

LEGACY AUSTRALIA INCORPORATED
RESPONSE TO THE PRODUCTIVITY COMMISSION'S DRAFT REPORT
– A BETTER WAY TO SUPPORT VETERANS

'The Spirit of Legacy is Service'

INTRODUCTION

1. Legacy Australia Incorporated (LA Inc.) welcomes the opportunity to provide feedback on the *Draft Report – A Better Way to Support Veterans*. The 153 submissions by individuals and ex-service organisation, as well as the extensive consultations, have yielded some excellent insights into the current issues and challenges being experienced by veterans and their families in navigating the veteran support system.
2. By way of background, Legacy is a unique and iconic Australian organisation that commenced in the 1920's in the wake of World War I and has been operating for over 95 years. Legacy is the only organisation in the world that has the sole focus of supporting families of veterans who have given their life or their health in the service of their nation. Legacy Australia, the incorporated body of the forty-eight Legacy Clubs across Australia, including one in London, provides caring and compassionate services to assist over 58,000 widows and 1,800 children and dependants with a disability.
3. It should be noted at the outset that the dependents of veterans, both deceased and living, make up 44 percent of the DVA client base; approximately 50 percent of these are Legacy beneficiaries. It is feasible to say that those who are not Legacy beneficiaries would have the same, or similar issues. Legacy's comments on the draft report will be restricted to those aspects that have a direct bearing on our beneficiaries and veterans' dependents, or those aspects that may, subsequently, affect them.
4. It is appropriate at this time that LA Inc. recognises the good work of the Department of Veterans' Affairs (DVA), for a century of service to veterans and their families. The DVA's recent successes with the implementation of the Veteran Centric Reforms (VCR), is evidence alone of an organisation that is operating strategically. LA Inc. recognises the value in reviewing any organisations policies, procedures and overall ideologies for good business and organisational development.
5. Following this period of review, LA Inc. would like to see the DVA providing more strategic direction to the ex-service organisation (ESO) community. ESO's can play a major role, if engaged, in strategic planning aimed at improving the wellbeing of veterans and their families.
6. It would appear that the draft recommendations by the Productivity Commission are heavily geared towards a 'revolutionary' solution. LA Inc. suggests that an 'evolutionary' approach would be in the best interests of all parties to address the issues raised in the draft report. For example, building upon the success of the VCR reforms would be a positive approach to the future.

7. The draft report identifies a number of issues, of most interest to Legacy are the following:
 - 7.1. LA Inc. supports a reinvigorated Department of Veterans' Affairs;
 - 7.2. LA Inc. does not support the establishment of a Veterans Services Commission;
 - 7.3. LA Inc. supports an expansion of Veteran Centric Reform successes;
 - 7.4. LA Inc. supports reducing schemes from 3 to 2 in principle, however more information is requested to ensure entitlements are not diminished by harmonising the legislation;
 - 7.5. LA Inc. supports any opportunity to maximise educational scholarships to dependent children
 - 7.6. The Report acknowledges 177,000 dependants, yet little consideration is given to them throughout the report;
 - 7.7. LA Inc. supports the modernisation of claims, as long as a manual alternative is available for people with limited computer literacy; and
 - 7.8. LA Inc. does not support reducing the Veteran's Review Board's capacity to independently review claims.

8. Of further importance is the definition of a veteran and the way in which compensation may be delivered to veterans with warlike service, compared to those who suffer injury/illness in non-warlike and peacetime service. LA Inc. appreciates this matter has been considered by Government, however, LA Inc. wishes to advocate for families where the veteran has died or become incapacitated by warlike service, that they are afforded compensation that reflects the extreme risk in which the veteran has served. Recognition of the unique nature of military service demonstrates a clear understanding that veterans face an increased likelihood of death or injury on operations, and that the application of lethal force is required. LA Inc. does not wish to see these entitlements eroded in any way for veterans with warlike service.

9. A critical need emerging from the draft report is modernising/upgrading of current IT systems to ensure they are able to talk to each other and that they provide a seamless sharing of data between Defence and the DVA. Not only to better capture and utilise data, but to streamline future claims by veterans and their families. There is a significant amount of work to be completed in modernising the systems focusing on transitioning as much of the administration online as possible.

10. Furthermore, a Veteran Support System (VSS) should provide veterans a holistic approach from enlistment, service, rehabilitation and through to compensation if applicable. The VSS can assist in ensuring wellness support is available for veterans and families for life. A VSS driven by data and online engagement - supported by an artificial intelligence (AI) and machine learning model is the way of the future.

