The Alliance of Defence Service Organisations (ADSO)\(^1\) welcomes the opportunity to make a submission to the Australian National Audit Office (ANAO) examining whether the Department of Veterans’ Affairs (DVA) is efficiently delivering services to veterans and their dependents. The Alliance numbers 19 National ex-service Associations that have a combined membership base of over 90,000 members.

ADSO views this submission as an opportunity to balance deserved criticism of DVA’s past service efficiencies and delivery performances, with comments on, support for and encouragement of initiatives to improve outright its performance into the future.

**SCOPE OF SUBMISSION**

This submission endeavours to address the issues relating to ANAO’s Terms of Reference, in the form of two threshold questions, whether:

- **Business systems and processes in the Department of Veterans’ Affairs support the efficient delivery of services to veterans and their dependents; and**

- **Compensation, support and health services are delivered efficiently by the Department of Veterans’ Affairs to veterans and their dependents.**

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\(^1\) ADSO comprises The Defence Force Welfare Association (DFWA), Naval Association of Australia (NAA), RAAF Association (RAAFA), Royal Australian Regiment Corporation (RARC), Australian Special Air Service Association (ASASA), Vietnam Veterans Association of Australia (VVAA), the Australian Federation of Totally and Permanently Incapacitated Ex-Service Men and Women, the Fleet Air Arm Association of Australia, Partners of Veterans Association of Australia, Royal Australian Armoured Corps Corporation (RAACC), the National Malaya & Borneo Veterans Association Australia (NMBVAA), Defence Reserves Association (DRA), Australian Gulf War Veterans Association, Australian Commando Association, the War Widows Guild of Australia, Military Police Association Australia (MPAA), the Australian Army Apprentices Association, the Women Veterans Network Australia, and the Combat Support Association.
Background - The Issues

ADSO acknowledges the ANAO’s Audit into ‘Efficiency of veterans’ service delivery by the Department of Veterans’ Affairs’ is both timely and is critically important on many levels. There has been universal opinion, particularly in the veterans’ community, that a wide range of organisational, cultural and systemic failings over a considerable period has impacted significantly on the capacity of the DVA to provide effective service delivery to its stakeholder base.

Many of these failings have now been identified by official reviews of its performance and improvements are being made, albeit slowly, to enable DVA to provide a more efficient service delivery model with a complete veteran-centric focus as its priority.

QUESTION 1: Business systems and processes in the Department of Veterans’ Affairs support the efficient delivery of services to veterans and their dependents; and

COMPENSATION, SUPPORT AND HEALTH SERVICES DELIVERY

Consistent with the honest broker principles, ADSO acknowledges that DVA in its veteran-centric review process undertook several studies, one of which was Project Lighthouse. This prompted a major revamp/review of its business process systems. Accordingly, several steps addressing this threshold question have been achieved. These include but are not limited to:

- Developing a single claim form for use across all three Acts;
- Creating an automatic DVA file and tracking the medical and service profiles of all ADF members enlisting from 1 January 2016 for the duration of a serving member’s career;
- Developing and implementing a computer-based screening tool to calculate and determine which applicants are in a military trade which has heavy lifting as an employment requirement, eliminating the need to rely on memory to quantify the total weights lifted as required by Statements of Principle (SOPs);
- Introducing a new computerised claims processing system,
- Increasing coverage under non-liability HealthCare (NLHC) to include mental health treatment to all mental health conditions;
- Providing access to free mental health support after one day’s service; and
- Since 1 July 2017, writing to all ADF members leaving military service and as part of that the treatment support continuum, implementing the automatic issue of a White Card will soon accompany this letter on discharge.

Significantly, ADSO notes that any serving ADF or previous serving member with a PMKeyS number can register through the Department’s new Digital Front Door (MyService). This provides DVA automated information sharing with Defence through inputting PMKeyS and accessing their digital file.

ADSO understands that changes to DVA’s IT system have been made to include an additional field to enable current and former ADF members who served before the introduction of a PMKeyS number to use their old service number to access MyService.

The White Card is automatically generated and sent to the veteran to enable early mental health treatment. Veteran Centric Reform will expand this service for all claims, and soon smart cards will have all conditions loaded to streamline services with medical practitioners.

ADSO considers DVA’s introduction of a smart card to be a significant and positive paradigm shift in improving its business systems and processes. A more efficient and seamless delivery of health services is assured, as is support to veterans and dependants, post-service. This is a significant step.
The advantages of the automatic issue of a White Card for which ADSO and its constituent members have campaigned collectively and individually, include:

- No stress and trauma for a veteran in navigating the legislative claims process to establish initial liability and several known conditions related to military service;
- Reduced instances of self-harm or worse;
- No unnecessary and lengthy delays in waiting for a liability and decision ready determinations for a service-related injury, illness or disease;
- By reinforcing the requirement to tell DVA only once will ensure there is no requirement for veterans and their families to continually repeat one’s experience to a new determining officer due to staff changes;
- Reduce the requirement on veterans to litigate through the appeals process;
- Provision of ongoing treatment of a service related illness, injury or disease for life; and
- Formal acknowledgement by DVA that they potentially aggravated an illness, injury or disease whether it was incurred by operational or non-operational service.

The latter bullet point is seen as the most crucial factor in enabling all veterans, particularly those involuntarily (medically) discharged, retain a level of self-esteem and dignity otherwise denied them due to the antiquated and convoluted business model used by DVA in years past.

The issue of a White Card for treatment of all service-related conditions is seen to be the major plus for veterans. It has enabled veterans to remain within a Government-funded treatment continuum post-service which has in the past been a fraught process, given that a completely new post-service pension/compensation and treatment process had to be started all over again on discharge.

ADSO considers these changes to DVA’s business systems and processes as offering veterans significantly enhanced delivery of health and support services.

**Non-Liability Health Care (NLHC) issues – Extended Coverage**

NLHC coverage is currently capped at the following seven conditions:

- Cancer (Malignant Neoplasm);
- Pulmonary Tuberculosis;
- Posttraumatic Stress Disorder (PTSD)
- Depressive disorder;
- Anxiety disorder;
- Alcohol Use Disorder; and
- Substance Use Disorder.

