

Veterans Compensation and Rehabilitation Inquiry Productivity Commission

Prime Ministerial Advisory Council on Veterans' Mental Health submission to the Productivity Commission on 'A Better Way to Support Veterans' Draft Report

The Members of the Prime Minister's Advisory Council on Veterans Mental Health (the Council) would like to thank you for your draft report of December 2018 focusing on a better way to support our veterans. We believe it is important work that requires serious consideration. Following individual review of the report, members of the Council met on 30 January 2019 to discuss the report and determined that a response from the Council is appropriate. This submission, therefore, represents the consolidated view of the Council as a result of that discussion.

The term 'veteran' has been branded, defined and applied in many ways over many years. As a result, when considering new and revised approaches to veteran's support, it is vital there be a clear, contemporary understanding and acknowledgement of what a veteran is. Today, the Government defines a veteran as anyone who has served in the Australian Defence Force (ADF) with at least one day of continuous full-time service. This includes eligible Reserves who are, or have been, engaged in Disaster Relief Service, Border Protection Service or involved in a serious service-related training accident.

Notwithstanding this definition, it is important to note that the needs of 'veterans' can be considerably different based on whether they are still a serving member of the ADF or whether they are post service. On the whole, it is considered that the welfare needs of the veteran (mental, physical and financial) while they remain serving are generally accommodated very well by the ADF and by the Department of Defence (Defence). While the Department of Veterans' Affairs (DVA) maintains an acute interest in and monitors, on advice from the ADF, events effecting the health and wellbeing of serving personnel, it is largely on approach to and after transition from the military that the DVA facilities and efforts are energized in support of the post service veteran.

The Council endorses the Commissioner's view that the current veteran's compensation and rehabilitation system is not fit for purpose and requires fundamental reform. The nature of and societal approach to warfare globally has changed significantly over the past 100 years and so to, have the expectations of our contemporary veterans and the community regarding the nation's duty of care toward our veterans following injury or illness that occurs while in the service of their country.

Historically, the focus of the veteran support system has been on assisting veterans through the provision of a lifelong pension or through compensation. The contemporary veteran however is more focused on being rehabilitated and, if necessary, compensated in a way that energizes, motivates and facilitates his/her return to work as a long term, productive member of society.

This change in focus should now be driving the design of our veterans' support system – it is simply the best outcome for our veterans and the best outcome for our nation. As was clearly identified in your report, the focus of our Government and the nation must now be on the lifelong wellness of our veterans, rather than simply on their illness and a monetary compensation.

These changes in generational expectations will of course, continue to occur. Whatever future changes are implemented within the veterans' support system, they need to be more flexible, less complex to the veteran specifically and more dynamic than those legislative arrangements that have been in place for the past 100 years. The current veteran's support system is undergoing major re-examination which means we are at a timely and important juncture, with an opportunity to make some creative and fundamental changes and improvements; legislatively, functionally and culturally to the way in which this country supports our veterans.

While there are some features of your draft report with which the Council would respectfully disagree, we applaud the thrust of your report and many of the recommendations. In particular, the recommendation for a single Ministry for Defence Personnel and Veterans and a new independent Statutory Agency located within that Ministry to administer and oversee the performance of the veteran's support system are strongly supported.

The Council believes it is extraordinarily important that we do not shy away from this critical opportunity for reform to our veterans' support system, simply because it may be difficult, or seen, as politically unpalatable in the short term. Our veterans deserve only the very best of our collective endeavours and, as such, the Council is very much looking forward to your final report.

Given the primary remit of the Council is Veterans' Mental Health, this submission will focus on providing greater detail on some of the Mental Health challenges that have recently been brought to Council's attention affecting our modern veterans and, likely, those who will follow. The Council is however, also aware and acutely mindful of those veterans who have gone before our contemporary veterans and the ongoing obligation of our nation to ensure the needs of these men and women continue to be appropriately accommodated.