RESPONSES TO DRAFT RECOMMENDATIONS

OBJECTIVES AND PRINCIPLES

- 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.

LA Inc. supports this recommendation. As mentioned earlier, the draft report shows a distinct lack of consideration for the needs of families and dependent children. Families are crucial to the effectiveness of defence functions and veteran rehabilitation.

PREVENTION

- 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.

Not applicable to LA Inc.

- 5.2** Defence should use the injury prevention programs being trialled at Lavarack and Holsworthy Barracks as pilots to test the merit of a new approach to injury prevention to apply across the Australian Defence Force (ADF).
Defence should adequately fund and support these programs, and ensure that there is a comprehensive and robust cost benefit assessment of their outcomes.
If the cost benefit assessments are substantially positive, injury prevention programs based on the new approach should be rolled out across the ADF

LA Inc. supports this recommendation as it is common practice in most organisations and should be implemented within government departments, in particular, Defence.

REHABILITATION AND WELLNESS SERVICES

- 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.

LA Inc. supports this recommendation and any opportunity to improve the sharing of data between Defence Health and the DVA. LA Inc. supports working towards a fully automated system. For example, the current ADF system – at the time of injury, perfect medical information is available. The veteran receives treatment and reporting at the point of injury or an illness, is accepted and recorded within Defence Health, this information should be shared with the DVA immediately to streamline future compensable injury claims.

- 6.2** The Department of Veterans’ Affairs should make greater use of the rehabilitation data that it collects and of its reporting and evaluation framework for rehabilitation services. It should:
- evaluate the efficacy of its rehabilitation and medical services in improving client outcomes
 - compare its rehabilitation service outcomes with other workers’ compensation schemes (adjusting for variables such as degree of impairment, age, gender and difference in time between point of injury and commencement of rehabilitation) and other international military schemes.

LA Inc. supports this recommendation. Improved analysis of existing data will inform rehabilitation services and return to work programs, which will greatly impact Legacy families, where the veteran is still alive*. An open-minded approach to rehabilitation options would empower veterans to be in control of their future and have a positive impact on families. The current system is too prescriptive, which can cause unnecessary angst within the veteran family home.

- **Note:** Legacy cares for a small number of families, where the veteran has “given their health”.

- 6.3** Defence and the Department of Veterans’ Affairs need to engage more with rehabilitation providers, including requiring them to provide evidence-based approaches to rehabilitation, and to monitor and report on treatment costs and client outcomes.

Changes are also required to the arrangements for providing and coordinating rehabilitation immediately prior to, and immediately post, discharge from the Australian Defence Force (ADF). Rehabilitation services for transitioning personnel across this interval should be coordinated by Joint Transition Command (draft recommendation 7.1). Consideration should also be given to providing rehabilitation on a non-liability basis across the interval from ADF service to determination of claims post-service.

LA Inc. supports this recommendation. It is unacceptable that the current system, in effect, waits until the veteran and or the family is in crisis before providing support. These services need to be more proactive prior to any crisis.

TRANSITION TO CIVILIAN LIFE AFTER MILITARY SERVICE

- 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.

LA Inc. supports an improved centralised coordination of transition support by establishing a new Joint Transition Command within Defence. LA Inc. encourages the implementation of a case manager model for transitioning members of the ADF. Legacy boasts 95 years of experience in managing the needs of its beneficiaries through case managers (Legatees), providing a holistic approach to our families. A single point of contact for the transitioning member with the Joint Transition Command would be ideal.

The Joint Transition Command would require some coordination with ESO's and the services they can provide, DVA and CSC. For example, some Legacy Clubs (largely, capital city clubs) do have paid staff who can assist Legacy beneficiaries with complex claims with the DVA.

- 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.

LA Inc. supports this recommendation. Engaging families early in the process will be of benefit to all parties. Anecdotally, Legacy is aware that ADF families have been left to themselves to find the services/support on discharge, adding unnecessary angst within the home.

7.2 INFORMATION REQUEST

The Commission is seeking information to inform the design of the proposed veteran education allowance. In particular:

- at what rate should the veteran education allowance be paid?
- should eligibility for the veteran education allowance be contingent on having completed a minimum period of service? If so, what should that minimum period be?
- should any other conditions be put on eligibility for the veteran education allowance?

LA Inc. agrees that the veteran education allowances should be reviewed. Consideration should be given to existing education assistance schemes across other government agencies to determine best practice and criteria. These allowances would allow for veterans who have given their health, the ability to reskill/retrain without causing any significant financial burden on the family.