There are strong grounds for considering expanding these to cover those top conditions that incur claims and are potential targets for litigation through the appeals system. This again adds stress to veterans, particularly those experiencing musculoskeletal trauma.

Musculoskeletal trauma to the weight-bearing joints (spine, knees, hips, ankles), is a long-tail condition in respect of treatment, rehabilitation and return to full pre-injury hours along with its attendant financial costs. In ADSO’s view there is a need to have the coverage for all musculoskeletal conditions extended under the NLHC provisions.

The removal of a series of procedural and bureaucratic firewalls by including musculoskeletal trauma within the NLHC purview, will significantly improve DVA’s service delivery model. A more efficient and effective delivery of health services and support to veterans and dependants will result.
Definition of a Veteran

ADSO acknowledges and welcomes the ANAO’s focus on ‘veterans and their dependents’.

The term ‘veteran’ has been defined to mean, “a person serving or has served in the ADF” and that such a definition, “should not be limited by the definition contained in existing legislation”.

This meaning was agreed at a Roundtable between the Federal Minister for Veterans Affairs and his State counterparts on 8 November 2017. ADSO welcomes this definition and agrees with it. It should be included in legislation as a cost neutral step whenever possible.

The issue of who ‘veteran’ covers has created a degree of confusion among many serving and former ADF members, and is highlighted by the following:

1. A former ADF member with 16 years eligible service who was medically discharged, when asked if he had spoken to a Pensions Officer about a disability (VEA) pension, he replied2 “No mate I haven’t. I’m not entitled because I’m not a veteran”.

2. The concerns expressed by a senior serving soldier that his partner is not considered by the Army or the Government to be a veteran, notwithstanding that she has six service ribbons denoting operational (non-warlike) service.

3. A soldier reporting that, notwithstanding having served nine tours of duty in Afghanistan, he does not consider himself a veteran because the Government does not either.

4. Members and former members of Regional Force Surveillance Units with metallic recognition because of Operation Resolute and other border protection operations do not view themselves as veterans because they are either ‘Reservists’ or are simply not entitled.

These are four instances of contemporary veterans that ADSO believing they are not veterans. Such instances highlight the confusion that surround the term ‘veteran’ today. It has created disillusionment among many veterans, including those who served during the Great Peace.

It is noted that the definition of veteran ceases in law to apply after 1945, and effectively ignores all current and former members of ADF who served after that date regardless of the nature of that service whether in warlike conflicts, peacekeeping or eligible defence service. The Veterans’ Entitlements Act 1988 (Cth) defines veteran at s.5 thus:

‘Veteran’ means:
(a) a person (including a deceased person):
   (i) who is, because of section 7, taken to have rendered eligible war service; or
   (ii) in respect of whom a pension is, or pensions are, payable under subsection 13(6); and
(b) in Parts III and VIIC also includes a person who is:
   (i) a Commonwealth veteran; or
   (ii) an allied veteran; or
   (iii) an allied mariner.

Note: Commonwealth veteran, allied veteran and allied mariner are defined in this subsection. warlike service means service in the Defence Force of a kind determined in writing by the Defence Minister to be warlike service.

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2 Conversation between the Chairman RAAC Corporation who has been a Practising Veterans’ Advocate since 1986, and a former ADF member, Adelaide October 2016.
Equally significant is the fact that the Military Rehabilitation and Compensation Act 2004 (MRCA) is completely silent on the definition of “veteran.” This only adds to ADF members’ confusion and disappointment. The lack of a definition in the Act seems to legislatively de-minimis their operational or otherwise service to the nation.

ADSO believe that the term “veteran” must be included in legislation to crucially establish in law a grievous oversight by successive Governments to refuse to acknowledge all post-1945 service by AMF and ADF members. The term ‘veteran’ should be enshrined in law.

ADSO urges the ANAO to acknowledge that the term ‘veteran’ is widely accepted to mean all service personnel, whether they have rendered warlike/operational service, or non-warlike/peacetime eligible (non-operational) service. That definition should also include both full-time and Reserve service.

ADSO requests that:

1. The ANAO recommend to Government that the term “veteran” be enshrined in the Veterans’ Entitlements Act 1968 (VEA) and to be cross vested to the MRCA 2004 and the Safety Rehabilitation and Compensation (Defence-related Claims) (DRCA); and

2. That the ANAO recommend such definition be included in a rewrite of any future Omnibus legislation or in lieu, be added to definitions in all three Acts currently in force.

Service Delivery Model

In its wide-ranging landmark 2013 Capability Review into DVA the Public Service Commission found that DVA’s service delivery model was:

...inefficient, confuses lines of accountability, is unsustainable, and is impacted by the physical location of staff across offices in capital cities and regional Australia.4

When questioned by the Commission5, Departmental staff reported that their service delivery model was ‘disjointed, inconsistent and slow’ (p7). Anecdotal evidence suggests the average case load of working Delegates is at 300+ files at any one time. The WH&S implications of such a caseload on Departmental Determining Officers speaks for itself.

Time Taken to Process Claims (TTP)

Reported veterans’ grievances suggests that time to process claims are far higher than the agreed acceptable targets. But there have been improvements. According to DVA’s Annual Report for F/Y 2013-146, the average TTP was 144 days. This compares favourably with previous reporting years. According to the Lighthouse Project (2016), 18,160 claims under all three Acts were made in 2014-15 – the average TTP was 109 days, meaning significant improvement in processing claims under MRCA.

