for psychiatrists, including training opportunities, within the Department of Defence and DVA. The lack of exposure of psychiatrist in training to military personnel and veterans has the potential to result in an increasing lack of psychiatrists with the required levels of knowledge and skills to treat veteran-specific mental health issues. There are few programs that provide this training or exposure to traumatised populations in the

civilian sector. It is recognised that there is a plan to employ psychiatrists in the ADF but this has been slow to be implemented and lacks a clear definition about their role.

Substantial systemic changes, which incorporate the integrated role of State Governments and the private sector in supporting veterans, are required to prioritise, plan and fund clinical services that are targeted and appropriate for veterans. Efforts should also be made to increase the number of psychiatrists providing input into the practices of the ADF and DVA, and all current and future programs in this field should prioritise early identification and injury prevention, two areas which are key to improving outcomes for trauma-exposed populations.

This is particularly important in the ADF, in order to improve their involvement and responsibility in the long term mental health outcomes of its employees. It is well known that repeated trauma exposure may result in the emergence of clinical disorder, and that the number of trauma exposures increases the risk for post-traumatic stress disorder and other adverse health outcomes (Del Gaizo et al., 2011). The ADF and DVA should assume greater responsibility for the inherent risks associated with highly traumatic work environments, and consider implementing better trauma exposure management procedures, as well as extended compensation/rehabilitation benefits for those in trauma-exposed roles for a significant and defined period of time.

It is clear that stigma around mental illness remains a significant barrier to seeking help in the ADF (ADF, 2010). Greater obligations should be placed on the ADF and individual unit commanders to improve trauma management, and to ensure that early help-seeking is supported within the ADF. It is possible to identify particular groups such as the Special Forces who may require highly specialised services that address prevention and early intervention in the context of their unusual role. The recent media coverage of possible violation of the rules of engagement may be a consequence of the adverse consequence of their long exposure to high combat intensity. Prioritising early identification and injury prevention will help to minimise the number of veterans requiring serious interventions later in life and create efficiencies in the veteran care system.

Significantly greater coordination and engagement is required to support veterans when they are initially leaving the ADF. The discontinuity between the health care systems of the ADF to the DVA system is currently disruptive to care, administratively complex and daunting to veterans who are already facing significant social stressors associated with leaving the service, adjusting to civilian life or looking for new employment. Input from RANZCP members suggests that efforts to streamline this process would benefit veterans significantly. Consideration should be given to merging the rehabilitation and care services provided by the ADF and contracted by DVA, so veterans can be provided with seamless, ongoing care when they are discharged. This would involve merging and improving the administration, contracting and governance of the ADF and DVA health systems. This will remove a layer of bureaucracy and create efficiencies within the veteran care system. It will also increase the accountability of the ADF for the injuries that result from service, and will encourage greater responsibility for early intervention and injury prevention in the ADF.

Another common issue raised is the slow decision-making processes of DVA, whereby payments are delayed, resulting in financial hardship and exacerbating psychological stress. Whether this is due to the overly complex nature of the compensation system or an excessive administrative burden on DVA, this practice reduces trust in government support systems and can negatively influence outcomes for veterans who are seeking help. Some evidence indicates that delays in claim settlement, inappropriate decisions and unnecessary obfuscation in administrative processes can serve to significantly worsen the distress and severity of a veteran's condition (Elbers et al., 2013; Grant, O'Donnell, Spittal, 2014). Reports of such issues can deter other veterans from seeking help at all. The implementation of 'Veteran Centric Reform' in DVA is a step in the right direction in terms of improving care for veterans in Australia.

However, while it may improve some aspects of the administrative challenges veterans face, significantly more work is needed to overhaul the system and really focus on the needs of veterans.

It is also concerning to note reports of DVA staff who have exhibited hostility and derogatory attitudes towards veterans and ex-service personnel. Insensitive communications are distressing for veterans and ex-service personnel and can result in feelings of rejection, stigma and hopelessness, which may contribute to suicidal ideation and/or the non-pursuance of justified claims for compensation. Contemporary best practice in the field of compensation is to ensure that all consumers feel adequately supported throughout the process, without propagating any stigma about seeking help for mental illness. Veterans and ex-service personnel can encounter substantial barriers to care and psychiatrists supporting veterans note that stigma is a significant concern. The RANZCP stresses the importance of using language cautiously and judiciously when communicating with at-risk veterans and ex-service personnel, and encourages DVA to consult with psychiatrists and clinical experts to ensure their engagement with veterans is appropriate and supportive.