These allowances should not be defined by periods of service and should be available to all members who are medically discharged (no eligibility criteria) and based on an eligibility criterion for all members who are administratively discharged.

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.

LA Inc. supports this recommendation. There should be no limits on what type of courses or industries the veteran may wish to study or pursue employment. As noted earlier, an open-minded approach will be more empowering for the veteran and in turn, provide financial stability for the family.

INITIAL LIABILITY ASSESSMENT

8.1 The Australian Government should harmonise the initial liability process across the three veteran support Acts. The amendments should include:

- making the heads of liability and the broader liability provisions identical under the *Veterans' Entitlements Act 1986* (VEA), the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) and the *Military Rehabilitation and Compensation Act 2004* (MRCA)
- applying the Statements of Principles to all DRCA claims and making them binding, as under the MRCA and VEA
- adopting a single standard of proof for determining causality between a veteran's condition and their service under the VEA, DRCA and MRCA.

LA Inc. supports this recommendation. We acknowledge that the onus of proof is easier for those with operational (war like) and non-war like service as compared to those that served in Australia during peacetime.

8.2 The Australian Government should amend the Veterans' Entitlements Act 1986 (VEA) to allow the Repatriation Medical Authority (RMA) the legal and financial capacity to fund and guide medical and epidemiological research into unique veteran health issues, such as through a research trust fund.

Following any investigation, the RMA should be required to publish the list of peer-reviewed literature or other sound medical-scientific evidence used, as well as outline how different pieces of evidence were assessed and weighed against each other. This may require legislative amendments to the VEA.

Additional resources should also be given to the RMA, so that the time taken to conduct reviews and investigations can be reduced to around six months.

LA Inc. supports this recommendation. Especially by providing the Repatriation Medical Authority (RMA) with the ability to publish their research, noting the current difficulties in accessing their good work on the RMA website.

CLAIMS ADMINISTRATION AND PROCESSING

9.1 The Department of Veterans' Affairs should report publicly on its progress in implementing recommendations from recent reviews (including the 2018 reports by the Australian National Audit Office and the Commonwealth Ombudsman) by December 2019.

LA Inc. supports this recommendation.

9.2 The Department of Veterans' Affairs should ensure that staff, who are required to interact with veterans and their families, undertake specific training to deal with vulnerable people and in particular those experiencing the impacts of trauma.

LA Inc. supports this recommendation.

9.3 If the Department of Veterans' Affairs' quality assurance process identifies excessive error rates (for example, greater than the Department's internal targets), all claims in the batch from which the sample was obtained should be recalled for reassessment.

LA Inc. supports the retraining of DVA staff who are identified with high error rates, to circumvent the need for a batch of claims to be reassessed.

REVIEWS

10.1 The Department of Veterans’ Affairs (DVA) should ensure that successful reviews of veteran support decisions are brought to the attention of senior management for compensation and rehabilitation claims assessors, and that accuracy of decision making is a focus for senior management in reviewing the performance of staff.

Where the Veterans’ Review Board (VRB) identifies an error in the original decision of DVA, it should clearly state that error in its reasons for varying or setting aside the decision on review.

The Australian Government should amend the Veterans’ Entitlements Act 1986 to require the VRB to report aggregated statistical and thematic information on claims where DVA’s decisions are varied through hearings or alternative dispute resolution processes. This reporting should cover decisions of the Board, as well as variations made with the consent of the parties through an alternative dispute resolution process. This should be collected and provided to DVA on a quarterly basis and published in the VRB’s annual report.

DVA should consider this reporting and respond by making appropriate changes to its decision-making processes.

LA Inc. is of the understanding that the VRB is already reporting to the DVA. However there is little evidence of any change or efficiencies coming from this process. It should be standard practice for the DVA to review any cases overturned by the VRB and adjust internal policies and procedures to ensure the decision is not repeated.

LA Inc. would like it noted, it has concerns that the VRB are moving from written to oral decisions. Whilst LA Inc. supports the VRB in streamlining their processes, by the VRB moving to oral decisions, it limits the feedback and reasons to the DVA with regards to DVA’s decisions being set aside. For appeal purposes, the reasons for a decision has to be requested within 28 days. If a VRB case is rejected by them, it should be matter of process to publish the reasons for the rejection.

10.2 The Australian Government should introduce a single review pathway for all veterans compensation and rehabilitation decisions. The pathway should include:

- internal reconsideration by the Department of Veterans’ Affairs. In this process, a different and more senior officer would clarify the reasons why a claim was not accepted (partially or fully); request any further information the applicant could provide to fix deficiencies in the claim, then make a new decision with all of the available information
- review and resolution by the Veterans’ Review Board, in a modified role providing alternative dispute resolution services only (draft recommendation 10.3)
- merits review by the Administrative Appeals Tribunal
- judicial review in the Federal Court of Australia and High Court of Australia.