ADSO notes and welcomes the introduction of a new claims processing system which will enable the Department to handle claims made under all three Acts with a single claim form. This will aid

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4 Above, n. 3 at p. 35.
5 Above, n. 3 at p.7
in eliminating lengthy claims processing times such as an average (mean) of 110 days for Safety Rehabilitation and Compensation Act 1988 (SRCA) claims\(^7\) and 72 days for VEA claims.\(^8\)

The reduction in claims processing time frames is noted and acknowledged. However, a need exists to endeavour to bring these time frames down further. According to Lewis (2014)\(^9\), several factors exist which impede the timeliness of determining claims under MRCA. They are:

- the investigative nature of the claims process;
- the time between incident and lodgement of a claim;
- the complexity of claims;
- the receipt of incomplete claims; and
- the involvement of external parties, such as the Department of Defence (Defence) and medical providers, in the claims process.\(^10\)

An additional and troublesome obstacle to a more effective claims processing timeline is the difficulty veterans experience in obtaining medical reports from specialists. To see a specialist the waiting time is often well over three months. This significantly impacts claims processing times and exacerbates the ability of Departmental Determining Officers to complete claims before them.

ADSO agrees with the DVA Secretary’s contention that “involvement of external parties” are contributing factors in being able to achieve faster claims processing times. This is emphasised by the ludicrously lengthy delays experienced in obtaining an appointment to see a medical specialist.

ADSO contends that lengthy specialist waiting times is a major aggravating factor to DVA being able to deliver timely and effective services in respect of claims assessment and determination. The consequences are sometimes fatal for the veterans with flow on effects on their families. This significantly impacts DVA’s ability to manage claims properly – effectively its raison d’être.

**Veterans’ Legislation – Beneficial Effects**

The veteran community (both serving and former members) perceive that DVA, oft as not, loses sight of the beneficial intent of veterans’ legislation. If DVA is to have in place a series of practices consistent with the two threshold points being addressed by the ANAO, it is the law to which the audit must turn. After all, public-sector organisations operate using taxpayers’ money. That money must be expended/disbursed consistent with law. In DVA’s case, it is obligated to process and administer all veteran-related claims, payments and support services under three different Acts.

There are serious difficulties in navigating three different Acts for veterans. It is painstaking for veteran and clearly frustrating for Departmental staff. This complexity results in an inefficient business and systems process due to all three Acts not talking to each other through a unified beneficial approach to veterans’ issues.

Without a single business and systems approach to undertaking legislatively mandated support and care for veterans and their families, the Department will continue to lurch from problem to problem. In its endeavours to deliver efficient and cost-effective services DVA must do so through a badly Band-aided business and systems process.

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\(^7\) DVA Annual report at p. 59, online at [https://www.dva.gov.au/about-dva/accountability-and-reporting/annual-reports/annual-reports-2016-17](https://www.dva.gov.au/about-dva/accountability-and-reporting/annual-reports/annual-reports-2016-17) [accessed 27/2/18]

\(^8\) Ibid, at p. 46.


\(^10\) Lewis, above, n.8, 3.24 at pp. 9-10.
The collateral damage to veterans in having to negotiate this torturous pension and compensation process is evident and well highlighted by the recent Senate Standing Committee Report into Veteran Suicide. The process is complex and flawed and, sadly, sometimes tragically so.

Through its National Spokesman, ADSO made this very point when it appeared before the Senate Standing Committee into Veterans Suicide by stating that:

“They have to be dealt with at the root cause, and the root cause is the three compensation systems and the complexity that is there. We desperately need a simple, singular, easy-to-claim-for, beneficial, fair compensation system for our ADF personnel”.

ADSO reinforced this point when it appeared before the Senate Standing Committee inquiring into DRCA, viz

There is a whole range of components that are causing veteran suicides and the suicides of serving people. The complexity of the whole process and the barriers they face, particularly for those who are most vulnerable and least able to cope with the bureaucratic processes, simply adds to the stress and the tension. When you think about it, it becomes too much when these are heaped on the veteran who is already suffering, often from some sort of mental issue. I hear that there have now been 15 suicides this year, and this has got to stop. We are all getting it wrong. It is about time we focused on the veteran and not on the processes or the niceties of structures and legislation. We need to focus on the individual veterans.

In its report into veterans’ suicides, the Senate Standing Committee noted:

3.98 A large number of submissions from veterans focussed on the issues confronting them due to the complex legislative framework of veterans' entitlements and its administration by DVA. Problems with the compensation claims process were often perceived as key stressors and contributing factors to suicide by some veterans. Further consideration of improvements in these areas will be addressed in the next chapters. However, in the view of the committee, there is a lack of research in this specific area. The impact of DVA claim assessment processes as a stressor on veterans and their families. On the evidence received, the committee considers this topic merits an independent investigation. The results of this study should be used to improve and restructure DVA

The vigourous pursuit of this objective by ADSO has been acknowledged by the Senate; viz

CHAIR: …. There is a minute or so left to me. You make the point:
The complexity of the military rehabilitation and compensation structure is such that the Alliance will continue to advocate vigorously for the creation of a single purpose veteran-specific legislation …

ADSO contends that three Acts is an unwieldy method of delivering support services to veterans and their families. All three Acts do not speak to each other. Their incompatibility and the conflicting entitlements between them places a major impediment on DVA as it strives to appropriately meet the two ANAO threshold questions.

ADSO recommends that the ANOA audit endorses the needs for an Omnibus Act which includes all the beneficial provisions in the three Acts. There should be a single Act that legislates for the care and welfare of the veteran community.

11 Hansard Senate Inquiry into Veterans’ Suicides, 18 November, 2016, Mc Laughlin/Jamison, per David Jamison at p. 29.
12 Hansard, Senate Inquiry into DRCA, 15 March, 2017, Mc Laughlin/Jamison, per David Jamison at p.12.
13 The Constant Battle: Suicide by Veterans, August 2016, at p.42
14 Above n.11, Senator Back, at p.17.
OTHER ISSUES RELATED TO BUSINESS SYSTEMS AND PROCESSES

Training of Delegates

The following quote from the Lighthouse Report (page 28) highlights the distance that DVA must travel if it is to regain the full support of the veteran community:

“To create trust, DVA needs to consider changes to its language, processes and behaviour”. (p.28)

A significant effort is needed to rebuild lost authority, trust and respect. This is particularly so in respect of its corporate and cultural attitude towards veterans and their families. Action needs to be undertaken to reverse the frank and honest admissions made by DVA. ADSO considers this needs to be a major organisational priority. Language is a powerful tool. When used wisely it influences positive attitudes; used poorly or casually, is can and has been damaging.