Issues with DVA processes are not limited to veterans, with health services reporting difficulties communicating with DVA and excessive administrative burdens imposed by the compensation system. RANZCP members have indicated that time-consuming paperwork requirements are directly impacting the availability of clinicians for clinical assessment and treatment. Such requirements discourage medical practitioners from taking on veterans that require engagement with DVA. It is important that the administrative burden be limited as much as possible, to ensure that psychiatrists can devote adequate time to consumers and focus on good patient care. On this basis, the RANZCP believes that the compensation system would benefit from a review of processes, with input from medical professionals and veterans, to streamline processes and encourage efficient administration of veteran care.

In addition, RANZCP members have raised concerns that mental health services in the community are often saturated with consumers with severe mental illnesses and may therefore lack the capacity to design appropriate services and interventions for those with, or at risk of developing, PTSD or other military related mental health conditions. Burdensome paperwork requirements and limited rebates from DVA may further discourage health services from accepting veterans and ex-service personnel as patients, even when they do have appropriate services. It is important that such barriers are reduced to ensure veterans are able to access psychiatric services. As such, the RANZCP encourages DVA to review remuneration rates and schedules for psychiatric consultations, and consider options to encourage mental health services to accept veterans as patients. The administrative burden of patient care with compensible injuries is more reasonably reflected in the workers compenstion systems reimbursement schedule which is a direct competitor for clinicians' time.

Recommendations

In order to manage and minimise the issues raised above, the RANZCP recommends that the Government:

- Develop a strategy to support and encourage appropriate clinical services for veterans, and to prioritise injury prevention and early intervention within the DVA and the ADF.
- Consider merging health, compensation and rehabilitation services provided by DVA and the ADF to ensure continuity of care and support.
- Review and improve processes to hasten the administration of claims, improve decision outcomes and reduce demands on health services.

- Increase the roles and responsibilities for psychiatrists and clinical experts within DVA, and review the DVA remuneration for psychiatric consultations.

Use of Statement of Principles

A critical issue for the Repatriation Medical Authority (RMA) is the breadth of literature that informs the Statement of Principles (SOPs). The RANZCP acknowledges the robust processes of the RMA, however notes that the Department of Defence and DVA often suffer from funding limitations which may impact their capacity to translate reports and data into peer-reviewed literature.

Recent research into veterans' health has suffered from fragmentation from a variety of directions. DVA has lost much of it technical capacity to act as a coordinating research body as well as corporate memory, meaning that much of what was learned from its earlier post-deployment research has not been directly utilised in more recent studies. Research programs with short-term focuses often result in incomplete data analyses and/or the non-publication of research findings in peer-reviewed literature. These shortcomings significantly limit the capacity of research to inform the continuous improvement of models of service delivery designed to treat the mental health issues of veterans and ex-service personnel. This is in contrast to practices in the US, Canada and the United Kingdom. As a result, many of the major potential benefits of research programs are unrealised as the RMA is unable to utilise non-peer reviewed research to inform its operations.

Research into the mental health of veterans must be centrally administrated by those with a necessary research knowledge base and long-term oversight to ensure the maintenance of corporate knowledge and the integration and maximisation of datasets. The research program should have a set aim to investigate longitudinal trajectories through initial measurements made as soon after deployment as practical, followed by appropriate measures to sustain the cohort. It should also investigate the underlying neurobiology of risk factors and patterns of emerging pathology as well as predictors of treatment response to allow for the more efficient targeting of services and treatments. The RANZCP also advocates for the collection of ongoing statistics on veteran populations to inform any future research programs and government policy. The veterans' community needs to be more actively engaged in the planning, oversight and reporting of the results of these research programs to ensure their legitimate concerns are addressed.

Australia has made substantial contributions to the research and treatment of veterans' mental health issues and deserves a national policy to coordinate future research to better inform care. This would herald benefits not only for veterans and ex-service personnel but also current military personnel as well as civilians who suffer from PTSD. Workers in the emergency services sector are also likely to encounter cumulative traumatic experiences while fragmentation between state and territory health departments prevents a nationally coordinated response. Furthermore, such research would aid in the furthering of medical understandings regarding the links between physical and psychological health which will benefit the broader community at large.

