

## Overview

### Key points

On page 3, the Commission stated:

The system fails to focus on the lifetime wellbeing of veterans ...

This is only true if you think it's a lifelong health and welfare program in duplication of other public schemes – its focus is getting them better and back to work.

Also on page 3, the Commission stated:

The current system should be simplified by: continuing to make the system easier for clients to access (a complex system does not need to be complex for users), rationalising benefits, harmonising across the Acts (including a single pathway for reviews of decisions, a single test for liability and common assessment processes), and moving to two compensation and rehabilitation schemes by July 2025.

There should be only one scheme forthwith.

### Overview document

The Commission stated on page 5:

An implicit principle underpinning the current veterans' compensation and rehabilitation system is that military service is a unique occupation. Military service involves a requirement to follow orders, frequent relocations (both for military personnel and their families) and long and irregular hours. Military personnel are also frequently placed in high-risk environments, including in war or operational service and while in training or on peacetime service. As the Department of Defence put it:

Australians join the Defence Force for a variety of reasons, but collectively they accept the forfeiture of certain freedoms enjoyed, and taken for granted, by all others in Australian society. Almost every aspect of uniformed life comes with a risk or cost to the member and/or to their families.

This is a con....there are lots of other unique workplaces.

The Commission stated on pages 5-6:

The current veterans' compensation and rehabilitation system is, in the Department of Veterans' Affairs' (DVA's) words 'steeped in history, stemming back to World War I'. But the environment in which the system is operating has changed. The nature and tenure of military

service has changed, as have approaches to social insurance and the availability of mainstream health and community services.

Exactly – so why persist?

The Commission stated on page 5:

The key message of this draft report is that the current veterans' compensation and rehabilitation system is not 'fit for purpose' — it requires fundamental reform.

It is not working in the interest of veterans and their families or the Australian community.

It is not meeting the needs of contemporary veterans and will struggle to meet the needs of future generations of veterans.

It needs to be brought more in line with contemporary workers' compensation schemes and modern person-centred approaches to rehabilitation, health care and disability support.

It needs to place veterans at the heart of the system and take a more holistic, flexible and individualised approach to supporting them.

It needs new governance and administrative systems best suited to meeting the future challenges and emerging needs of veterans while operating in a modern, efficient and effective way.

Yes but the reforms to fill this bill in this report are only fundamental in part – they miss the basic need for any separate scheme at all.

On page 6, the Commission also wrote:

Australians are willing to support veterans who are affected by their service, but they also want to know that the system designed to support them improves, and does not harm, their lives. The veteran support system is, and must be, about more than compensation and rehabilitation. It must take a lifetime approach ...

Why? This welfare speak promoted by the vested interest.

On page 6 the Commission stated:

Many of the changes we are recommending are about minimising the harm from service-related injury and illness and investing in veterans so that when they leave the ADF they are likely to go on to enjoy fulfilling and productive lives. A focus on the wellbeing of veterans over their lifetime will not only result in better outcomes for veterans and their families but also for the Australian community.

i.e. the taxpayer. Citing the community view is political populism – who knows what the ill-informed public view is? Why not apply the pub test – everyone else does

On page 8 the Commission stated:

Traditionally, the term 'veteran' described former Australian Defence Force (ADF) members who were deployed to serve in operational conflict environments. However, in 2017, a Roundtable of Australian Veterans' Ministers agreed that a veteran would be defined as anyone who has served at least one day in the ADF. As such, for this inquiry we have used the term 'veteran' to cover all current and former serving ADF personnel, whether they were deployed to

active conflict or peacekeeping operations or served without being deployed. The veteran community also covers family members.

Need to include reference to permanent forces, conscripts, volunteers – that’s why we have such a dog of a system...

On page 7 the Commission stated:

The number of DVA clients is declining, and has fallen from about 540 000 clients in 2000 to 291 000 in 2017, reflecting the deaths of the World War II and the Korean War veteran groups (figure 2).

Useful to split into deployments

As the Minister for Veterans’ Affairs, Darren Chester, recently said:

‘... when we think of the word veteran, we tend to think of someone in their sixties or seventies. But from an ADF perspective, our veterans are often in their late twenties or early thirties, so they have another career after they’ve been in the military.’

Yes, so why the system?