ADSO considers this to be a major organisational priority. In its Report, the PSC noted:

“In addition, comprehensive induction training needs to be developed, including DVA’s strategy and service model, and be consistently implemented across all locations.15

Delegates (Primary Decision-makers) are the glue that hold the fabric of the Repatriation Commission together. All DVA staff should be trained to a level of professional competence such that they will promote and enhance the highest level of service delivery.

At a minimum, training should include but not be limited to:

- Two weeks theory including the law and the beneficial intent of the legislation and introduction to SOPs;
- One-week on-the-job practical exposure;
- One-week continuation training followed by a 12-month period of being mentored; and
- The 12-month period should include additional competencies to be completed online.
- Confirmation of assimilation of training must include the use of a quarterly Professional Development Appraisal system (PDA) which is overseen and managed by a Senior Determining Officer at EL1 level.

All training must have as its underlining ethos, the culture of care and respect for serving and former Defence personnel and their families. Similarly, consideration should be given to introducing a permanent ongoing training regime whereby a specific competency could be completed by staff online. A similar training programme is in operation in the AFP for sworn members where certain training modules, operational and non-operational, must be completed online. Failure to do so reflects adversely on a member’s Professional Development Assessment.

The involvement of ESO practitioners is recommended to provide an introduction to the Australian Defence Community. This should include an introduction to ex-service organisations (ESOs), their role and place in the veteran community. The intent here is to inculcate an understanding of the veteran, the veteran community and the environment in which they have operated for much of their working life. Successful completion of the 12-month phase should result in the award of a certificate of competency.

15 Above, n.3 at p.23.
An additional measure which could be considered is the use of Veterans’ Practitioners in workshops. While working together, Delegates and veteran’s Advocates would be well placed to exchange experiences and pool their knowledge to solve problems. The aim would be to facilitate both cultural change and enhance relations between the ex-service community, Defence and DVA.

**Cultural awareness**

Empathetic cultural awareness training in respect of the ‘unique nature of military service’ and what that service generates in terms of veteran’s issues could be added to the training regime proposed above. As could a module addressing telephone interaction with veterans and their families.

The Army adage, “Dress is attitude, and attitude is 60% of the pass mark,” has application in this instance. Dress can be substituted by telephone manner and attitude toward veterans and their dependants has long been a determinant of the attitude many veterans have toward DVA. This is particularly important now with the closure of regional offices and the increasing physical isolation of veterans from major centres.

In its report into suicide of veterans\(^{16}\), the Senate Foreign Affairs, Defence and Trade References Committee noted the PSC’s observations in respect of culture and training within DVA:

*The ASPC review team concluded that DVA faced 'significant challenges to enhance its capability and mobilise its workforce so it can transform into an efficient and effective modern public-sector organisation meeting government and community expectations'. It identified three key areas of 'needing urgent attention' for DVA to transform:

- **Operating structure, governance arrangements and information and communications technology (ICT);**
- **Approach to clients, culture and staffing; and**
- **Efforts to formulate effective strategy, establish priorities and use feedback.**\(^{17}\)*

(Bold emphasis added)

The insensitivity displayed by a Departmental officer who contacted the widow of a TPI veteran three days after his death to advise that, “you don’t have an entitlement to a Defence Widow’s pension” is not the image of a caring organisation.

The distress and confusion created by such insensitivity results in a negative perception of DVA. It is perceived as anything but a veteran-centric organisation. One such telephone call can destroy the positive work of many DVA staff. Courtesy and sensitivity should be the dominant principle by which they work in dealing with veteran and their families.

The Senate Inquiry into veteran suicides made noteworthy recommendations\(^{18}\) regarding staff sensitivity and empathy to a veteran or veteran’s widow’s needs. They cannot be emphasised enough. ADSO contends that there is still a degree of work that DVA needs to do in this regard. Given the social media atmosphere and the increased public and political sensitivity surrounding the Veterans’ Affairs portfolio, it is critically important that appropriate training in staff/customer relations and interactions, be considered a matter of the highest priority.

**OTHER RELEVANT CONSIDERATIONS**

While the ANAO’s Terms of Reference are clear, a little less clear is whether the Audit will review the outcomes and recommendations of the Senate Inquiry into veteran suicides. After all, part of the perceived causal reasons for at least some relates to the inefficient performance of DVA.

\(^{16}\) The Constant Battle: Suicide by Veterans, Senate Foreign Affairs, Defence and Trade References Committee Report, August 2017, (207 pp).

\(^{17}\) Above, n.15 para 5.13 at 74.

\(^{18}\) Above, n. 15 paras 3.4 and 3.45 at 25.
The suicide of any veteran is a tragedy. If inefficient administration or even maladministration of legislation is part-cause, the outcome is unforgivable. By merely joining the ADF, a suicide victim has likely already given their all in the service of their country.

ADSO contends that the perception DVA contributes to veteran suicide must be tempered by a reality that suggests that only 20% of people transitioning out of the ADF become automatic DVA clients, and around another 15% eventually become DVA clients after transition has occurred. This suggests DVA has no relevant information on approximately 65% of overall veterans’ numbers.

At the heart of the veteran suicide issue is a widely held perception that veterans are all too often forced to navigate a Repatriation and Military Compensation process that is inefficient at best, or even uncaring at worst. Consequently, too many veterans are expressing feelings ranging from frustration to desperation, their anger invariably flowing through social media channels.

Traditional ESOs were established a century ago so that ‘mates’ could help mates and their families too. Tragically, recent reports identified substantive failings in the services ESOs are able to provide veterans. Equally tragically, the sequence of Acts intended to benefit those killed or incapacitated by, during, or because of their service may not always have been administered beneficially. This reality is illustrated by an exchange between the Senior Counsel assisting and a senior Departmental officer during the Royal Commission into Institutional Responses to Child Sexual Abuse.

