



Purpose

At ESORT on 9 March 2018, DVA undertook to provide a response to the issues raised in a member's submission from Mr Allan Thomas, National President APPVA. Please refer to the responses addressing each of the issues raised.

Complaints

- DVA has seen a 24% decrease in the number of complaints received 2014/15 to 2015/16, and an increase of 2% from 2015/16 to 2016/17.
- There was a 37% increase in the number of compliments received from 2015/16 to 2016/17.

	2012/13	2013/14	2014/15	2015/16	2016/17
Complaints	2,031	2,021	3,013	2,288	2,845
Compliments	1,116	964	730	699	958

- DVA takes all complaints seriously, with the average time taken to resolve a complaint being 11 days, which is well within the 28 days stated in the DVA Service Charter.

Appeals at the VRB

Table 1

	2012-2013		2013-2014		2014-2015		2015-2016		2016-2017	
VEA, MRCA & DRCA Determinations	43,419		53,531		48,711		44,588		56,067	
Appeal decided (internal, VRB & AAT) as % of VEA,MRCA & DRCA Determinations ⁽¹⁾	5,826	13.4%	5,370	10.0%	5,444	11.2%	5,339	12.1%	5,701	10.2%
Number of Decisions Affirmed against Appeals	3,504	60.1%	3,285	61.2%	3,619	66.5%	3,523	65.3%	3,642	64.3%
Number Set Aside or Varied against Appeals	2,322	39.9%	2,085	38.8%	1,825	33.5%	1,876	34.7%	2,059	35.7%
Number Set Aside or Varied against VEA, MRCA & DRCA Determinations	2,322	5.3%	2,085	3.9%	1,825	3.7%	1,876	4.2%	2,059	3.6%

(1) From 2015-16, VRB Decisions includes both Alternate Dispute Resolution cases and VRB Hearings

- The percentage of primary determinations that went through an appeal (internal and/or external) has reduced from 13.4% in 2012/13 to 10.2% in 2016/17.
- There has been a slight decrease in the number of appeals set aside or varied from 39.9% in 2012/13 to 35.7% in 2016/17.



- In addition, the percentage of set aside decisions as a proportion of all primary determinations remains low (5.3% in 2012/3 to 3.6% in 2016/17) and illustrates the quality of the decisions being made at the primary processing level.
- The introduction of the Single Appeal Pathway on 1 January 2017 simplifies and streamlines the appeal process under the MRCA by reducing the dual pathway to a single pathway. This ensures the appeal process under the MRCA is consistent with the appeal process under the VEA.
- Alternative dispute resolution (ADR) is an integral part of the single appeal pathway as it allows the VRB to resolve a large number of cases without the need for a full VRB hearing. ADR now operates in all states of Australia except Queensland. During 2016/17, 810 applications, or 64.1 per cent of cases referred to an ADR process were finalised without the need for a hearing.
- Some of the reasons identified by the VRB for cases being set aside or varied include:
 - additional information provided at a hearing level including updated medical reports/assessments;
 - new contentions or a new hypothesis being presented by the advocate or applicant; and
 - a consequence of the passage of time from the date of the primary decision to the hearing.
- Therefore, a VRB decision to set aside or vary does not necessarily indicate an incorrect decision was made by the delegate at the primary level.

Appeals at the AAT

- The member submission calculations assume that a case that was not affirmed was decided in favour of the applicant. This is not the case. The information in the Annual report was quite limited and it is understandable why this conclusion may have drawn. The statistics in the annual report did not include data of cases that were withdrawn, dismissed, settled by consent, or set aside.
- Commencing in 2016/17, DVA's annual report now includes the number of applications that were withdrawn by veterans and dismissed by the Tribunal and some data on decisions settled by consent or set aside by the Tribunal following a hearing, in addition to outcomes where the Commission's decision was affirmed. This will provide greater clarity around the numbers of cases where the Commission's decision remains unchanged.
- Traditionally, the overturn rate at the AAT has been in the order of approximately 40%, which includes matters that are resolved by consent. As can be seen from the most recent data, the Commission resolves the majority of cases decided in the applicant's favour by consent rather than proceeding to a formal hearing. Often this is the result of new evidence or information received during the course of the AAT proceedings.



- In addition, the reduction in the number of 'overturns' may reflect improved decision-making at the primary and Veterans' Review Board (VRB) levels and the increased focus of alternative dispute resolution practices at the VRB.
- DVA will continue to monitor these trends to ensure that we are assisting the AAT to arrive at the correct or preferable decision, at the earliest opportunity in the process.