There are however, three key areas arguably outside the specific mental health space, within your draft report with which the Council would respectfully disagree. These are;

- the transfer of the DVA policy responsibility to a new Veterans' Policy Group within Defence;
- an annual premium to fund the expected costs of future claims being levied on Defence; and,
- the responsibility for preparing serving veterans for, and assisting them with, their transition from the ADF being centralised in a new Joint Transition Command within Defence.

Veterans' Mental Health

One of the Council's ongoing strategic priorities is focused on early intervention to improve the mental health of veterans and reduce the risk of suicide. The Council recognises Government and ADF efforts to address veterans' mental health and suicide through several positive budget initiatives, pilots and trials, such as the Stepping Out Attention Reset (SOAR) Trial, RESTORE, the Suicide Prevention Pilot, Peer Support through Open Arms and the Transition Health Assessment to name just a few. Individually, and collectively, these are all positive steps in the right direction. The Council's view, however, is that there could, and should, be greater integration and coordination of these efforts with identified and measurable outcomes. This needs to occur at a policy level as well as, perhaps more importantly, in the provision of integrated and coordinated mental health support to our veterans. To this end,

the Council strongly supports *Draft Recommendation 15.3*, updating the current *DVA Veteran Mental Health Strategy 2013-2023*.

Defence recently released the *Defence Mental Health and Wellbeing Strategy 2018-2023* and the Council sees an opportunity for DVA to leverage off this work. In particular, the Council's view is that both the Defence and DVA mental health strategies have many synergies and could be reviewed to identify any opportunities to integrate them into a single, strategic and cohesive model of mental health support for military personnel. This would provide veterans with a clear narrative of support from the day of enlistment, through their period of service and on to their wellness needs following transition back into the civilian environment. Importantly, this strategic model could, and indeed should be reinforced with focused plans from the contributing agencies aligned to the single strategic plan with a focus remaining on the agencies' operational outcomes.

In addition, the Council suggests that any future Veteran Mental Health Strategy consider the recognition, and more importantly the funding, of complementary or adjunct treatments. Complementary therapies are used globally in conjunction with evidence-based treatment modalities and include mindfulness, equine therapy and art therapy. Evidence indicates that, in the treatment of Post-Traumatic Stress Disorder (PTSD), a third of veterans respond well to treatment, a third of veterans' symptoms reduce with treatment yet will require ongoing management, and a third of veterans do not respond to treatment and their symptoms do not improve. The use of complementary therapies may improve the wellbeing outcomes for the latter group and reduce the risk of treatment dropout.

An issue that has been represented to the Council on a number of occasions is the need for greater attention in addressing current challenges faced by veterans when accessing mental health treatment. Evidence clearly indicates that early and easy access to treatment is vital to improved mental health outcomes. The Council is acutely aware of shortages of specialist mental health providers, such as psychiatrists, across Australia with veterans living north of the Tropic of Capricorn and in rural and remote areas being more susceptible to these shortages. This can result in veterans waiting over six months for an appointment with a psychiatrist or having to travel significant distances to receive mental health care.

The Council recognises however, this issue extends beyond the veterans' support system and has an impact on the general population. Much is happening across Government to address this issue, including through telehealth psychiatric and psychology services, however these services have had limited uptake, particularly amongst veterans. The Council sees an opportunity here to promote and incentivise the use of telehealth amongst mental health providers and the veteran community.

As highlighted in the Council's initial submission to the Productivity Commission, it appears there are increasing numbers of health specialists refusing to treat veterans, due to what appears to be financial pressures and discrepancies surrounding the current MBS indexation of rebates. The Council is encouraged that the Commission is addressing this issue as it can have a significant impact on a veteran's access to treatment. The Council sees benefit in exploring amendments to the fee schedule for DVA funded treatment services.