LA Inc. does not support this recommendation. If a single review pathway was established, LA Inc. agrees that all VEA, DRCA and MRCA claims should be appealed at the VRB. As such, LA Inc. does not support modifying the role of the VRB and are resolute that it remains independent of the DVA commissions.

10.3 The Australian Government should amend the role and procedures of the Veterans' Review Board (VRB).

Rather than making decisions under the legislation, it would serve as a review and resolution body to resolve claims for veterans. All current VRB alternative dispute resolution processes would be available (including party conferencing, case appraisal, neutral evaluation and information-gathering processes) together with other mediation and conciliation processes. A single board member could recommend the correct and preferable decision to be made under the legislation, and the Department of Veterans' Affairs and the claimant could consent to that decision being applied in law.

Cases that would require a full board hearing under the current process, or where parties fail to agree on an appropriate alternative dispute resolution process or its outcomes, could be referred to the Administrative Appeals Tribunal.

Parties to the VRB resolution processes should be required to act in good faith.

LA Inc. does not support this recommendation. LA Inc. sees value in a full board (3) reviewing cases, so that it is not a singular opinion. Appeals that go to the Administrative Appeals Tribunal (AAT) result in significant delay in any outcomes.

AAT can be confronting for veterans and their families, particularly in that it is an adversarial environment. Legal representation also presents a significant financial burden on the families, when all too often, Legal Aid is difficult to obtain.

10.4 The Australian Government should conduct a further review in 2025 on the value of the continuing role of the Veterans' Review Board, once significant reforms to the initial claim process for veterans are established. In particular, the review should consider whether reforms have reduced the rate at which initial decisions in the veteran support system are varied on review. If the review finds that the Board is no longer playing a substantial role in the claims process, the Australian Government should bring the alternative dispute resolution functions of the Board into the Department of Veterans' Affairs or its successor agency.

LA Inc. does not support the singling out of the VRB, rather it supports a review of all related bodies in 2025, including the DVA, to identify gaps and implement efficiencies within the system.

LA Inc. does not support transferring the dispute resolution function of the VRB to the DVA. The VRB should remain independent of the DVA and the Repatriation Commission and the Military Rehabilitation and Compensation Commission.

GOVERNANCE AND FUNDING

11.1 A new 'Veteran Policy Group', headed by a Deputy Secretary, should be created in Defence with responsibility for veteran support policies and strategic planning. Ministerial responsibility for veterans' affairs should be vested in a single Minister for Defence Personnel and Veterans within the Defence portfolio.

LA Inc. fervently opposes this recommendation. However a Veteran Policy Group would be welcomed if DVA have carriage of the initiative. This would negate the conflict of interest if it were to reside with the Defence portfolio.

11.2 The Australian Government should establish a new independent Commonwealth statutory authority, the Veteran Services Commission (VSC), to administer the veteran support system. It should report to the Minister for Defence Personnel and Veterans and sit within the Defence portfolio (but not within the Department of Defence).

An independent board should oversee the VSC. The board should be made up of part-time Commissioners appointed by the Minister who have a mixture of skills in relevant civilian fields, such as insurance, civilian workers' compensation and project management, as well as some with an understanding of military life and veteran issues. The board should have the power to appoint the Chief Executive Officer (responsible for the day-to-day administration).

The functions of the VSC should be to:

- achieve the objectives of the veteran support system (draft recommendation 4.1) through the efficient and effective administration of all aspects of that system
- manage, advise and report on outcomes and the financial sustainability of the system, in particular, the compensation and rehabilitation schemes
- make claims determinations under all veteran support legislation
- enable opportunities for social integration
- fund, commission or provide services to veterans and their families.

The Australian Government should amend the *Veterans' Entitlements Act 1986* and the *Military Rehabilitation and Compensation Act 2004* to abolish the Repatriation Commission and Military Rehabilitation and Compensation Commission upon the commencement of the VSC.

LA Inc. fervently opposes this recommendation. LA Inc. does however support a reinvigorated Department of Veterans' Affairs. In lieu of establishing the Veteran Services Commission (VSC), LA Inc. urges the Productivity Commission to consider the following points:

- Combine the functions of the Repatriation Commission and the Military Rehabilitation and Compensation Commission under one commission;
- Acknowledge DVA's 100 years of service to veterans and their families and that the DVA understand the unique nature of military service;
- Build on the successes of the Veteran Centric Reforms to transform DVA to the organisation the veteran community needs; and
- The enormity of funds required to establish the VSC and how these funds may be better served in supports veterans and families.