On page 11 the Commission stated:

Many of the compensation payments for veterans align with payments in mainstream workers’ compensation schemes. However, there are additional payments and allowances that are unique to the veteran support system (figure 4). Veterans are also eligible for superannuation invalidity payments, and for the age service pension, which cuts in earlier (at 60 years for those with qualifying service) than the equivalent age pension for other Australians.

There is also a disability pension for those under 65.

The Commission also stated on page 11;

The beneficial nature of the supports for veterans was noted by many participants to this inquiry, with one describing the benefits to Australian veterans as ‘well resourced and largely generous’.

I’d call it a ‘racket’.

The Commission stated on page 14:

The overarching objective of the veteran support system should be to improve the lives or wellbeing of veterans and their families ...

So is this now in fact a health and welfare system for the military? I’m not sure whether this has ever been stated publicly to anyone. I think it’s made up to fit the status quo. At least the question ought to be asked.

The Commission quoted the Air Force Association on page 15:

Any compensation and rehabilitation system for veterans and their families must be 'fit for purpose', recognising the unique nature of military service.

The same old complete nonsense.

The Commission also quoted the Defence Force Welfare Association on the same page:

If the member was broken due to military service to the Nation, then the Nation has a moral obligation to restore and financially support the person to an 'as new' condition as possible.

Political blackmail – there is a duty of care -no more.

The Commission also stated on the same page:

Best practice workers' compensation schemes also focus on returning people back to work and health at an affordable and sustainable cost. And contemporary approaches to disability place an emphasis on people's ability and potential, take an active rather than a passive approach to meeting client's needs, and focus on long-term costs. The veteran support system should also take a long-term or lifetime approach to improving veterans' lives.

Nonsense – who said so... this policy fabrication. The average length of service is 9 years... where is the policy rationale?

On page 16 the Commission stated:

Using a wellbeing approach to supporting veterans and their families, together with insights from best-practice workers' compensation and contemporary social insurance schemes, the Commission considers that the veteran support system should be:

- wellness focused (*ability* not disability)

ie they should be encouraged to get better and stop claiming sickness for the money.

On page 19 the Commission stated:

As discussed earlier, the complexity of the veteran support system is a symptom of reactive policy making and a reluctance to take entitlements away from veterans or even rationalise them when their original rationale no longer exists.

That applies to the entire system, not just parts of it.

On page 23 the Commission stated:

While DVA approves most claims submitted by veterans and their families (box 8), many concerns were raised about DVA's adversarial approach to claims.

They have to be because of the reverse onus of beyond reasonable doubt and they know it's a racket. Don't forget 2.6% of claims are based on a reported incident, and the average delay in making a claim is 16 years. How can DVA properly investigate this sort of practice?

On page 27 the Commission stated:

Assessing how the veteran support system is performing is not straightforward. This is because there are almost no data on which to assess the effectiveness of the supports funded or provided by Defence or DVA (box 8). The few metrics that DVA does track are on processes. Outcome measures are missing from the picture — there is very little to demonstrate to Australian taxpayers that what they are spending on the veteran support system each year is resulting in good outcomes for veterans.

Have a look at the primary claim acceptance increase over the last 20 years – that will show some boondoggle.

There is also limited management, coordination and oversight of client supports and treatment. DVA takes a passive and transactional approach (rather than an active manager role) to rehabilitation and health services. And the focus of the veterans' health care system is on providing free and beneficial access to health care for DVA clients, rather than achieving good health outcomes for veterans.

DVA can't do much when claims are years out of date (concealment) and there has never been any rehab. The system is stacked against any disciplined management.

On page 29 the Commission stated:

New governance arrangements are needed if the objective of the veteran support system — to improve the wellbeing of veterans and their families — is to be achieved over the longer term.

Defence will fight this to the death.

On pages 30-1 the Commission also stated:

The Commission is also recommending:

- a single Ministry for Defence Personnel and Veterans
- an independent Veterans' Advisory Council to provide advice to the relevant Minister
- the Australian War Memorial take responsibility for all commemoration functions and the Office of War Graves.

Under the new governance arrangements, the Repatriation Commission, the Military Rehabilitation and Compensation Commission, and DVA would cease to exist upon the establishment of the VSC.

But what happens to the health and welfare duplication?