The RANZCP encourages DVA to consult with psychiatrists on all research initiatives, as they have valuable clinical experience in this field. The RANZCP also strongly supports the current representation of psychiatry in the Members of the RMA, and would encourage this to continue once the current term of appointment ends.

It is worth noting that other criticisms have been raised around the SOPs, particularly around their inflexibility. It is important that SOPs effectively balance the evidence with the beneficial intent of the legislation, ensuring that positive and appropriate outcomes are ensured for veterans who need support.

Recommendations

The RANZCP makes the following recommendation to ensure that the Statements of Principles are consistent and evidence-based:

- Continue to fund the Transition and Wellbeing Research Programme, and support further longitudinal research on veteran mental health through a national research program. This should include a commitment to acting on the findings of funded research.

Effectiveness of the Legislative Framework

One element of the legislative framework that is strongly supported by the RANZCP is the extension of the non-liability health care to all mental health conditions. In allowing veterans to access appropriate treatment with minimal administrative burden, DVA has demonstrated significant commitment to more effectively supporting those veterans with mental illness. In line with this position, the RANZCP would strongly oppose any reductions in the scope of the non-liability health care pathway for mental health conditions. The increased demand this creates for clinicians' time and availability needs to be anticipated and steps taken to ensure their engagement with the mental health needs of veterans. The current remuneration schedule is a potential barrier to provision of this care.

While both the ADF and DVA have presented very welcome initiatives in the recent past, including expanding the non-liability treatment pathway to all mental health conditions, the RANZCP notes that there are persistent issues around veteran understanding what they are entitled to under the legislative framework. Particularly concerning is the apparent complexity of the framework, and the clear need for it to be simplified. Currently veterans may be compensated under one, two or three different pieces of legislation, depending on their date of service and date of injury. This can lead to claims being confusing, complex and administratively cumbersome.

The RANZCP acknowledges that reviews in past have explored the potential simplification of the legislative framework and have outlined barriers to substantive changes (Foreign Affairs, Defence and Trade References Committee, 2016). However, veterans and ex-service personnel continue to commonly raise the accessibility of the legislation and scheme as an issue. It is likely that the perceived complexity of the framework acts as a significant barrier to help-seeking in the veteran community, potentially aggravating poor outcomes for this population group. Without knowing how and where to seek help, individuals are at risk of going without treatment. In an organisation that is seeking to provide 'veteran centric' care, this is an unacceptable situation. This issue will only increase as veterans continue to present with complex rehabilitation needs.

The RANZCP recommends that, in the first instance, attempts be made to combine the legislation into one piece of legislation which encompasses all veterans. This could deliver significant efficiencies for government processes, and make the compensation scheme significantly more accessible for veterans. However, should the legislation not be simplified, then DVA should direct greater funding towards targeted promotion, including the marketing of available mental health services to veterans to ensure that individuals do not 'fall through the cracks'. Targeted health promotion, when combined with appropriate outreach services, will help to reduce barriers to mental health care for veterans. The RANZCP believes that the development and distribution of awareness programs, targeted at increasing veteran knowledge of their rights and entitlements under the legislative framework, would be extremely valuable in this environment.

In addition, the RANZCP notes that the provisions in the MRCA and DRCA, that impairments be 'permanent and stable', limit access to compensation for mental illness related to service. The episodic nature of mental illness, whereby consumers can have periods of wellness and periods with severe symptoms, means that it is challenging to meet the requirement of having a 'permanent and stable' condition. Often substantial support and treatment will be required before stability is achieved in the field of mental illness, and veterans should not be left without compensation during this period if their mental health issues are related to service.

Recommendations

The RANZCP makes the following recommendations to ensure support is targeted, efficient and veteran-centric:

- Maintain the availability of treatment through the non-liability pathway for all mental health conditions.
- Implement awareness programs to increase understanding of the benefits veterans are entitled to under the legislative framework.
- Review the provisions in the MRCA and DRCA that require an impairment to be 'permanent and stable' with regard to mental illness.

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