

Veteran Support System – Productivity Commission Submission

Submission DR243 - Phillip Burton - Compensation and Rehabilitation for Veterans - Public

inquiry

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Author Note

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Abstract

The Productivity Commission has called for submission from interested parties regarding the reform and restructure of the Veteran Support System (VSS). This submission intends to focus on eight (8) draft recommendations and findings in order to promote further discussion and development of policy related to:

- 4.1 – Objective of the Veteran Support System (VSS);
- 5.1 – IT Systems;
- 5.3 – Notional workers compensation premiums;
- 6.1 – More extensive Joint Health Command reporting;
- 7.1 – Creation of a Joint Transition Command;
- 7.2 – JTC career planning;
- 7.3 – Education benefits; and
- 15.2 – Health insurance.

Keywords: Sentinel, Premiums, Reporting, Transition, Career, Education, Insurance

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The current Veteran Support System is problematic, but not broken to the point where a wholly new system is required. With Government of Australia leadership and willing reform from Ministerial offices, inclusive of Veteran Support System service providers (internal and external), and the Department of Defence; Australia can provide a whole of person care that will be the envy of Defence and Armed Forces the world over. This submission is written from the perspective of an individual former Australian Army service person who has experienced Defence medical and rehabilitation services, negotiation with the Department of Veterans' Affairs (inclusive of the Veteran Review Board), and ongoing treatment through White Card arrangements.

Recommendation 4.1 – The objective of the VSS

The Productivity Commission Draft Report states that the objective of the VSS is to improve the wellbeing of veterans and their families, taking a whole of life approach.

DRAFT RECOMMENDATION 4.1

The overarching objective of the veteran support system should be to improve the wellbeing of veterans and their families (including by minimising the physical, psychological and social harm from service) taking a whole-of-life approach. This should be achieved by:

- preventing or minimising injury and illness
- restoring injured and ill veterans by providing timely and effective rehabilitation and health care so they can participate in work and life
- providing effective transition support as members leave the Australian Defence Force
- enabling opportunities for social integration
- providing adequate and appropriate compensation for veterans (or if the veteran dies, their family) for pain and suffering, and lost income from service-related injury and illness.

The principles that should underpin a future system are:

- wellness focused (*ability* not disability)
- equity
- veteran centric (including recognising the unique needs of veterans resulting from military service)
- needs based
- evidence based
- administrative efficiency (easy to navigate and achieves timely and consistent assessments and decision making)
- financial sustainability and affordability.

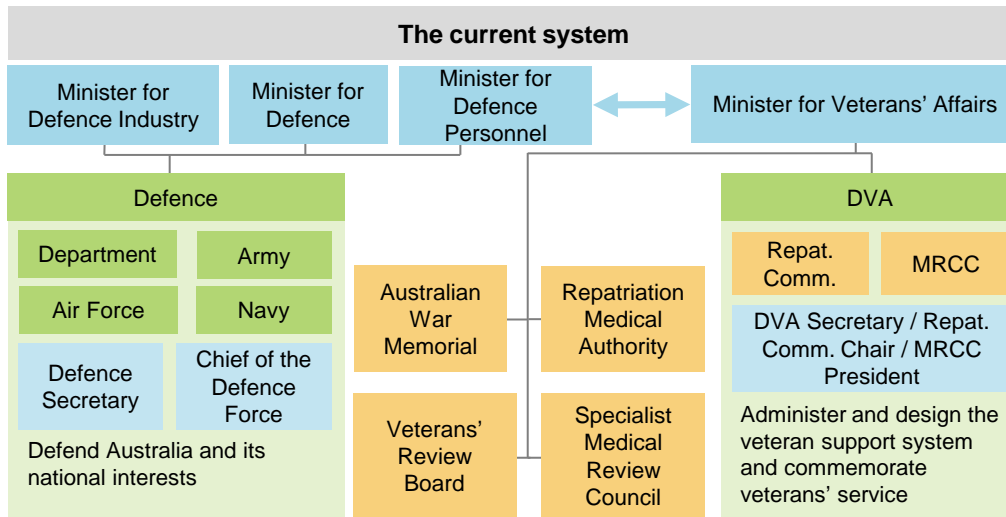
The objectives and underlying principles of the veteran support system should be set out in the relevant legislation.

The above statement of objectives is admirable in principle, yet the adoption of such a statement remains to be seen. At present the objective is simply words on a page and will remain so, unless cultural change is brought about through all aspects of Defence. Leadership must drive this initiative as hard as they would drive an assault on an enemy position. Ultimately, I fear that a lack of appropriate funding will be made available to achieve this lofty goal. Moreover, should funding be provided to inappropriate agencies, funds may be diverted to meet

expenses such as salary for Defence personnel or cost over-runs in the Defence Industry project sphere.