Positioning of Policy Authority

The draft report notes the complexity of the veterans' support system and the difficulties this creates for those it is looking to support, as well as those charged with administration and provision of that support. Strong governance arrangements are vital in order to provide for

efficient and effective administration of a, necessarily, complex, support system. Recently, there has been improved coordination and cooperation between key agencies to better support veterans and their families, including Defence, DVA and the Commonwealth Superannuation Corporation, however, the Council acknowledges that there is still some way to go to on improving these interagency processes and systems to ensure they are truly ‘veteran centric’.

Over the past two decades there have been a number of periods when a single Minister has had responsibility for Defence Personnel and Veterans’ Affairs portfolios. The Council’s view is that this structure, when in place, significantly improved the link between Defence and DVA and meaningfully contributed to an improved outcome for veterans. More recently, this is reflected by an increased focus on enhancing transition support for veterans and their families. The Council, therefore, strongly agrees and applauds *Draft Recommendation 11.1 Ministerial responsibilities for Veterans Affairs should be vested in a single Minister for Defence Personnel and Veterans.*

As part of the 2017–18 Budget, the Government provided for a significant investment (\$166.6M) in transforming veteran services through a Veteran Centric Reform (VCR) program, including proactive interventions and cyber security. The aim is to provide the veteran community with a greater standard of service through reform of business processes and culture, identification and implementation of government-endorsed best practice service options and targeted ICT redevelopment. VCR is aimed at providing veterans and their families with easier access to support their needs.

The primary responsibility of the Chief of Defence Force (CDF) and, therefore, the ADF is to provide options to the Government for the operational commitment of the ADF in support of Australia and its national interests. It is the Government then, on behalf of the people of Australia, who commit the ADF to operations, be it at the lower end of the operations continuum in peacetime, such as emergency relief or aid to civil authorities, or at the peak of the continuum in warfighting. ADF and Defence policymaking whether it be financial, personnel, logistic or operational is, at its heart, focused on delivering these options, through the CDF, to Government.

Given the CDF’s primary responsibility for sustaining options for Government for operational commitment of the ADF when necessary, the transfer of policy responsibility for veterans and their wellbeing beyond their active or reserve time, does not sit comfortably within the ADF’s priority of warfighting and operational employment. The Council therefore, sees some significant risk in implementing this option. The Council believes that an approach such as this has the potential, through competing policy development resourcing priorities, to undermine the operational capability policy priorities of the ADF as well impact how veteran policy is developed.

Despite agreeing to the proposed establishment of a new, independent statutory agency to administer and oversee the performance of the veteran support system, the recommendation of the disestablishment of DVA and move of policy responsibility to Defence is not supported by the Council. DVA’s VCR has provided increased focus, resources and attention that has given this important change management the momentum it needs. Like many strategic reform agendas, VCR is likely to be in place well into the future as new opportunities are identified. Whilst VCR is still in its infancy with regards to behaviour change and reform, early indications are positive.

Transferring veteran policy responsibility to Defence, even in the longer term, risks losing prominence in this important reform work. Reporting through a Deputy Secretary within

Defence rather than a Departmental Secretary, such as is the current case with DVA, risks losing this prominence, visibility and singular focus on veteran health and wellbeing. The Council is of the view that DVA offers a more appropriate point of effort and focus for policy development. This would be further enhanced once administration and oversight of the veterans' support system is removed to the new statutory agency. Based on these concerns, the Council supports veteran policy responsibility remaining with DVA, albeit in a potentially smaller, more focused and reconstituted Department, acknowledging the existence of the proposed VSC.

Levyng an Annual Premium on Defence

The Council is of the view that incentivisation and motivation toward better outcomes in workplace health and safety are essential, however, they must be provided in an approach that is cognizant of the environment in which it applies. The Council agrees that a review of best practice features of workers' compensation is important and the ADF may significantly benefit from a number of lessons in this area, but the ADF does not operate as a worker's compensation scheme, rather it provides embedded holistic health care to its personnel to maximize operational capability.