On page 33 the Commission stated:

Some aspects of eligibility (post-service access to funded rehabilitation is consequent upon DVA accepting liability for a condition) and delays in having compensation claims accepted can mean veterans are not entitled to rehabilitation in the period from lodgement to determination. One option is for DVA to continue any rehabilitation programs for service-related injuries and illness set up by Defence (on the basis that lifetime costs of support could be higher if a rehabilitation program is disrupted). Because rehabilitation programs are for limited periods of time, DVA

could then reassess the need for rehabilitation once the program has run its course. The Commission is seeking views on whether this approach is feasible.

No – defence must have total responsibility as part of an integrated OH&S system.... No more passing the parcel. What's left of DVA should be to only process claims. Rehabilitation after an average of 16 years in making a claim is a total farce.

There are also a number of areas where there is scope to rationalise supports and harmonise the three Acts. Two areas where the three Acts should be harmonised are:

- the initial liability process — moving to a single standard of proof for all types of service (the Commission is seeking feedback on which standard) and adopting the use of Statements of Principles (SoPs) in the DRCA would simplify the initial liability process and ensure a single consistent decision-making process across all three Acts
- the review process — there should be a single review pathway for all veterans' compensation and rehabilitation decisions (the VEA and MRCA review pathway would apply for the DRCA, box 11) comprising reconsideration, review and resolution by the VRB, formal merits review by the AAT and judicial reviews. The role of the VRB should be modified to provide enhanced dispute resolution processes. It should no longer be a determinative body.

The review system is simply a product of an appalling process system which is completely ill-disciplined plus poorly skilled staff who know they will be appealed with a high chance of the claim being accepted ... so why bother? Just keep your processing stats up and don't worry about the end result.

On page 39 the Commission head a section: 'Two compensation and rehabilitation schemes'.

There should be only one scheme – get rid of all preserved entitlements after five year grace.

On pages 42-3 the Commission stated:

While the Commission has not quantified the benefits of its reforms, they are likely to be significant and cross multiple domains, including:

- better lives or wellbeing gains, improved work health and safety and injury prevention (fewer veterans and their families having to deal with injury, illness or death)
- improved and more continuous rehabilitation and transition supports (veterans and their families will be better prepared for the challenges of transition)
- a simpler, fairer and more accessible system of compensation
- more consistent assessment of claims easing pressures for claimants
- a quicker and simpler review process to resolve issues in a timely way
- a better evidence base to inform the design and delivery of services, programs and policies which should lead to improved outcomes for clients.

There will also be efficiency gains from the proposed changes (including those that place a greater focus on accountability and lifetime costs of support and reduce duplication). A greater focus on wellness and lifetime costs should also translate into increased economic and social participation of veterans and reduced use of income support. While we have not at this stage

costed many of the proposed changes (in large part because of a lack of data), we will seek to do this in consultation with Defence and DVA between the draft and the final report.

His is a pile of empty wishes and motherhood which should not have a part in serious policy analysis.

## Draft recommendations, findings and information requests

### DRAFT RECOMMENDATION 4.1

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

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

The principles that should underpin a future system are:

- ~~wellness~~ focused (*ability* not disability) ~~back to work~~
- equity
- veteran centric (including recognising the ~~unique~~ ~~Shouldn't pander to this~~-needs of veterans resulting from military service) ~~CONTRADICTION ch 4~~
- needs based
- evidence based
- administrative efficiency (easy to navigate and achieves timely and consistent assessments and decision making)
- financial sustainability and affordability.
- ~~Efficient and disciplined processes~~ ~~Which demand immediacy of reporting and rehab~~

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

#### DRAFT FINDING 5.2

Since Defence introduced Sentinel (a work health and safety incident reporting system) in 2014, it has expanded its coverage (there is now service-wide access), improved the ease of use of the system for serving personnel and put in place processes to ensure that reported incidents are acted on.

However, despite these efforts, underreporting of work health and safety incidents on Sentinel (other than for serious, defined events that must be notified to Comcare) continues to be an issue.