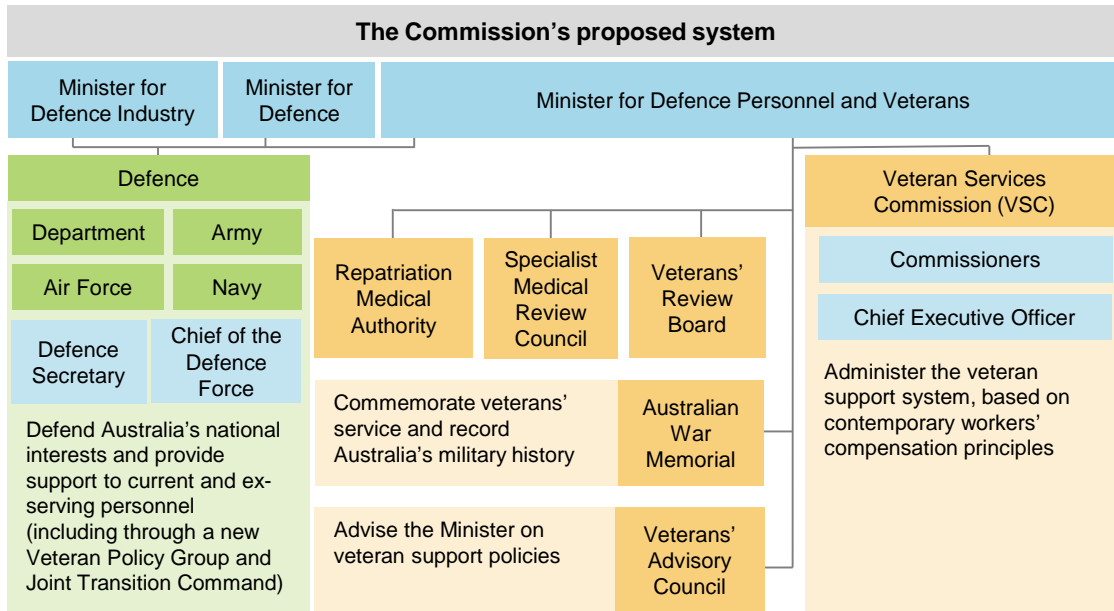
These fears lead me to contemplate the structure of the Defence Ministry.

The current system is depicted below.

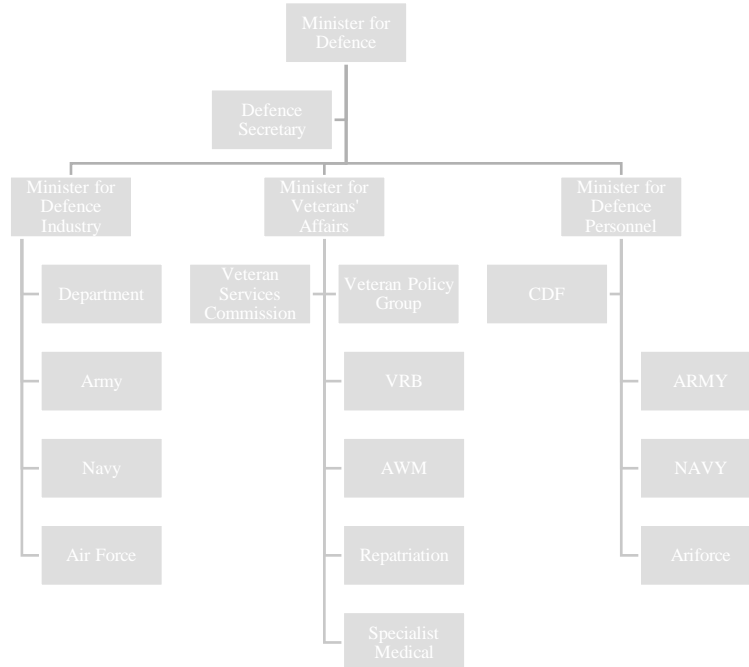


Historically, 2012, Army itself was employing approximately 500 personnel for which there were no or limited salary. This required leadership to divert monies from line(s) of funding to cover the deficiencies.