11.3 The Australian Government should establish a Veterans' Advisory Council to advise the Minister for Defence Personnel and Veterans on veteran issues, including the veteran support system.

The Council should consist of part-time members from a diverse range of experiences, including civilians and veterans with experience in insurance, workers' compensation, public policy and legal fields.

LA Inc. does not support this recommendation. LA Inc. recognises that a number of advisory councils/committees are currently in operation, including but not limited to Industry Advisory Committee on Veterans' Employment, Prime Ministerial Advisory Council on Veterans' Mental Health and various forums including the Female Veterans Families Forum.

It is LA Inc.'s opinion that the above mentioned entities should report to the Ex-Service Organisation Round Table (ESORT). ESORT is to be elevated to the primary strategic policy advisory board to the DVA and Minister for Veterans' Affairs where applicable. With sound strategic direction in place, decisions and policy making can become more proactive and not reactive as seems to be the current practise and historically with the DVA.

11.4 The Australian War Memorial (AWM) already plays a significant and successful role in commemoration activities. As a consequence of the proposed governance and administrative reforms, the Australian Government should transfer primary responsibility for all commemoration functions to the AWM, including responsibility for the Office of Australian War Graves.

LA Inc. acknowledges the tremendous work of the Australian War Memorial (AWM), yet is concerned that the Commission has implied a gross over simplification of the functions of the Office of Australian War Graves. This office engages in both national and international matters of diplomacy.

The AWM comes under the departmental responsibility of the Secretary of DVA and therefore with a retained DVA, the responsibility for commemoration functions, including the responsibility for the Office of Australian War Graves, would remain an internal Department matter.

11.5 Once the new governance arrangements in draft recommendations 11.1 and 11.2 have commenced, the Australian Government should make the veteran support system a fully-funded compensation system going forward. This would involve levying an annual premium on Defence to enable the Veteran Services Commission to fund the expected future costs of the veteran support system due to service-related injuries and illnesses incurred during the year.

LA Inc. does not support this recommendation. LA Inc. shares the reservations of ESORT and the wider ESO community that a levy imposed on Defence would ultimately lead to cost cutting measures within Defence, exposing ADF members and veterans a potential reductions in the range of services and entitlements available and therefore their overall wellness. LA Inc. acknowledges that currently there are no ‘levers’ to influence ADF Work place behaviour, that is, no cost or time levers compared to civil employers.

THE COMPENSATION PACKAGE

12.1 The Australian Government should harmonise the compensation available through the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) with that available through the *Military Rehabilitation and Compensation Act 2004*. This would include harmonising the processes for assessing permanent impairment, incapacity and dependant benefits, as well as the range of allowances and supplements.

Existing recipients of DRCA permanent impairment compensation and dependant benefits should not have their permanent impairment entitlements recalculated. Access to the Gold Card should not be extended to those eligible for benefits under the DRCA.

LA Inc. supports the recommendation to harmonise the legislation, but not to the detriment of those eligible under DRCA. Legacy is adamant that those who are currently eligible under DRCA should be afforded the equivalent treatment of those under MRCA legislation, including the Gold Card.

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.

LA Inc. supports the recommendation to streamline this process. Once a veteran's disability is accepted by either the DVA or Commonwealth Superannuation Corporation (CSC), a veteran should not be expected to prove this disability again. This would require some collaboration between the DVA and CSC.

COMPENSATION FOR AN IMPAIRMENT

13.1 The Australian Government should amend the *Military Rehabilitation and Compensation Act 2004* to remove the requirement that veterans with impairments relating to warlike and non-warlike service receive different rates of permanent impairment compensation from those with peacetime service.

The Department of Veterans' Affairs should amend tables 23.1 and 23.2 of the Guide to Determining Impairment and Compensation to specify one rate of compensation to apply to veterans with warlike, non-warlike and peacetime service.

LA Inc. does not support this recommendation. LA Inc. recognises that the treatment of veterans who sustain injuries in Australia e.g. falling off the back of a Protected Mobility Vehicle in a training exercise at Puckapunyal, compared to falling off the back of a Protected Mobility Vehicle on Operations in a theatre of war will be the same. However, in considering the unique nature of military service and the extreme risk (increased likelihood of death or injury) associated with operations, compensation should adequately reflect the environment in which the injury/illness was sustained.