**SO don't accept compo claims where there there is no immediate report**

#### DRAFT FINDING 6.1 ALL VERY VALID AND CORRECT, BUT PLEASE BE CONSISTENT- ADDRESS THE CAUSES: PROCESS

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

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

#### DRAFT FINDING 7.1

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

**Referral links to Centrelink and Human Services more important – point them in the right direction**



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DRAFT FINDING 7.1

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DRAFT RECOMMENDATION 7.3

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

**THIS IS A DEFENCE JOB....**

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*INFORMATION REQUEST 7.2*

*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?*

**This is a Defence job**

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#### DRAFT RECOMMENDATION 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.

YES – But it must be a public standard and the Commission needs to be consistent with Ch 4. All the vested interests will want the higher standard – because they're unique. Need to stiffen up here...

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#### INFORMATION REQUEST 8.1

*The Statements of Principles are created on two different standards of proof for the underlying medical-scientific evidence — a 'reasonable hypothesis standard' and a 'balance of probabilities' standard.*

*The Commission is seeking participants' views on which standard of proof the veteran support system should use going forward. What would be the impacts of that choice on future claims and government expenditure, and how could they be quantified?*

It flies in the face of medical science that you can have two – there is a scientific standard or there isn't...Prof Donald once asked how he derived the easier standard unwisely said "it comes out of the ether". That's how scientific it is

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On page 53 the Commission stated:

There are significant and ongoing problems with the way DVA administers claims. DVA is attempting to fix these problems under its Veteran Centric Reform (VCR) program, which began in 2016. VCR has had some successes, most notably the introduction of an online claims system, but issues including slow and poor quality claims assessments remain. Close monitoring of the effective roll out of the VCR, both in terms of timeliness and outcomes is required.

If you simplify and toughen up the law to remove some beneficiality and endless discretion, you'll revolutionise process.

DRAFT FINDING 9.1 **IT WILL BECOME A MILKING MACHINE**

MyService, in combination with a completed Early Engagement Model, has the potential to radically simplify the way Australian Defence Force members, veterans and their families interact with the Department of Veterans' Affairs (DVA), particularly by automating the claims process.

But achieving such an outcome will be a complex, multi-year process. To maximise the probability of success, Defence, DVA and the Department of Human Services will need to:

- continue to work closely in a collegiate and coordinated fashion
- retain experienced personnel
- allocate sufficient funding commensurate with the potential long-term benefits.

DRAFT FINDING 9.4 **EXTERNAL ASSESSMENT SHOULD BE MANDATORY TO STOP THE FISHING EXPEDITIONS**

External medical assessors provide useful diagnostic information about veterans' conditions and are a necessary part of the claims process for the veteran support system. However, they should only be called upon when strictly necessary and staff should be provided with clear guidance to that effect.

The Department of Veterans' Affairs needs to ensure that the current review into external medical assessors fully considers all aspects of Recommendation 10 of the Senate committee inquiry into veteran suicide.

On page 55 the Commission stated:

Most decisions made by DVA to provide (or not provide) compensation or support to veterans can be challenged through administrative review processes. However, there are a number of issues with the existing processes which warrant reform and a common approach is required for all claims.

Why ? New information for incomplete claims, doctor shopping, use of SoP's as a template, poor staff skills, undisciplined law...

DRAFT FINDING 10.1 **THIS SYMPTOMATIC – DEAL WITH THE CAUSES**

Current review processes are ensuring that many veterans receive the compensation or support that they are entitled to under the law, albeit sometimes with significant delays. The majority of cases that are reviewed externally result in a change to the original decision made by the Department of Veterans' Affairs.

DRAFT FINDING 10.2

The Veterans' Review Board and Administrative Appeals Tribunal are not providing sufficient feedback from their review processes to the Department of Veterans' Affairs to better inform decision-making practice. Further, the Department is not incorporating the limited available feedback into its decision-making processes. This means that opportunities for process improvement are being missed. **Wouldn't make the slightest difference**

DRAFT RECOMMENDATION 10.1 **IT SHOULD BE NOTED THAT MANY DECISIONS TO OVERTURN ARE SUBJECTIVE AND JUDGEMENTAL – BECAUSE THE LAW IS SO VAGUE, BENEFICIAL AND DISCRETIONARY – DESPITE THE ATTEMPT OF SOP'S TO INTRODUCE SOME STANDARDS. AS A FORMER VRB PRESIDENT SAID TO ME "BETTER THAT NINE GUILTY MEN GO FREE THAN ONE INNOCENT MAN BE CONVICTED".**

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.