The Productivity Commission Draft Report (draft) proposes the future structure depicted below:



It is not thought for a moment that through this structure that Defence, if in need of salary would use funds earmarked for the VSS, but it is a possibility. To counter this I propose an alternate structure depicted as:



This structure could achieve the VSS objectives but not allow for funding to be re-allocated from the VSS to other priorities. The above alternate future design of the system is

styled on a Home Affairs approach and separates industry from personnel. It does not combine personnel and veterans. While industry and personnel share outcomes the two must remain separate to allow personnel to focus on the fight.

Personnel and veterans remain separate to not create confusion as to where operational matters and administrative matters compete for resources.

Ultimately the shape of the future is not open to debate, but clear delineations must be set to adequately cost and make each organization responsible for costs.

Recommendation 5.1 - Information Systems

DRAFT RECOMMENDATION 5.1

Defence should investigate the feasibility and cost of augmenting the Sentinel database with information from the Defence eHealth System. In the longer term, when Defence commissions the next generation of the Defence eHealth System, it should include in the system requirements ways to facilitate the capture of work health and safety data.

The Departments of Defence and Veterans' Affairs should investigate the feasibility and cost of augmenting the Sentinel database with information from the Department of Veterans' Affairs' datasets, which would provide insights into the cost of particular injuries and illnesses.

Information systems interoperability is now and continues to be problematic for both Defence and Government. No platform cooperates with any other system. It is the contention of this submission that while Defence and Government currently use multiple systems to transact veteran services, a single platform must be developed and implemented in order to reduce long term operational costs and ultimately provide better, more informed transition and support service provision.

Design

In order to design a one system, for all agencies the government must look beyond the current suite of available platforms and design a system that achieves all user needs, compartmentalised by access privileges so that no single user may interfere with all entered data for any one veteran. In designing a system, the next generation of system must be compatible with Sentinel for a period. Any loss of data from Sentinel will result in a veteran experiencing delay in the receiving treatment, gaining rehabilitation and ultimately, unfortunately, delay in compensation claims or recognition of a medical condition. Thereby jeopardizing the objective of the VSS.

Security Compliance

Regardless of the selection of the end product, security of the information transacted must remain paramount. Under both current and future VSS the contracting of external service

providers is assumed. Current Australian Government contract with external service providers require the provider to meet security arrangements based on the classification of the information transacted. This should not change in the future.

What should change is the level of compliance with the required security classification by the contracted service providers. The Information Security Manual (ISM) details the minimum information security requirement of each system employed, yet a great many service providers are unable to achieve ISM compliance due to prohibitive costs and internal organisational issues. To achieve ISM compliance more readily the Australian Signals Directorate (ASD) ought to perform a review of the security demands of the system to be developed and develop a bespoke security classification for the implementation of a new information system.

A second option would be for the ASD to become responsible for the provision of the authorised hardware and the management of a 'cloud based' system providing the monitoring of real time security situation. Daily information technology (IT) assistance would then become a function of the IT help desk associated with the operation of the Defence Restricted Network.

The second option will alleviate the additional contractual cost associated with the contracting of External Service Providers (ESP) and potentially provide a more secure platform from which VSS can be administered.

Training

While the tactical training of personnel employed to utilise any new VSS system is not a strategic concern to the Commission, the annual turn-over of Defence staff due to the 'posting cycle should be.

Defence personnel undergo physical locality changes ever two to three years for Commissioned and Non-Commissioned Officers and approximately every four years for the junior ranks. This

means that any expertise gained in any one posting cycle may be lost in a period of three years, or until training has reached a steady state that it is included at the Initial Employment Training (IET) institutions.

The initial training liability for Defence will be enormous and will add 18 to 24 months the 'roll out' of any new system. Therefore, additional years for the introduction of the next generation of eHealth system must be considered.

Recommendation 5.3 – Workers Compensation

DRAFT RECOMMENDATION 5.3

Beginning in 2019, the Australian Government should publish the full annual actuarial report that estimates notional workers' compensation premiums for Australian Defence Force members (currently produced by the Australian Government Actuary).

The VSS objective of reducing harm to Defence personnel is challenging due to the environments in which Defence personnel are employed. However, this does not mean that the rate of preventable injury or illness should not be addressed. With this said, I question as to the worth of presenting Defence with a 'notional' workers compensation premium.

Notional figures are considered a fairytale by junior commanders who are responsible for the day to day training of Defence personnel.

Should the Department of Defence desire a reduction in injury and illness, real repercussions will need to become tangible at the (army) Section Commander level. However, repercussions at the junior level will foster a spirit of risk aversion.

Infantrymen are not recruited for their superior intellect. To train a soldier in Job Safety Analysis (JSA) will cost time and money, both resources are already increasingly scarce. Yet, the career management agencies and doctrine/policy writers will need to include levels of competency for inclusion into individual and promotion training activities. If for no other reason than to prove to a Comm Care that adequate and formal training was provided and that management was regularly inspecting the lower ranks.