13.2 The Australian Government should amend the *Military Rehabilitation and Compensation Act 2004* to remove the option of taking interim permanent impairment compensation as a lump-sum payment. The Act should be amended to allow interim compensation to be adjusted if the impairment stabilises at a lower or higher level of impairment than what is expected within the determination period.

LA Inc. requests further information from the Commission to determine whether this impacts on 'impairment points'. This may have a financial impact of Legacy's beneficiaries. Furthermore, the collective experience of Legacy Clubs, would encourage consideration of fortnightly payments over a lump sum for impairment compensation. Fortnightly payments could be adjusted over time to avoid veterans and their families making payments back to the DVA if required.

13.3 The Australian Government should amend the *Military Rehabilitation and Compensation Act 2004* to allow the Department of Veterans' Affairs the discretion to offer veterans final permanent impairment compensation if two years have passed since the date of the permanent impairment claim, but the impairment is expected to lead to a permanent effect, even if the impairment is considered unstable at that time. This should be subject to the veteran undertaking all reasonable rehabilitation and treatment for the impairment.

LA Inc. supports this recommendation.

13.4 The Australian Government should amend the *Military Rehabilitation and Compensation Act 2004* to remove the permanent impairment lump-sum payments to the veteran for dependent children and other eligible young persons.

LA Inc. does not support this recommendation. LA Inc. requests consideration be made that the lump-sum be paid into a trust, similar to what exists under SRCA, where some funds are available to the parents.

LA Inc. is concerned that the current provisions in place for veterans and their families to seek financial advice prior to payment of large compensations claims, is widely unknown. These services should be promoted adequately by DVA.

13.5 The Department of Veterans' Affairs should review its administration of lifestyle ratings in the *Military Rehabilitation and Compensation Act 2004 (MRCA)*, to assess whether the use of lifestyle ratings could be improved.

If the use of lifestyle ratings cannot be improved, the Australian Government should amend the MRCA and the Guide to Determining Impairment and Compensation to remove the use of lifestyle ratings and provide veterans permanent impairment compensation consistent with the lifestyle ratings that are currently usually assigned for a given level of impairment. Existing recipients of permanent impairment compensation should not have their compensation reassessed.

LA Inc. supports this recommendation, noting that the lifestyle ratings are generally 'fair'.

13.6 The Australian Government should amend the *Military Rehabilitation and Compensation Act 2004* to remove the option of taking the special rate disability pension. Veterans that have already elected to receive the special rate disability pension should continue to receive the payment.

LA Inc. does not support this recommendation.

13.7 The Australian Government should amend the *Military Rehabilitation and Compensation Act 2004 (MRCA)* to remove automatic eligibility for benefits for those dependants whose partner died while they had permanent impairments of more than 80 points or who were eligible for the MRCA Special Rate Disability Pension.

LA Inc. does not support this recommendation. LA Inc. is of the opinion that partner payments should not be adjusted, amended or changed for current or future claimants. It would be unconscionable to remove automatic entitlement for those that were eligible for SRDP/PI 80 points. These payments offset the loss of income due to injuries or illness. They also assist in a smoother transition for the partner. The partner and family have supported the Veteran through his defence service and service related medical needs.

If these payments were abolished, it would place increased pressure on ESO's to provide financial assistance to families, where there is arguably a responsibility on the Government to support these families.

13.8 The Australian Government should amend the *Military Rehabilitation and Compensation Act 2004* to remove the additional lump sum payable to wholly dependent partners of veterans who died as a result of their service. The Australian Government should increase the wholly dependent partner compensation by the equivalent value of the lump-sum payment (currently about \$115 per week) for partners of veterans where the Department of Veterans' Affairs has accepted liability for the veteran's death.

LA Inc. does not support this recommendation. LA Inc. has concerns for its beneficiaries who have dual eligibility. If benefits are granted under both VEA & DRCA, it allows our widow(er)s to receive an additional lump sum. With the conversion to a fortnightly pension, LA Inc. is concerned it will be detrimental to VEA widows who would suffer a loss of entitlement.

STREAMLINING AND SIMPLIFYING ADDITIONAL PAYMENTS

14.1 The Australian Government should amend the *Social Security Act 1991* and relevant arrangements to exempt Department of Veterans' Affairs adjusted disability pensions from income tests for income-support payments that are currently covered by the Defence Force Income Support Allowance (DFISA), DFISA Bonus and DFISA-like payments. The Australian Government should remove the DFISA, DFISA Bonus and DFISA-like payments from the *Veterans' Entitlements Act 1986*.

Not applicable to LA Inc.