**DRAFT RECOMMENDATION 10.2 ABOLISH THE VRB AND REFUSE ANY NEW INFO WHICH IF RECEIVED SHOULD BE SENT BACK TO THE ASSESSOR.**

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.

**DRAFT RECOMMENDATION 10.3 VETS HAVE PROVEN THEY'D RATHER GO DIRECT TO THE AAT WITH LEGAL REPRESENTATION, FUNDED BY LEGAL AID**

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.

DRAFT RECOMMENDATION 10.4 **JUST DO IT- ABOLISH FORTHWITH**

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.

On page 58 the Commission stated:

Under the current governance arrangements, no single agency has responsibility for the lifetime wellbeing of veterans.

Nor should they – it's a nonsense – send them to NDIS if they really need this level of help.

The Commission also stated on the same page:

Strategic policy in the veteran support system appears to be largely reactive, with changes often making the system more complex and expensive. Also, the veteran support system, which has large contingent liabilities, is funded on a short-term basis, and long-term costs are poorly understood. New governance and funding arrangements are required to develop and administer a new veteran support system for future generations of veterans and their families.

This is just building more paternalistic bureaucracy which these people don't need.

DRAFT RECOMMENDATION 11.2 **TOO PREScriptive – THEY ALREADY HAVE A BATTALLION OF DEP SECS**

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.

DRAFT RECOMMENDATION 11.3 **THIS HAS BEEN TRIED BEFORE AND FALLEN INTO DISUSE BECAUSE IT BECOMES A WHINGE FEST AND MINISTERTS HATE BEING BEATEN U ALL THE TIME – THEY WANT TO BE SANTA, NOT SCROOGE**

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.

DRAFT RECOMMENDATION 11.5 DOUBT IF THIS IS POSSIBLE – BETTER TO START WITH A FRESH SHEET WITH DRAMATICALLY AMENDED LIABILITIES , AND CONTINUE TO FUND THE LEGACY COSTS AS AN OPEN ENDED LINE ITEM

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.

DRAFT RECOMMENDATION 12.1 SCRAP IT – ITS JUST SO EXTRAVAGANT AND HAS BECOME A GOAL FOR THE OPPORTUNISTS AND THE GREEDY

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.

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. **This will never happen – Treasury will and should oppose any other hands in the till, especially military ones**



DRAFT RECOMMENDATION 13.1 YES, BUT IT MUST BE THE LOWER RATE IF YOU ARE TO BE CONSISTENT – THERE SHOULD BE A PUBLIC, SINGLE STANDARD – OTHERWISE THE NONSENSE WILL CONTINUE. PLEASE BE DIRECTIVE – DON'T LEAVE IT TO DVA – THEY'LL CAVE IN EVERY TIME

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.

DRAFT FINDING 13.1 BUT WHAT ABOUT INCOME SUPPORT IN THE INTERIM?

The requirements that a condition be permanent and stable before final permanent impairment compensation is granted, under the *Military Rehabilitation and Compensation Act 2004*, are needed to prevent veterans from being overcompensated for impairments that are likely to improve.

DRAFT RECOMMENDATION 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. Why not? There are plenty of situations where recovery might happen eg PTSD

DRAFT RECOMMENDATION 13.6 IF YOU SCRAP QUALIFYING SERVICE YOU SHOULD SCRAP T&PI

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.

DRAFT FINDING 13.3

Changes to eligibility for the service pension and other welfare payments means that the package of compensation received by veterans on the special rate of disability pension is reasonable. Despite strong veterans' representation on this issue, there is no compelling case for increasing the rate of the pension. **There is no need for the service pension at all – its an offshoot of QS, and is almost identical to the age pension – mainstream to Centrelink**

DRAFT RECOMMENDATION 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*. **No – scrap DFISA – its just a payment made by DVA because Human Services quite rightly regard the Service pension as income support – not compensation. It's a legacy of WWI. This is typical of how good policy gets perverted by interest groups and weak management. It is completely illogical**

DRAFT RECOMMENDATION 14.4 **HERE ARE A FEW OTHER BENEFITS TOO WHICH ARE JUST AS ANACHRONISTIC EG HOUSING LOANS**

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.