Moreover, should the VSS objective of reducing harm be properly addressed, the commission may seek to review the level of and compliance with Comm Care enforceable undertakings.

Again there must be real repercussions to achieve the VSS objectives, otherwise complacency may (will) creep into day to day operations.

Finding 6.1 – Incentives

DRAFT FINDING 6.1

Defence has a strong incentive to provide rehabilitation services to Australian Defence Force (ADF) members who have a high probability of redeployment or return to duty, but a weaker incentive to rehabilitate members who are likely to be transitioning out of the ADF. This is because ex-serving members become the responsibility of the Department of Veterans' Affairs (DVA) and Defence does not pay a premium to cover liabilities. Access to rehabilitation supports can also be disrupted during the transition period.

DVA pays limited attention to the long-term sustainability of the veteran support system (in part because the system is demand driven) and this reduces its focus on the lifetime costs of support, early intervention and effective rehabilitation.

Paragraph one of the above is highly inflammatory and insulting to the profession of arms. As a former member of the Royal Australian Infantry, there was never a higher priority than the wellbeing of those under my command.

With that said, due to Defence salary issues, if a soldier is permanently injured and is identified for medical separation – the priority for the sub-unit and unit is to gain and train a replacement that will be available and healthy enough for the next tasking. Current Australian Army Brigades are operating at under 75% manning.

Unlike during the World Wars, Australia operates a piecemeal Division and what might be described as an Army minus.

Army allows every opportunity to rehabilitate injury or illness, as it is cheaper to keep a soldier than to retire a soldier.

With the finding regarding DVA and early intervention and effective rehabilitation, DVA could not likely detect an injury any sooner unless it was embedded in an unit. In so far as rehabilitation is concerned, DVA due to its structure, contracts ESP to deliver rehabilitation if required. ESPs are not incentivised to cease rehabilitation as this would decrease the number of clients under its banner and therefore, decrease opportunity for profit.

Should Defence and DVA be funded accordingly, they could potentially recruit medical service professionals to perform the required treatment and rehabilitation. However, this would require much, much larger salary budgets be provided to Defence and DVA so as to compete and retain trained professionals.

Recommendation 6.1 – Joint Health Command Reporting**DRAFT RECOMMENDATION 6.1**

The Australian Defence Force Joint Health Command should report more extensively on outcomes from the Australian Defence Force Rehabilitation Program in its Annual Review publication.

Joint Health Command (JHC) should be manned sufficiently to produce these reports.

Alternatively, JHC, DVA and the Defence and Department of Veteran's Affairs Human Research Ethics Committee could identify a medical research facility and make a grant of funding for an external agency to comb through the data in order to provide more extensive reporting.

JHC is critically understaffed, this should be addressed rather than demanding more from an overtasked agency.

Finding 7.1 – Joint Training Command

DRAFT FINDING 7.1

The Departments of Defence and Veterans' Affairs offer a range of programs and services to support veterans with their transition to civilian life. Despite some improvements in recent years, these efforts remain fragmented and poorly targeted, with few demonstrated results. While many discharging members require only modest assistance, some require extensive support especially those who are younger, served in lower ranks, are being involuntarily discharged for medical or other reasons or who have skills that are not easily transferable to the civilian labour market.

It has never been the mission of Defence to prepare personnel for life outside of Defence.

Should there be a change in mission then the above finding would be fair. As it stands, finding should be omitted.

DRAFT RECOMMENDATION 7.1

The Australian Government should recognise that Defence has primary responsibility for the wellbeing of discharging Australian Defence Force members, and this responsibility may extend beyond the date of discharge. It should formalise this recognition by creating a 'Joint Transition Command' within Defence. Joint Transition Command would consolidate existing transition services in one body, with responsibility for preparing members for, and assisting them with, their transition to civilian life. Functions of Joint Transition Command should include:

- preparing serving members and their families for the transition from military to civilian life
- providing individual support and advice to veterans as they approach transition
- ensuring that transitioning veterans receive holistic services that meet their individual needs, including information about, and access to, Department of Veterans' Affairs' processes and services, and maintaining continuity of rehabilitation supports
- remaining an accessible source of support for a defined period after discharge
- reporting on transition outcomes to drive further improvement.

The establishment of a Joint Transition Command (JTC) is reasonable, but not under current funding arrangements. Once a JTC is established, Defence personnel would need to undertake a binding decision to separate at a minimum 12 months prior to separation.