14.2 To align education payments across the veteran support system, the Australian Government should amend the *Veterans' Entitlements Act 1986* and the *Military Rehabilitation and Compensation Act 2004* to remove education payments for those older than 16 years of age. Those who pass a means test will still be eligible for the same payment rates under the Youth Allowance.

To extend education payments for those under 16 years of age, the Australian Government should amend the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* to adopt the Military Rehabilitation and Compensation Act Education and Training Scheme.

LA Inc. fervently opposes the removal of education payments for those older than 16 years of age. As mentioned earlier, LA Inc. supports any opportunity to maximise educational scholarships to dependent children. As such, LA Inc. supports Part B of this draft recommendation to extend education payments for those under 16 years of age. Additionally, all children under SRCA and DRCA should receive the same benefits of those under MRCA.

14.3 To help simplify the system, smaller payments should be consolidated where possible or removed where there is no clear rationale.

The Australian Government should remove the DRCA Supplement, MRCA Supplement and Veteran Supplement, and increase clients' payments by the equivalent amount of the supplement.

The Australian Government should remove the Energy Supplement attached to Department of Veterans' Affairs' impairment compensation, but other payments should remain consistent with broader Energy Supplement eligibility.

LA Inc. supports this recommendation. LA Inc. notes the confusion of its beneficiaries whose pensions vary from time to time with the payment of these supplements. LA Inc. supports the consolidation of supplements and to be paid over the course of the year.

14.4 To streamline and simplify outdated payments made to only a few clients, they should be paid out and removed. The Australian Government should amend the *Veterans' Entitlements Act 1986* to remove the recreation transport allowance, the clothing allowance and the decoration allowance and pay out those currently on the allowances with an age-adjusted lump sum.

LA Inc. does not support this recommendation as it is to the detriment of veterans and their families.

14.5 The Australian Government should amend the *Veterans' Entitlements Act 1986* (VEA) to remove the attendant allowance and provide the same household and attendant services that are available under the *Military Rehabilitation and Compensation Act 2004* (MRCA).

Current recipients of the VEA allowance should be automatically put on the same rate under the new attendant services program. Any further changes or claims would follow the same needs-based assessment and review as under the MRCA.

LA Inc. supports this recommendation.

14.6 The Australian Government should amend the *Veterans' Entitlements Act 1986* Vehicle Assistance Scheme and section 39(1)(d) (the relevant vehicle modification section) in the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* so that they reflect the *Military Rehabilitation and Compensation Act 2004* Motor Vehicle Compensation Scheme.

LA Inc. supports this recommendation.

HEALTH CARE

15.1 Eligibility for the Gold Card should not be extended to any new categories of veterans or dependants that are not currently eligible for such a card. No current Gold Card holder or person who is entitled to a Gold Card under current legislation would be affected.

LA Inc. fervently opposes this recommendation. The Gold Card was introduced with the winding down of Repatriation General Hospitals and provided some recognition to families of those who served our nation. The sacrifices made by families with a serving partner or parent is substantial. Families bear the brunt of injuries and illnesses that are service related. The removal of this entitlement would be of significant detriment to eligible Legacy’s beneficiaries.

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.

LA Inc. supports this recommendation as it is to the benefit of Gold Card holders.

15.3 The current (2013–2023) Veteran Mental Health Strategy has not been very effective and should be updated in light of recent policy changes (such as non-liability access) and research findings on emerging needs. The Department of Veterans’ Affairs (DVA) (in consultation with the Departments of Health and Defence) should urgently update the Veteran Mental Health Strategy, so that it guides policy development and implementation over the medium term. It should:

- be evidence-based, including outcomes from policy trials and other research on veterans’ mental health needs
- set out clear priorities, actions and ways to measure progress
- commit DVA to publicly report on its progress.

The Strategy should include ways to promote access to high-quality mental health care, and to facilitate coordinated care for veterans with complex needs. It should also have suicide prevention as a focus area and explicitly take into account the mental health impacts of military life on veterans’ families.

LA Inc. supports this recommendation, noting that this work is ongoing. LA Inc. would like to see greater consultation with families, as families play a critical role in all health matters where rehabilitation of the veteran is required.

15.4 The Department of Veterans’ Affairs (DVA) should monitor and routinely report on Open Arms’ outcomes and develop outcome measures that can be compared with other mental health services.

Once outcome measures are established, DVA should review Open Arms' performance, including whether it is providing adequate, accessible and high-quality services to families of veterans.

LA Inc. supports this recommendation and welcomes a review of Open Arms to ensure it is operating effectively.

