



28 February 2019

Veterans Compensation and Rehabilitation Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2604

SUBMISSION TO THE PRODUCTIVITY COMMISSION *DRAFT* REPORT: A BETTER WAY TO SUPPORT VETERANS

Introduction

This is provided in response to the Productivity Commission (PC) *Draft Report, A Better Way to Support Veterans* released in December 2018. The focus of this submission is on draft recommendation 12.2.

Draft Productivity Commission Recommendation 12.2

The Productivity Commission made the following draft recommendation:

DRAFT RECOMMENDATION 12.2

The Department of Veterans' Affairs (DVA) and the Commonwealth Superannuation Corporation (CSC) should work together to streamline the administration of superannuation invalidity pensions and veteran compensation, including by:

- moving to a single 'front door' for invalidity pensions and veteran compensation
- moving to a single medical assessment process for invalidity pensions and veteran compensation
- developing information technology systems to facilitate more automatic sharing of information between DVA and CSC.

With the establishment of the proposed Veteran Services Commission (draft recommendation 11.2), consideration should be given to whether it should administer the CSC invalidity pensions.

Single medical assessments

In mid-2018, after considerable consultation with the Departments of Defence and Veterans Affairs, CSC adopted a 'single medical' approach to assessment processes for invalidity pensions, by accepting the Defence medical assessment as suitable for CSC claims processes.



Coupled with improved communications and information exchange, and better access to medical reports, the average time to process benefits after discharge has reduced to a January 2019 average of 3.95 days (Table 1). In approximately 30% of these cases, pension benefits were available to ADF members the day after discharge.

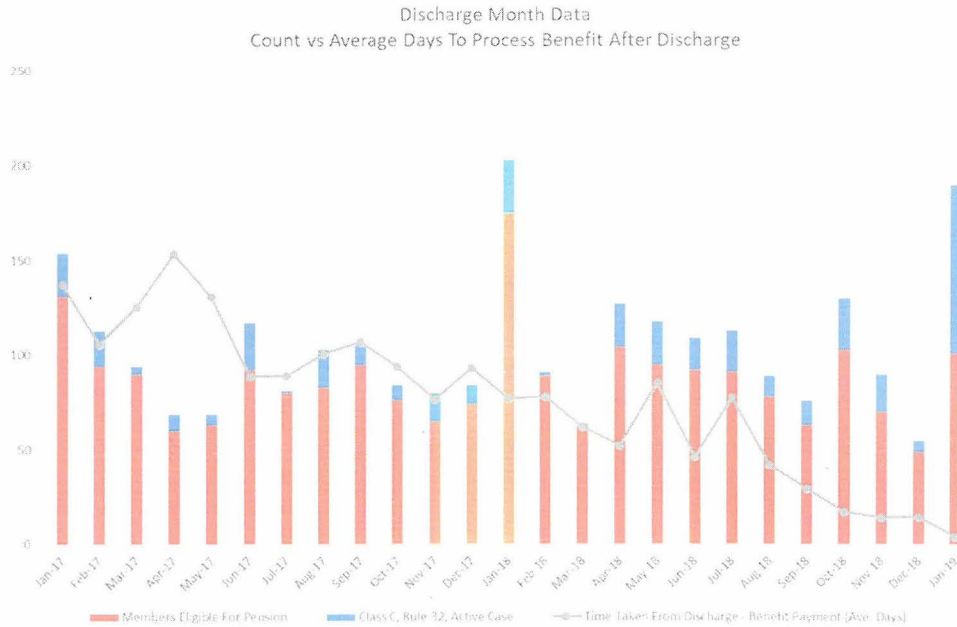


Table 1: Average days to process pension benefits after discharge from the ADF

IT to facilitate automatic sharing of information between DVA and CSC

CSC remains engaged with Defence and DVA in a number of projects designed to improve automatic sharing of information including Defence Digitised Electronic Information Exchange (DDEIE) and Transition Health Assessments.

CSC also engages in a significant number of employer focussed working groups with Defence and DVA that continuously review data and information exchange procedures between agencies. Improvements to information exchange have been realised however full automation is yet to be achieved across all agencies.

Separately, CSC has installed a new claim specific administration platform which enables greater management of cases while under review. System flags and greater oversight ensure regular communications with customers throughout the course of the claim process and all processes are aligned with the Insurance Code of Conduct best practice guidelines.

Single front door

The concept of a single 'front door' model for the administration of invalidity pensions and veteran compensation should be pursued through future digitised electronic information exchange between Defence, DVA and CSC.

General Comments and Observations

Increasing mental health claims. An internal CSC report in early 2018, captured 2017 data across all defined benefit schemes (APS and Defence). The report noted that of ~ 5000 cases requiring determination in 2017, 45% involved known mental health matters. Of note, in cases classified as initial invalidity and retrospective invalidity, over 70% of claims involved mental health matters. ADF members account for the majority of these claims, however claim numbers from other agencies are steadily increasing. ADF members often have multiple issues, both physical and mental.

CSC conducts regular and extensive staff training and awareness programs in order to best support customer interactions. These include mandatory training modules, mental health first aid training, external service providers and engagement and awareness programs with existing customers. We have also reviewed our recruitment processes to identify appropriate staff.

Defence Engagement and Liaison. Two members of the CSC Board are ex ADF Officers and are nominated by the Chief of the Defence Force. To improve our engagement with veterans, CSC has recently employed an ex ADF Officer to manage engagement and liaison with ex-service organisations, Defence and DVA.

Recommendations

It is recommended the Productivity Commission **note** that:

- Single medical assessment processes for invalidity pensions was adopted into Commonwealth Superannuation Corporation (CSC) operations in 2018.
- In January 2019, the average time taken to process benefits for eligible veterans after discharge from the ADF was less than five days.
- The CSC remains actively engaged with Defence and the Department of Veterans' Affairs (DVA) on the Transition Taskforce reforms, transition health assessment improvements and ongoing information exchange developments.

Point of Contact: The CSC contact for further information is David Wilton.

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