A common view among the veteran community is that the beneficial intent of veterans’ legislation no longer drives its administration. Reinforced by time and emotive responses, ESOs and DVA developed adversarial environment between them. Some more vocal veterans have regarded the system as callous and unfeeling. Notwithstanding significant attempts at improving that situation, the current adversarial climate is exacerbated by younger veterans who, largely unaware of legislative intent and lawfully-mandated claims management processes, are angered by the time taken to resolve the stable and permanent provisions in SRCA and MRCA. They expect instant resolution. This is a feature of the mindset of younger (contemporary) veterans.

This was acknowledged in the PSC audit in which the Commission noted:

_In considering how the mission manifests in a practical sense through DVA, there is a view that cases are becoming multifaceted and more complex and that contemporary veterans have higher expectations of the department than those of earlier conflicts and operations._

Similarly, the PSC audit reported:

_Since the early 2000s, military operations have seen the emergence of a younger cohort of clients with different and potentially more complex needs. These clients are more informed and expect greater levels of professionalism and timely access to high-quality services. This cohort has been referred to as ‘clients of contemporary service’, or the ‘contemporary client’._

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19 According to Legge K. (‘Beyond the Blues’, _The Weekend Australian Magazine_, September 17-18, 2016, p.16), in 2014, ‘2864 Australians committed suicide, double the national road toll for that year’. This total, which potentially includes veteran suicides, is beyond comprehension.


21 Transcript: N R Bayles (Mr Stewart), 24/06/2016 (193), page 19672, line 41, _et seq_ to page 19681, line 42. The import of the evidence is the Chair’s advice in the context of the Department’s ‘policy manuals’ that ‘a system which is operating on the balance of probabilities but excludes any possibility of succeeding in a claim unless there is collaborative evidence, is not operating in accordance with the law’.

22 The poverty of such perceptions is, however, challenged by the DVA statistic that 88% of primary claims succeed.

23 Above, n. 3 at p. 16.

24 Above, n.3 at p. 25.
The lack of speedy resolution of a claim has led to a continuing barrage of adverse comment and publicity on social media. This has created a sense of hurt and suspicion among many younger veterans towards the Department.

ADSO contends that DVA should act to increase its good message strategy and keep a regular flow of positive information flowing. A story that needs to be broadcast more frequently and loudly is the improvements to claims processing which is the bread and butter of all three veteran’s compensation jurisdictions.

ADSO proposes that ANAO compare the patterns with DVA’s Strategic Plan (Towards 2020), and the planned Veteran-Centric Reforms. It acknowledges that these reforms are being implemented at this time. The then Minister for Veterans’ Affairs announcements on both 15th and 22nd September 2016,25 are relevant in this regard.

In all this, what must be also acknowledged is the increasingly close collaboration that has grown up between DVA and the Department of Defence. All transitions out of the ADF now involve hand-over activity at the point of separation and continues after separation. Accepting that there is still much refinement before this collaboration is fully effective, ADSO strongly supports the progress made and the direction in which collaboration is moving.

Furthermore, ADSO acknowledges that DVA undertook and completed a comprehensive ‘discovery’ process and conducted workshops with a very wide range of stakeholders to prepare a thoroughly informed business case. This resulted in the successful appropriation of substantial funds in the 2017-18 budget which enabled the implementation of a fundamental Reform Program.

The understanding is that part of this reform included a business case for Proof of Capacity demonstration software. ADSO welcomed the opportunity to provide input into its development, thus enhancing its functionality while at the same time simplifying the on-line claims process for ‘wear and tear-type’ injuries.

This now allows straight forward tick-the-box type approval outcomes. The simplified process is automated in a way that relates the claimed condition and the clinical diagnosis to the relevant Statement of Principles. Liability decisions within 24 hours are a genuine prospect.

The Reform Programme includes robust cultural change and training activities for the Commission’s Delegates and Departmental personnel.26 DVA has emphasised that the objective of these activities is to ensure that the full ‘beneficial intent of the legislation’ is realised. ADSO strongly endorses the recognition by DVA of past failings and the efforts in train to drive the Reform Program.

ADSO welcomes this ANAO Audit and strongly suggests that, if inefficiencies in service delivery to veterans are identified, the final report include a strong recommendation to maintain an adequate level of budgetary funds to pay for any needed remediation of problem areas.

ADSO submits that, given that efficiencies can be measured by the time taken to process claims, statistics that claim improvements over time (in Annual Reports) are not sufficient to provide a thorough understanding of the fundamental nature of DVA’s Reform Program. Three documents are critical to giving a better picture of the true situation.

26 ADSO emphasises the difference between the Department and the Repatriation and the Military Rehabilitation and Compensation Commissions. DVA provides Delegates for the Commissions and it is the Commissions that interpret legislation in policy. In other words, Commission Delegates make decisions in accordance with Commission policy. It is therefore a fundamental attribution error to castigate DVA about claims processing.
QUESTION 2: Compensation, support and health services are delivered efficiently by the Department of Veterans’ Affairs to veterans and their dependents.

The issues canvassed in this question have equal application to that posed in Question 1. Both fold into each other and, in many instances, cannot be considered in isolation because without processes and systems, service delivery will not be successful.

Project Lighthouse - Steps to Building an Adaptive Organisation

In examining the Lighthouse brief in toto, the drive by DVA to effect organisational change of this magnitude is welcome, notwithstanding only slow but steady progress. It will require a top-down commitment to change from what is a traditionally change-resistant culture. DVA as an organisation must adapt or fade into irrelevance.

According to Kate Christiansen in her award-winning business book (2016)\(^27\), there are six steps to building what she describes as an adaptive organisation. These are:

1. Start by establishing a clear language your people can use to meaningfully engage with one another. What does being adaptive mean in your organisation?
2. Understand your organisation’s adaptive profile. How adaptive is it and how adaptive does it need to be in the future?
3. Be clear about the why. Why does your organisation need to be more adaptive than its rivals? What if it’s not?
4. Ask your people to help you define then solve the problem. Over-reliance on consultants when your people know the answers causes disengagement.
5. Leap into the driver’s seat and lead with passion and enduring commitment.
6. The journey starts with a conversation, not a business case, so it can start today.