Client Satisfaction

- The overall client satisfaction rate in 2016 remains high at 83%. The 2016 result does represent a small decline in client satisfaction from 89% in 2014.
- This is largely a result of the changing ratio of younger (less satisfied) to older clients (more satisfied), a reflection of the DVA's changing client demographics.
- The Survey is an important measurement tool to learn about clients experiences with DVA. It provides valuable data for business change and reform.

External Legal Costs

- In 2016/17, DVA spent \$7.24 million on external legal services, compared to \$8.16 million in 2015/16. Included were disbursements and the engagement of counsel who advised on litigation, procurement, contracting and management issues.

Acceptance Rate for New Compensation Claims

- Our legislation, the VEA, DRCA, MRCA requires evidence based decision making.
- When determining liability claims under the VEA, the DRCA and the MRCA, the following need to be satisfied;
 - Proof of Identity (POI);
 - Service eligibility;
 - Medical diagnosis; and
 - Link to service of the diagnosed condition/injury.
- If there is a diagnosed condition which can be linked to the client's service, liability can be accepted.
- For a claim under the VEA, acceptance of liability will also involve the assessment of disability pension and the issue of a Gold Card or White Card to facilitate medical treatment.
- For claims under the DRCA and the MRCA the provision of rehabilitation and benefits are contingent upon a Needs Assessment conducted after acceptance of liability.



- From 2015/16, the focus of performance reporting moved from claim numbers to the number of determinations made and number of cases/conditions which makes the comparison between financial years in the member's submission problematic.
- As noted in the DVA Annual Report 2015/16, previous years' MRCA liability acceptance rates were based on claims accepted as a percentage of claims determined. Therefore, a claim with multiple conditions was deemed to be 'accepted' if liability for one or more of the claimed conditions was accepted.
- In 2016/17, the acceptance rate for conditions determined from MRCA liability claims was actually 73.3% (not the quoted 59.7%).
- It should be noted that while a condition may not be accepted under one Act, a percentage of conditions will be accepted under another Act.

Claims Processing

- DVA has put in place initiatives to improve the timeliness and quality of claims processing, which has led to a downward trend in claims processing times.
- The timeliness targets for compensation claims under the VEA, and initial liability claims under the DRCA and MRCA were met in 2015/16 and 2016/17.
- It should be noted that in the members submission, the 2012/13 figures quoted for MRCA and SRCA claims relate to the error rate for liability claims, while the 2016/17 figures quoted are the combined correctness rate for liability, permanent impairment, and incapacity compensation claims.
- The introduction of the Annual Performance Statement in the DVA Annual Report 2015/16, resulted in a change to the broader error rate for claims under the MRCA and SRCA, with a combined claim types result reported under each Act.
- This makes the comparison between financial years in the member's submission problematic. For example, the 2016/17 is a combined figure that includes the error rate for incapacity compensation claims, which is traditionally higher than the error rate for liability claims.
- In contrast, the error rate for incapacity compensation claims is not included in 2012/13 figure quoted, because these figures were reported differently at that time.
- Where an error is identified in the calculation of the payment of an incapacity payment, it is identified and corrected.
- However, not all errors result in an incorrect payment. An error may include an oversight in the investigation process or a failure to adhere to procedures.



- A recent analysis of the 2016/17 error rates conducted by the Operational Performance Improvement team within the Veteran Centric Reform program indicated that up to 40 per cent of critical errors did not have a direct financial impact on the client, and were errors in the application of policy or legislation.
- Examples might include a failure to save a determination letter electronically or a failure to undertake a clearance with Centrelink.

Transforming DVA

- Transforming DVA is about putting veterans at the centre of everything we do. Through this transformation, our clients will receive a better level of support based around their needs and expectations, rather than our legislation and systems.
- DVA is improving performance by reinforcing policy and procedures and enhancing staff training. In 2016-17, 303 delegates participated in formal training, which is further supported by structured on-the-job training.
- Another initiative DVA is implementing to improve the quality and consistency of decisions is the upgrading of information and communication technology (ICT) systems. As part of the 2016-17 Budget, \$23.9 million was provided by the Australian Government over two years to ensure critical rehabilitation and compensation processing systems operate effectively. Page 37 of the DVA Annual Report 2016-17 provides more detail.
- Under the Improving Processing Systems (IPS) program, DVA has been progressively building a single rehabilitation and compensation processing system. IPS is now into the second half of its second year and has provided new system functionality for rehabilitation and compensation staff.
- IPS will also support implementation of a Quality Online program, which will instigate pre-decision checking of rehabilitation and compensation cases. This approach was piloted in 2017 and indicated a positive impact on error rates.
- This submission references a number of statistics from the Annual Report to claim that the performance of the department has deteriorated since the Capability Review rather than improved.
- We acknowledge the findings of the 2014 Capability Review and have been working hard to improve the services provided to veterans through our transformation agenda.