DRAFT RECOMMENDATION 15.1 **IF YOU SCRAP QS YOU SHOULD ALSO SCRAP ALL THE BENEFITS WHICH HANG OFF IT BECAUSE THEY BECOME DISCRIMINATORY, AND CONTINUE TO FEED THE DEMAND FOR UPGRADES, REVIEWS ETCR**

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.

DRAFT RECOMMENDATION 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. **ASK HOW MANY PTSD CLIENTS SEEK TREATMENT AFTER THEY GET THEIR TPI - Less than 50%???**

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*INFORMATION REQUEST 15.2 THIS PANDORA'S BOX – VETERANS WILL WANT EVERYTHING FREE, BUT REALLY THE ENTIRE HEALTH PROGRAM NEEDS A TOTAL REVIEW FROM FIRST PRINCIPLES, INCLUDING 'WHY DO WE NEED IT AT ALL?'*

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

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

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*INFORMATION REQUEST 15.3*

*The Commission is seeking participants' views on the desirability of subsidising private health insurance for veterans and dependants in place of other forms of healthcare assistance. Far more flexible and cost effective I suspect... but full review needed – this simple question requires an encyclopaedic answer*

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On page 70 the Commission stated:

One of the key drivers for this inquiry was the complex legislative framework underpinning the veteran compensation system. The Commission is proposing simplifying the system by moving to two schemes, while minimising disruption to existing claimants. Importantly, our proposed

changes will mean there will be one scheme and one Act in the long term. Although legislative simplification is not a solution for all the issues facing the veteran support system, and some complexity will remain, this approach sets up Australia to have much better, fit-for-purpose compensation and rehabilitation arrangements for the future.

I think this is all a nonsense. Do what the UK did – just abolish the old scheme with a five year period of grace, and move completely to a new scheme. If you are going to cross the bridge of abandoning legacy entitlements, do it properly. My preference is to return to the public standard of SRCA, but failing that, if you believe the military really need a scheme of their own – which is totally illogical – use the MRCA but seriously amended to remove every trace of the VEA. Please get serious about this....this is a one time opportunity to get rid of the worst public policy in existence.

The existence of dual eligibility has been an absolute disaster for years – please don't let it happen again..

## Chapter 2 — The Military

Box 2.1 **Life in the military WHAT HAS THIS DO DO WITH COMPO ? CHAPTER 4 ALREADY TELLS US IT'S IRRELEVANT AS IT'S COVERED BY A MOUNTAIN OF ALLOWANCES \_ INCLUDING \$200 PD TAX FREE ON DEPLOYMENT ...!!!!**

During training, recruits lives are dominated by the military. Most of their spare time is occupied with Australian Defence Force (ADF)-related activities, their waking and sleeping hours are regulated and use of alcohol (and other substances) is restricted and enforced to a greater extent than for most of the community. The training requires recruits to undertake various physical and mental challenges, sometimes including deprivation of food and sleep. Recruits are also taught how to think and react instinctively to various situations in the face of danger. Those who are training to be officers may also be provided with a free university education at the Australian Defence Force Academy while receiving a salary (ADF 2018).

Once training is completed, members have more control over their spare time. They work hours ('parade') set by their commanders, with the proviso that they can be ordered to work unpaid overtime at any time. However, they have limited choice about where they work and can be relocated, or deployed overseas for set periods of time. If they choose to live on base, they receive subsidised food and accommodation, while those who live off base receive a rental allowance (or subsidised mortgage loan) and free meals during work hours. ADF members also have access to free health care, and subsidised child care.

Members are allocated time to exercise as part of their core hours in order to meet the physical fitness requirements that are a condition of employment, although these fitness restrictions differ by gender and scale down with age.

Every two to three years the member will be re-posted and generally have to relocate (typically in regional areas where ADF bases are mostly located) — between 78 and 91 per cent (depending on service branch) of ADF members have had to undertake a service-related move (DoD 2016b, p. 31). Families are not required to live with the member, but the ADF will provide assistance to members' families who choose to move. Although members' preferences are taken into account in determining their posting location, the ADF's strategic needs are the first priority in such decisions.

At various points during their military career, a member may be deployed to overseas in various capacities — including peacekeeping, combat or humanitarian efforts — depending on their role. Overseas deployments may place them in extra danger and involve long and arduous workloads. Regardless of the amount of down time a member might have on deployment, they are considered to be on duty 24 hours per day, 7 days per week. Although the member is technically compelled to go on a deployment if ordered to do so, in practice deployments are highly sought after and there is often an element of choice involved.