DATA AND EVIDENCE

- 16.1** The Department of Veterans' Affairs should develop outcomes and performance frameworks that provide robust measures of the effectiveness of services. This should include:
- identifying data needs and gaps
 - setting up processes to collect data where not already in place (while also seeking to minimise the costs of data collection)
 - using data dictionaries to improve the consistency and reliability of data
 - analysing the data and using this analysis to improve service performance.

LA Inc. supports this recommendation.

- 16.2** The Department of Veterans' Affairs should conduct more high-quality trials and reviews of its services and policies for veterans and their families by:
- evaluating services and programs (in ways that are commensurate with their size and complexity)
 - publishing reviews, evaluations and policy trials, or lessons learned
 - incorporating findings into future service design and delivery.

LA Inc. strongly supports this recommendation. Engaging with families is paramount for success to ensure families have stability within the home, have direct access to the services they need, are empowered in seeking meaningful employment and attaining financial independence.

- 16.3** The Department of Veterans' Affairs should set research priorities, publish the priorities in a research plan and update the research plan annually.

LA Inc. supports this recommendation and would like to see the DVA engage key stakeholders such as LA Inc., to ensure families and dependent children are being considered.

BRINGING IT ALL TOGETHER

- 17.1** By 2025, the Australian Government should create two schemes for veteran support — the current *Veterans' Entitlements Act 1986* (VEA) with some modifications ('scheme 1') and a modified *Military Rehabilitation and Compensation Act 2004*

(MRCA) that incorporates the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) ('scheme 2').

Eligibility for the schemes should be modified so that:

- veterans who only have a current or accepted VEA claim for liability at the implementation date will have all their future claims processed under scheme 1. Veterans on the VEA Special Rate of Disability Pension would also have their future claims covered by scheme 1. Veterans under 55 years of age as at the implementation date should be given the option to switch their current benefits and future claims to scheme 2
- veterans who only have a current or accepted MRCA and/or DRCA claim, (or who do not have a current or accepted liability claim under VEA) as at the implementation date will have their future claims covered under scheme 2. Other veterans on MRCA or DRCA incapacity payments would have their future claims covered by scheme 2
- remaining veterans with benefits under the VEA and one (or two) of the other Acts would have their coverage determined by the scheme which is the predominant source of their current benefits, or their age, at the implementation date.

Dependants of deceased veterans would receive benefits under the scheme in which the relevant veteran was covered by. If the veteran did not have an existing or successful claim under VEA as at the implementation date, the dependants would be covered by scheme 2.

Veterans who would currently have their claims covered by the pre-1988 Commonwealth workers' compensation schemes should remain covered by those arrangements through the modified MRCA legislation.

LA Inc. supports the recommendation in principle, however, LA Inc. requests further information from the Productivity Commission on the impact these changes would have for families and dependent children. For example, VEA claimants who will fall under scheme 2, would this render them ineligible for the Gold Card?

Dependants of deceased veterans should continue to be covered under the VEA Act even if the veteran hadn't made any claims prior to the implementation date.

CONCLUSION

1. LA Inc. stands by its 60,000 beneficiaries and those in the wider veteran community who deserve recognition, care and compensation for sacrifices made by partners and parents in the ADF.
2. LA Inc. will forever champion the needs of families and dependent children who bear the brunt of these sacrifices. Whilst LA Inc. supports a reinvigorated DVA, and the harmonising of legislation, Legacy will not stand idly by if the entitlements of veterans and their families are eroded away. With the rationalising of entitlements across the

relevant pieces of legislation, LA Inc. implores the Commission to consider the highest common denominator be applied for compensating veterans and their families.

3. LA Inc. encourages an 'evolutionary' approach to addressing the matters raised in the draft report. The knowledge, expertise and capacity to build a more strategic approach to improving the wellbeing of veterans and their families resides in the leadership of the DVA and the collective wisdom of ESO's. Again, LA Inc. congratulates the DVA for the successes they have achieved so far with their Veteran Centric Reforms.
4. With respect to the Government's definition of a veteran, LA Inc. urges the Productivity Commission to clearly differentiate between injuries/illnesses sustained in warlike service, compared to those in non-warlike and peacetime service and that the level of compensation afforded, reflects the level of risk in which the veteran has served.
5. LA Inc. is confident that the ongoing modernising/upgrading of current IT systems and the data sharing capabilities between DVA and Defence will revolutionise care and ensure wellness support for veterans and their families for life.
6. Lastly, LA Inc. is grateful for the opportunity to respond to the draft recommendations and looks forward to working with the Government, the DVA and ESO's in order to care for veterans and most importantly for Legacy, their families and dependent children.