The challenge is to appropriately and adequately accommodate the uniqueness of military service and the provision of health and welfare services to ADF personnel firstly, whilst they are in service, and then during and following on from transition. Certain features of any model based on corporate best practice may prove problematic, such as the suggestion of levying an annual premium, to be payable by Defence. Noting premiums are based on workplace risk, the military environment will be difficult to baseline given the significant 'high risk nature' of the role.

While at face value the imposition of an annual premium on Defence to fund expected costs of future claims may provide a level of incentivisation, the ADF is not a business. The Council's view is that this approach is inconsistent with the role of the ADF. It fails to acknowledge the uniqueness of the ADF, as well as the fundamental difference between the CDF's responsibilities and that of CEO's and Executives in Corporate Australia or business. The CDF is not a CEO and, unlike corporate CEOs, does not have the ability, based on risk assessments, to choose which operational commitments the ADF will undertake and which they will not. It is the people of Australia, through the Government of the day, who commit the ADF to operations. When directed by the Government, the CDF has no option but to commit the ADF. Therefore, the cost of supporting personnel who become injured or become ill during their operational service should be borne by the nation as a whole, as opposed to solely by Defence.

It could be argued that there may be a halfway position where Defence might reasonably be held responsible through some form of financial premium for injuries or illness that occur as a result of non-operational activity. This approach, however, could complicate the assessment task for support and create an ambiguous split between operational and non-operational injury or illness, which is undesirable. This approach is made even more complex when attempting to address mental health concerns. It may prove difficult to determine whether the mental health condition began before, during or even after, a period of operational or non-operational service.

For these reasons, the Council sees the imposition of a premium on Defence to fund expected costs on future claims as inappropriate and unwarranted. Incentivisation is important and might be achieved in other ways such as periodic public reports to Parliament showing

actualized costs and trends of veteran and serving personnel support for those injured or ill as a result of their service. Encouraging more rigorous reporting of such conditions early would assist both the Government, Defence and DVA to have better visibility of injured (both medically and physically) personnel prior to their transition.

A Joint Transition Command

A strategic priority for the Council is transition from the military. This comes as a result of not only personal experience within the Council, but from feedback and contact to the Council from various organisations, Universities, researchers and independent entities over the years. There is also a growing body of research that has been focused on transition from the military and its effects on a person's mental health and wellbeing. The Council has become clearly aware that a successful transition can provide a range of protective features against mental health issues developing post service.

For a number of years, the Council has been focused on the benefit of a successful transition in supporting long-term mental health and therefore wellness of our transitioned veterans. It is clear the transition experience and the degree to which the activities adequately prepare members for life after full time service is central to a successful and positive transition experience. Having considered this issue closely for some time the Council's view is that the transition process in the past has been largely transactional, rather than outcome focused, and has generally failed to adequately prepare the member and their families in a personal or emotional sense for life outside the ADF. The Council, therefore, strongly agrees with many of the key points raised throughout *Chapter 7: Transitioning to civilian life after military service*.

Notwithstanding many of the positive and innovative steps both Defence and DVA have begun to take with regards to targeting the transition process, the Council believes there is still a significant gap. Investing more resources into transition will have positive outcomes for not only the ex-serving members and their families, but also the health service system that currently struggles to provide them with the appropriate support.

There is clear evidence supporting the importance of incorporating a holistic approach to health and wellbeing in all circumstances. Preparing our members administratively for transition is extremely important, but so too is the need to professionally and responsibly prepare them with the right social and cultural reforms/skills to re-enter the civilian community and workforce. The Council agrees that a third-party provider focused on assisting ex-serving members with transition to the civilian environment needs to be considered.

