

**Australian Government
Productivity Commission**

**Inquiry into Compensation and Rehabilitation
for Veterans**

***Response to the Commission's Draft Report – A
Better Way to Support Veterans***

Occupational Therapy Australia submission

February 2019

Introduction

Occupational Therapy Australia (OTA) appreciates this opportunity to comment on the Productivity Commission's draft report, *A Better Way to Support Veterans*.

OTA notes the Commission's key recommendation that the Department of Veterans' Affairs (DVA) be effectively abolished and its various functions be assumed by new and existing departments and agencies. While OTA does not endorse this recommendation, it does agree with the Commission's assertion that:

The system fails to focus on the lifetime wellbeing of veterans. It is complex (legislatively and administratively), difficult to navigate, inequitable, and it is poorly administered (and has been for decades), which places unwarranted stress on claimants.

OTA believes there is a need for extensive reform of the department. Veterans are a special cohort whose needs are best served by a separate department, however there are numerous operational issues that need to be addressed.

Given the fact that neither the Government nor the Opposition have endorsed the key recommendation of the Commission's draft report, OTA contends that the Commission could now most usefully focus on the reform of the existing department and its operations.

Comments on draft recommendations, findings and information requests

Objectives and principles

OTA endorses the proposed objectives and design principles. They align well with likely future trends in compensation schemes.

Prevention

This is appropriate, however the ADF does need to consider the push to enhance mental health safety within the *Work Health and Safety Act 2011*, which is currently under review. Further assessment of ADF mental health resilience training would be appropriate, given the rising incidence of psychological injury. These new realities need to be reflected in prevention programs.

Rehabilitation and wellness services

Information Request 6.1 and 6.2

In relation to evidence based medical treatment, DVA should adopt best practice frameworks – The Clinical Framework for the Delivery of Health Services. A Medical Specialist Panel should inform this process, bringing together experts from a range of medical and allied health disciplines.

In the broader workers' compensation sector there is increasing use of the Official Disability Guidelines (ODG). This may be a way forward for DVA, assisting it in the determination of timeframes for recovery, treatment guidelines, risk rates etc. that are underpinned by evidence based research. The ODG Australian database is currently growing, with input from private insurers.

Transition to civilian life after military service

Data from a range of Vocational Rehabilitation Providers should be collected in relation to the career transition methodologies they utilise, as well as information from the various workers' compensation schemes and/or insurers in the industry. DVA/ADF should review the tender processes and KPIs of Vocational Rehabilitation Providers to ensure more effective arrangements.

Information Request 7.1

A given client's circumstances should be evaluated on a yearly to two yearly basis by a panel of medical and vocational rehabilitation specialists.

Information Request 7.2

Given the legislation deems a veteran to be a veteran after one day of service, and thereby be eligible for medical or vocational rehabilitation services, it would be inconsistent to require an additional period of service before a veteran achieves eligibility for the veteran education allowance. This approach would fall in best practice principles. Eligibility for the veteran education allowance could be reviewed with the vocational rehabilitation services assessment (i.e. vocational assessment which is inclusive of educational testing) to determine if:

1. The veteran has the aptitude to engage in formal education training; and
2. The veteran has any transferable skills to support appropriate educational options.

Initial liability assessment

Information Request 8.1

OTA notes that a reasonable hypothesis standard allows for medical based criteria to be utilised effectively, whereas the balance of probabilities standard is a more legalistic approach. Given the widely acknowledged need for a more holistic system of care and rehabilitation, with a focus on wellbeing, the principles of reasonable hypothesis are more appropriate than those of the balance of probabilities.

Information Request 8.2

The Specialist Medical Review Council should be folded into an augmented Repatriation Medical Authority process that has access to the experience and expertise of additional medical specialists.

Governance and funding

Information Request 11.1

Any new system should cover existing liabilities as well. Funding needs to be streamlined to increase efficiency rather than having two insurance pools.

The compensation package

Information Request 13.1

In determining a new and reasonable level of permanent impairment compensation, the Commission should consult extensively. This consultation process should involve accredited medical specialists, as well as life care planners and occupational therapists, who are ideally placed to advise on activities of daily living. OTA notes that the use of calculations in the *AMA Guide 5th Edition*

evaluation of permanent impairment handbook would be consistent with other industry calculation methodologies.

Conclusion

In addition to the comments provided above, OTA strongly supports recommendation 6.2 of the report, which calls on DVA to make greater use of the rehabilitation data that it collects and of its reporting and evaluation framework for rehabilitation services. Concerted data collection and the publication of this data would make it easier to assess the effectiveness of services provided by the department, and compare outcomes with those of workers' compensation and return to work (RTW) schemes across the country.

We also wish to reinforce a point made in an earlier submission to this inquiry – that occupational therapy services are gradually becoming less accessible to veterans due to the lack of proper remuneration for this work. Despite persistent lobbying by OTA and its members, DVA continues to pay 20th century rebates for 21st century services. As stated in that submission, it should be a source of national shame that occupational therapists with longstanding clinical relationships with wounded, disabled and ageing veterans are having to cut these ties because DVA is unable or unwilling to pay them a living wage.

OTA thanks the Commission for the opportunity to respond to its draft report. We would be happy to provide further information on any of the issues raised in our submission should this be required.