The above points, being an aid to organisational survival, are relevant to the challenges being faced by DVA and the tasks the Department undertakes.

General Commentary

The Lighthouse Project is a hugely ambitious project involving massive and long-term business process reengineering at all levels of the Department.

The open and consultative mood within DVA is a positive and encouraging one. That, combined with the receptive attitude by ESOs to the proposed business process reengineering is heartening.

The sense gained from meetings with the Deputy Secretary and with Mr Ian Kelly, former Deputy Repatriation Commissioner for SA on 15 September 2015 was optimistic. The latter had carriage of the DVA submission into the Senate Inquiry into Suicides. There is a positive and constructive approach toward working with ESOs. This is on any view, a hugely positive step forward from the previously defensive attitude and siege mentality that seemed to be the norm.

It appears from discussions with ESO representatives and senior DVA staff, that a perfect storm of opportunity for improved dialogue, consultation and a positive need for genuine and very badly-needed cultural and procedural change, now exists. It is important that the ANAO audit have regard to that fact.

The challenge for DVA will be to act as an organisational change champion to ensure adequate funding and logistics are maintained, and to sustain this change. The journey will require significant cultural realignment and a preparedness to adopt the beneficial provisions of all legislation. Those provisions must not be captive to unnecessarily prescriptive and restrictive guidelines that are interpreted differently by different Determining Officers. Otherwise, that may lead to on-going flawed decision-making, inconsistent with settled law, detrimental to veterans and their families.

If it is to succeed, the Department must maintain both the corporate and political will to see through the desired outcomes. Achieving Lighthouse objectives in the current climate of tight budget restraint will require strong lobbying support from the ESO community. It will require significant consultation with ADSO and other ESO peak bodies or groups.

DVA faces several challenges, not the least of which are relatively high rates of staff turnover. And there is ongoing challenge to deal with vocal antagonistic elements at the periphery of ESOs and the wider ex-ADF community that has the potential to threaten the needed DVA cultural brought about by Lighthouse. That said, ADSO is optimistic that Lighthouse will be successful and operate to the benefit of currently serving ADF members and the ex-service community.

STATEMENTS OF PRINCIPLE (SOPs)

The introduction of Statements of Principle (SOPs) in 1994 was contentious from the beginning. As subordinate law, they have the force of law. Their use required a strict application of the Risk Factors to enable a veteran to meet the relevant legislative criteria. Although claimants were only required to minimally meet one of the Risk Factors for a claimed disability, the difficulty in quantifying the effect of service on a claimed disability was enormous. This forced veterans to quantify by level of exposure to sunlight or noise, pack years, alcohol consumption and carrying weights for example, over a (lengthy) given period of time. Clinical onsets of the disability being claimed was the result. The strictness and inflexibility of the application of the Risk Factor component operated to negate the beneficial intent of the VEA and later MRCA.

Veterans found it mostly impossible to remember how much weight they carried to meet the minimum, say during non-operational (eligible Defence) service, of a cumulative total of 168,000kgs in the 10 years. That measure strangely leading in this example to the clinical onset of a disability of Lumbar Spondylosis. That logic of the SOP was the most indefensible part of what is an extremely difficult and stressful process for any veteran under any Act using SOPs.

The introduction of a new automated claims and determining system that automatically recognises heavy-lifting trades, is a major step in removing the soul-destroying process of attempting to quantify what is for most veterans an impossible figure to recall or calibrate. DVA has made major recent inroads as part of Project Lighthouse in having the quantifiable issues (total weight carried) simplified for contemporary veterans by matching a claimant’s trade to the relevant SOP. This is where an automatic entitlement in respect of spinal injury is calculated by a Delegate.

This measure represents a significant step in the right direction. ADSO welcomes it. However, a difficulty still arises in that this approach to automatic calculation does not extend to veterans who still have coverage under the VEA 1986 and who do not have coverage under MRCA 2004.

ADSO sees the gap in this process as a weakness in the DVA’s approach to improved service delivery efficiencies. It urges the ANOA audit to recommend action to cross-vest online claims and automatic heavy-lifting algorithms to claims made under the VEA 1986. The overall effect of SOPs was to cause veterans to walk away from their claims with the claim being inevitably defeated, regardless of the beneficial provisions of the VEA, and now MRCA.

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28 RMA SOP 63 of 2104, Factor 6 (i) Lumbar Spondylosis (BOP eligible defence service) online at www.rma.gov.au [accessed 20/10/17]
Paradoxically, the strict application of the SOPs and Risk Factors resulted in one positive outcome for veterans’ practitioners. A SOP enables a veterans’ practitioner to clarify with a client, if they can meet any of the Risk Factors listed. If a client is unable to do so, it enables a practitioner to inform him/her whether their claim or appeal is unsustainable, based on an inability to meet the minimum, as required by law, a single Risk Factor. It gives a Veterans’ Practitioner a degree of certainty. Additionally, it saves practitioners time in pursuing what will inevitably be an unsuccessful claim or appeal and puts the matter squarely before a veteran at first instance.

ADSO also notes the work currently under way to have the same automatic calculations for MRCA claims being cross-vested to apply to VEA claims and DRCA. It supports that initiative. SOPs are now a well-established fixture in the veterans’ entitlements landscape, notwithstanding their unpopularity in some quarters. It follows that SOPs should be applied across all three Acts to ensure consistent application of a specified set of minimum criteria to be met under any Act.

Logic suggests that SOPs be included in any harmonising exercise. In the event, an Omnibus Bill should be recommended by the ANAO audit. SOPs must also feature in that outcome.