The draft report highlights some of the recurring themes the Council has identified as key to why ex-serving members experience difficulties transitioning to the civil environment. The transitioning workforce is not homogenous. Each person transitioning has their individual needs in terms of positioning for their future locations, career and wellbeing and that of their family. Each will have a different desire in terms of ownership and control of their future. Transition is often non-linear and navigating this uncertain and often stressful period of life, socially, culturally and economically can exacerbate an individual's feelings of stress when accessing what is perceived as a complex and fragmented system of support. Interestingly, it appears that the less time an individual has spent in the ADF the more difficult adjustment becomes both during and following transition.

As highlighted in the report, the path to civilian life is hard to follow and members are not accessing available transition services in the numbers that we would like. This demonstrates that while there are a number of innovative initiatives, pilots and services available through Defence and DVA, there would appear to be reluctance personally or culturally to accessing these supports. The Council agrees that a third-party provider may be best placed to address this gap but *not* located within Defence.

The detail in educating and readying personnel for transition is not a unit Command function nor is it an appropriate priority for an ADF focused on providing warfighting options to Government. There is a key role and responsibility for unit or service command to make personnel available to prepare for transition, however, preparing and executing the transition process is not a military function and neither the ADF nor Defence are best placed to provide these services. Clearly, some standardisation within the ADF and Defence on an approach to preparing personnel for transition would be extremely beneficial. This initial preparation may be able to be effectively achieved through the form of an internal Defence personnel unit, but the delivery of many of the transition services are not considered to be best placed within the ADF or Defence.

It is the Council's view that the provision of successful transition services is best delivered by those who have already followed that path themselves, combined with others who understand the civil environment into which the member is about the transition. Unfortunately, due to the nature of the role of the military, personnel with these experiences and skillsets are generally not found within the ranks of serving ADF members. Provision of transition services, therefore, is not a function that can be achieved optimally within the ADF or Defence. Ideally, these services should be provided from outside Defence, but preferably within the Ministry for Defence Personnel and Veterans.

Therefore, it is the Council's view that the transition process might be better supported by including a specific Transition Agency within the DVA. This agency, with support from the ADF, would begin the engagement of serving personnel early, encouraging forethought and timely guidance and action around transition. The Council, however, does still see a tremendous benefit in ensuring that the ADF remains involved with and maintains a significant level of responsibility and care towards assisting members in successfully transitioning from the military.

The Transition Agency's main responsibility would lie in preparing ADF personnel for transition (on release from their unit command to do so) and to develop and execute a solid transition plan for each individual. The transition plan would be initiated whilst the veteran is still in service, with the intention of it continuing post service, for as long as is necessary. Were this recommendation to be agreed, the transition functions currently residing in the Defence Community Organisation within Defence could be transferred to DVA as part of the new Transition Agency. This would provide DVA the opportunity to be more heavily involved much earlier in the transition process, ensuring more appropriate access to, knowledge of and assistance in, accessing available services to ex-serving personnel.

Australia is not alone in wrestling with the transition challenge. There are initiatives in other countries from which we might draw some lessons. Most noteworthy, in the context of this Inquiry, is the approach the Canadian Government has taken since the enactment of the 2006 New Veterans Charter. The Canadian Government has established, within Veterans Affairs Canada, a range of programs to assist transitioning personnel in facilitating their return to civilian life, including assisting members to find meaningful post-service civilian

employment. The programs offer a range of services, from transition seminars and workshops to career counselling, vocational training and job search assistance.

Notwithstanding the fact the Canadian approach positions Veterans Affairs Canada within the Canadian Defence arm of Government, there are likely significant benefits for Australia in examining relevant lessons they have learnt which may then be applied to an Australian Transition Agency located within the DVA, under a single Ministry of Defence Personnel and Veterans. The Council suggests the Productivity Commission may wish to consider this model of transition support when developing final recommendations for Government.

Thank you for the opportunity to contribute to this important work. The Council member's wish you well with the next phase of your inquiry and we look forward to the final report.

Yours sincerely

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Chair
Prime Ministerial Advisory Council on Veterans' Mental Health
27 February 2019