Under current funding arrangements this is not possible as an additional 10 – 15% of the total annual Defence salary budget would need to be sourced from an unknown location. Can government of Australia (GOAS) find those additional hundreds of millions of dollars?

Recommendation 7.2 – Career Planning

DRAFT RECOMMENDATION 7.2

Defence, through Joint Transition Command (draft recommendation 7.1), should:

- require Australian Defence Force members to prepare a career plan that covers both their service and post-service career, and to update that plan at least every two years
- prepare members for other aspects of civilian life, including the social and psychological aspects of transition
- reach out to families, so that they can engage more actively in the process of transition.

Under a JTC concept to meet the recommendation at 7.2 additional personnel would need to become trained and practiced career counsellors. To have an extra person located at each of the Army sub-units to expressly administer those who elect to separate is not realistic.

A natural fit for this recommendation sits at the Platoon Commanders level, through the annual Performance Appraisal Report. However, due to the relative youth and inexperience, Platoon Commanders themselves lack the know-how to perform these functions.

This then leads on from Recommendation 7.1 personnel will be required to nominate for separation, in this case, 24 months prior to the intended separation date. As employment contracts in the ADF are open-ended. Defence may look to insert a control measure to allow for recruitment target adjustment by shifting to a closed period employment contract (i.e. minimum contract of six (6) years).

By adopting a closed-ended contract, Defence personnel are able to plan for the future and are encouraged to make a decision regarding separation sooner rather than later. This will allow Defence to appropriately resource commands and will allow DVA to better understand the likely throughput and then better bid for resources.

Recommendation 7.3 – Education Benefits

DRAFT RECOMMENDATION 7.3

The Department of Veterans' Affairs should support veterans to participate in education and vocational training once they leave the Australian Defence Force. It should trial a veteran education allowance for veterans undertaking full-time education or training.

As a veteran of the United States Navy and the Australian Army I would suggest that Defence model full-time education allowances on the Montgomery GI Bill. In this scheme, service personnel are invited to sacrifice \$100 per month for the first 12 months of their enlistment in exchange for approximately \$1,000 per month for 36 months of continual full-time study.

Upon entry to the Navy, I made an election at the time of commencing my initial training. I then served for the period of my contract and immigrated to Australia. I enrolled at a university and called the education section of the US Veterans Affairs, I applied for funding over the phone and submitted scanned copies of the curriculum and enrolment records and was able to draw funding immediately. I attended classes on a full-time basis for 30 months and was able to draw continuous funding for 30 months. This worked out to be approximately \$30,000.

The introduction of an education scheme like this could be scaled to meet the costs associated with tuition based on the cost of a degree and the length of time to satisfy the degree or vocational training course. A person could complete as many courses as they like within a time frame and all be fully funded. DVA could pay the institution or the Veteran directly.

Should this course of action be adopted, I would hope that the necessary Centrelink benefits (AUStudy) allowances be made available to veterans at the same time.

Recommendation 15.2 – Health Insurance

DRAFT RECOMMENDATION 15.2

The Department of Veterans' Affairs should amend the payments for the Coordinated Veterans' Care program so that they reflect the risk rating of the patient that they are paid for — higher payments for higher risk patients and lower payments for lower risk patients. Doctors should be able to request a review of a patient's risk rating, based on clinical evidence.

INFORMATION REQUEST 15.2

The Commission is seeking participants' views on fee-setting arrangements for veterans' health care that would promote accessible services while maintaining a cost-effective system.

What would be the benefits and costs of separate fee-setting arrangements for Gold Card and White Card holders? To allow cardholders more choice of provider, should providers be allowed to charge co-payments? Should co-payments, if permitted, be restricted to treatment of non-service related conditions?

Has the commission considered treating White and Gold cards as private health insurance?

White cards would gain the 'Basic' level of care and Gold card holders would receive a more 'Hospital and Extras' styled care. This should also alleviate the requirement of the individual to pay additional taxes for not having or not having procured private health insurance by age 30 years.

INFORMATION REQUEST 15.3

The Commission is seeking participants' views on the desirability of subsidising private health insurance for veterans and dependants in place of other forms of healthcare assistance.

Information Request 15.3

Rather than subsidizing private health insurance I would rather my White card be accepted as private health insurance, thereby affording me treatment and a tax reduction.

Conclusion

This submission has discussed what the author considers to be eight points worthy of additional consideration. While there is never a perfect solution to the issue that is the care of Australian Defence Force personnel it is hope that this input will assist in creating a more robust and whole of person Veteran Service System.