The evidence from successive reviews of the advocacy system and advocate training demonstrates significant variations in the competency of practicing advocates. ADSO submits that a proportion of failed claims (and appeals) are the result of poor or inadequate work on the part of the advocate. Regrettably, DVA is not yet able to routinely monitor or record the quality of advocates’ claims. This, along with poor oversight by ESOs, has hampered identification and further training of incompetent or poorly motivated Advocates.

The future likelihood of such shortcomings will, however, be reduced in future. The Advocacy Training and Development Program (ATDP) will involve assessment of competency. The Lighthouse Project will introduce an electronic wizard that relates a veteran’s service and the relevant Statements of Principle. Combined, it should enable DVA to eventually monitor the success of Advocates. In other words, the claims process will be streamlined, the need to quantify certain activities will be obviated, and an integrated quality assurance system will be in place.

ADSO strongly supports the implementation each of these improvements. They will ensure compensation, support and health services are delivered efficiently.

**LEGISLATIVE ISSUES AFFECTING SERVICE DELIVERY, COMPENSATION AND VETERANS’ SUPPORT**

**DRCA Reconsiderations – Caesar Judging Caesar**

ADSO acknowledges that as a clone of the SRC Act 1988, the DRCA will retain the appeal processes available to public employees (and previously all ADF members) vide Part VI ss.60-67, namely through to the AAT after a decision by a determining authority as defined in s.60(1).

It acknowledges also that in these circumstances the VRB dismissal provisions do not apply to an appeal under DRCA to the AAT, given the *Administrative Appeals Tribunal Act 1975* (Cth) will have jurisdiction over any appeal. However, it is also contended that the merits review process, other than a determining authority, is required to maintain equity and complete impartiality in reviewing and determining an application for reconsideration.

The process via the VEA is to have an automatic review vide s.31 noting that a s.31 Reviewing Officer has the discretion absolutely, to decline to intervene. Consequently, a s.31 refusal or affirmation of a primary decision, can be appealed to the VRB and from there if required, to the AAT. Under DRCA, the process on refusal of a claim is to seek a reconsideration by a determining authority and if necessary to then proceed to the AAT with the added burden of seeking legal representation and being subject to an adversarial process.
DRCA defines determining authority vide s.60(1) thus:

“determining authority, in relation to a determination, means the person who made the determination.”

The difficulty with that determination lies in the fact there is no statutory separation of a primary decision being referred to a person other than the same primary decision-maker.

Significantly, DRC Regulations are completely silent on giving effect to a reviewing authority to examine a request for reconsideration of a primary decision. That is a complete abrogation of a decision-maker’s duty to act impartially in a matter before them, in this instance, for a second time. It is tantamount to Caesar judging Caesar, and comprehensively compromises that impartiality. For these reasons alone, it is critical that to maintain a harmonised approach across three Acts to enhance equity for veterans throughout, the addition of provisions vesting a single-path appeals process from DRCA to the VRB is needed.

Military Rehabilitation and Compensation Commission (MRCA) 2004

The MRCA is an amalgam of several Acts. Since its commencement, the Act has arguably been an unmitigated disaster because it deems veterans receiving the Special Rate Disability Pension (SRDP) to be double-dipping. It offsets a SRDP by 60% in circumstances where an SRDP veteran is in receipt of superannuation. The unconscionability of this action speaks for itself.

This was made abundantly clear to the Senate Inquiry into veteran’s suicides; viz

*It is a bad Act. It is bad law. It is a cheap and nasty cut and paste of the VEA, the SRC and some working men's compensation thrown in. The Act needs repealing. It needs a complete rebuild or a total repeal. It operates to defeat claim and to create unnecessary and unwarranted tensions and distress amongst claimants themselves. It is bad law, pure and simple.*

The Act has no redeeming features other than the fact it has some beneficial provisions like those in s.119 VEA 1986. And the families of deceased veterans are better off financially under MRCA than they are under VEA. Funeral benefits under MRCA are superior to those under VEA, namely $11,470 under MRCA and a mere $2,000 under VEA.

Notwithstanding these very few positives, MRCA 2004 as it currently operates, stands as a blot on the veterans’ entitlements landscape. No amount of harmonising will undo the intent of that Act, namely to save the Commonwealth money at the expense of veterans and their families, with sometimes tragic results for veterans.

This Act and its catastrophic effect on veterans has been the subject of intense examination in no less than three Senate Inquiries alone. It is now time for the Government to draft a new Omnibus Bill incorporating all beneficial provisions from all three Acts and repeal all three Acts as a matter of faith with the veteran community.

ADSO contend that the application of legislation which acts in a financially parsimonious and crushingly cold and bureaucratic manner, is an abrogation by the Commonwealth of its duty to not put a cash value on the service and sacrifice of those who serve the nation. The continued application of MRCA operates to offend the Veteran-centric Reform (VCR) process currently under way by DVA, as part of Project Lighthouse. Unless action is taken to rid the veteran and ADF community of this Act, the VCR process will be for naught.

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29 Above n. 16 Mc Laughlin/Jamison, per Noel Mc Laughlin, at p. 25.
ACCRUAL OF RIGHTS

If ever there was an example of the disregard of the unique nature of military service and the impact such service has on veterans and their families, it is in this area of DVA responsibility. The accrual of the rights and the care for veterans in respect of the SOPs is demonstrability wanting. This facet of business delivery makes it patently clear that regardless of improvements discussed in the submission there are areas in which improvement or reform is seriously lacking.

In Re: Petersen and MRCC [2008]30 the Tribunal noted:

“…….there is an important difference between the VE Act and the MRC Act when it comes to determining which SoP should be applied, where the SoPs which were in force at the time the claim was made have subsequently been repealed and replaced by the current SoP. While under the VE Act, the Full Court of the Federal Court in Repatriation Commission v Gorton [2001] FCA 1194; (2001) 110 FCR 321 recognised rights which may have accrued under repealed SoPs thus resulting in a sequential approach when considering the SoPs, s 341 of the MRC Act mandates that where there exists a current SoP, it is the current SoP which must be applied. Further, s 341(3), inserted for the avoidance of doubt, declares that no rights, privileges, obligations or liabilities are acquired or accrued which would permit the MRC or the Tribunal, when making a decision on reconsideration or review, to apply any SoP that is no longer in force”.

The implications for veterans appealing against an adverse decision based on a SOP under MRCA 2004 is that they find themselves in a position where they are denied legitimate access to a benefit under veterans’ entitlements, and laws extended to a class of veterans under a different Act. On any reasonable view, this is unconscionable, and an indefensible application of a policy based on bad law as demonstrated by section 341(3).

The failure by Government to not introduce harmonising provisions to cross-vest this very important entitlement so that a veteran is able to access the same right and a privilege available to other veteran, gives rise to the reasonable inference that the Government is not complying with its duty to act as an honest broker or model litigant. ADSO contends that consistent with procedural fairness, amendments to cross-vest the accrual of rights of superseded SOPs should be enacted as a priority to allow coverage for appellants under MRCA. Additionally, should the DRCA 1988 be harmonised to have SOPs apply to that Act, similarly a grant of access to accrued rights should also be applied to that Act.

Should a new Omnibus Bill be drafted, accrual rights provisos must as a matter of course form part of that legislation. The failure by Government to undertake this remedial action will contribute to adversely affecting DVA’s capacity to meet the tests set in both threshold questions. ADSO notes that legislative change can be cost-neutral or incurs a cost. It is pertinent to note the Department’s budget of $11.4 billion this FY covers 300,000 veterans and widows. The budget is not capped but is based on need in case Australia went to war again.31

Part of that uncapped Budget should involve forward planning to ensure that legislation to enhance business systems and processes be put in place for effective and efficient service delivery. ADSO considers it vitally important that DVA should plan in a legislative way for the eventuality of Australia again committing its military to aggressively protect its national interest on foreign shores to ensure the practical application of support to veterans returning from future conflicts are in place. If not, DVA runs the risk of being caught unawares, as was the US Veterans Administration in the Post-Vietnam period

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31 Statement by senior Dva staff, DVA Legislation Workshop 9 November, 2018.
It follows that legislative reform will also enable DVA to manage compensation, support and health service delivery more effectively to the benefit of its stakeholder base and staff who deliver these services. Without that legislative reform and development, in the view of many veterans the system within DVA will continue to remain complex and adversarial, rather than as an efficient and effective whole.

Notwithstanding the legislative reforms currently being undertaken by DVA, ADSO contends DVA and Government need to go further in the veterans’ entitlements space in terms of Omnibus legislation, harmonising beneficial provisions and accrued rights. To do any less is to fail the veteran community.

**SUMMARY**

In summary, ADSO submits that:

1. The issues which give rise to the threshold questions posed by the ANAO are multifactorial with a huge depth and breadth of issues to be canvassed.

2. The process of change and improvement to the DVA Business Model in respect of more efficient claims processing and determination is very welcome but still has along way to go.

3. The newly-introduced online claims process with a single claim form for all three Acts is a major step in the right direction.

4. The automatic issue of a White Card on discharge for all service-related injuries is a major game-changer and bodes well for improving the post-service treatment and support continuum.

5. Appropriate training and customer interaction and cultural awareness of the unique nature of Defence service must be a major plank for all staff training.

6. DVA must continue to engage in publicising improvements in its service delivery and veterans support initiatives, to neutralise the negative and hostile perceptions being placed on social media.

7. Consideration must be given to cross-vesting SOPs across all three Acts.

8. NLHC coverage should be extended to include all musculoskeletal trauma as this is seen as being a vital plank in improved veterans support services.

9. Automatic claims determinations must as a matter of priority be extended to VEA 1986 claimants.

10. Action is required to include an independent review process of DRCA 1988.

11. The denial of accrued rights to veterans under MRCA 2004 is indefensible and is an abuse of process.

12. Consideration must be given to repealing all three Acts, thereby removing significant legislative anomalies and evident contradictions by the introduction of a new Omnibus Act incorporating all the beneficial provisions from all three current Acts.

13. Legislative reform as part of DVA’s war planning must be continual.
14. DVA has an incontestable duty of care to disseminate information and otherwise enhance stakeholders’ awareness of the issues that affect them.

15. DVA also has an institutional interest and responsibility to its stakeholders to disseminate information that nurtures a healthy, but robust perception of its performance and strategic intentions.

In its approach to its audit task, ADSO urges the ANAO to be discerning in its approach, analysing as necessary the issues that are the corner stone of stated grievances, and identifying the patterns within them, before applying those patterns as guidance for possible remedial action.

ADSO believes that the ANAO should be mindful that veterans and their families are looking for greater transparency; they should know about the beneficial intent of veterans’ legislation, the constraints on the Commissions’ administration of the legislation, and the meaning of the legislated ‘no-onus-of-proof’ provision – this is crucial. The lack of such knowledge exacerbates feelings of grievance amongst veterans and their families, further fuelling negative perceptions of DVA.

All too often in the past, many veterans expressed their frustrations at seemingly inconsistent decisions by Primary Decision-makers. In that regard, ADSO acknowledges that DVA’s Strategic Plan ‘Towards 2020’ includes a significant culture change objective, and that staff training which included culture change elements has been well underway for some time.

That being the case, ADSO invites the ANAO’s audit process to examine the organisational environment as it exists now. There should be a close inter-relationship between the systemic demands of veterans and the human factors that prevail in DVA today, including how all that acts in a synergistic manner.

At the discretion of the ANAO Audit into ‘whether the Department of Veterans’ Affairs is efficiently delivering services to veterans and their dependents’, I offer to appear personally before the Audit team at any time and answer any direct questions about the issues contained in this Submission, or other questions that may be deemed appropriate to the ANAO’s deliberations.

ACKNOWLEDGEMENT

ADSO acknowledges with gratitude the preparation and drafting of this Submission by the Chairman of the Royal Australian Armoured Corps Corporation, Mr Noel Mc Laughlin OAM MBA, and to the numerous other inputs received from other ADSO contributors which from part of this Submission.

I commend this Submission to the ANAO.

Yours Sincerely

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