Members will typically discharge after almost 9 years (although some members have much shorter and longer careers) (DoD 2018m, p. 1). Although the member may make plans for their post-service life years before separation, unless the member was medically discharged, the actual discharge process will typically only have brief involvement from the ADF. The member then has to adjust to life outside the military. **HOW DO OTHER MEMBERS OF SOCIETY COPE WHEN TRANSFERRING JOBS? AH BUT THE MILITARY ARE UNIQUE.....**

**Box 2.2 Stakeholder comments on military service THIS IS MOSTLY PROPAGANDA – AND THEY BELIEVE IT LIKE HOLY WRIT**

Many veterans, ex-service organisations and government departments described the unique and distinctive features of military service.

Vietnam Veterans and Veterans Federation ACT commented on the task given to the military:

No other Australian is expected to, or may be directed to, engage in war or war-like activity either within the country or overseas to defend their nation's interests. (sub. 42, p. 2)

RSL National described the burdens of going on deployment:

When deployed, these service men and women remain away for extended periods and do not return home to their families at night, for months at a time, and often work extended hours in hazardous circumstances while their families accept and deal with emotional and physical separation from them, as well as concern for their wellbeing. (sub. 113, p. 8)

The Air Force Association differentiated the Australian Defence Force (ADF) from emergency services:

Military service is often equated to police, fire, ambulance and other emergency services, and although personnel in these professions are also prone to traumatic experiences and face similar and unique challenges, they face very different obligations to ADF members. There is no other employment category in this country that requires an employee to lay down their life, be classified as a 'harm person', or to surrender many of the freedoms the Australian community enjoy. (sub. 93, p. 1)

Vietnam Veterans Association of Australia described the traumas that can occur during training and deployment:

Military service is unique. In both Peace time and during War, all military personnel are trained, some as their primary function, to kill other human beings. Efficient and effective training simulates the horrors of war, including killing others, even for those who do not ultimately experience war.

However, the horrors of war once seen, cannot be unseen, once experienced, cannot be unexperienced. (sub. 78, p. 1)

The Department of Veterans' Affairs noted the lack of legal safeguards for military personnel:

An ADF member is not, by legal definition, an employee. Military personnel are subject to military law and are not protected by the full range of industrial law. There is an argument that military personnel are required to forgo their basic human rights of 'life, liberty and security of person' as prescribed in Article 3 of the 1948 Universal Declaration of Human Rights. (sub. 125, p. 6) **NOT ENTIRELY TRUE – CIVILIAN LEGAL PROCEEDINGS ARE MAKING HEADWAY – SWEE CHANGES TO MILITARY JUSTICE FOLLOWING SENATE FADT CTEE REPORT OF 2002**

The Department of Defence noted the difficulties members can have adjusting to civilian life:

For veterans who have spent years operating in environments of perceived or imminent threat, having to adapt their responses to a more benign civilian environment can be challenging. This includes working within leadership/management structures and systems which are fluid and less well defined, and where decision-making may allow negotiation, input and consensus. This is in direct contrast with the autocratic decision-making process applied in military environments, where the military approach is that orders are followed and not necessarily questioned. The mental shift required to transition between such fundamentally opposed management approaches is significant and not well understood. (sub. 127, p. 8)

The Defence Force Welfare Association commented on the lifetime impact of military culture:

Team needs take priority over individual needs and rights. Total trust in other team members is essential because the consequences are so dire. A person who only looks after him or herself, is inconsiderate of other team members, is an anathema ... This deliberately created military culture becomes ingrained. That is partly why some Veterans refuse to seek support, not wanting to give up or to be a burden to others. Pride is important but it can be misplaced. And 'welfare' is a pejorative word, no matter how many experts claim otherwise. Needing 'welfare' is seen as an indication of failure or weakness, so self-harm rates for those discharged are higher than for those still serving. (sub. 118, p. 14)

**Box 2.2 Stakeholder comments on military service THIS IS MOSTLY PROPAGANDA – AND THEY BELIEVE IT LIKE HOLY WRIT**

On page 91 the Commission stated:

The nature of military service has evolved as Australia’s strategic needs, military operations and technologies have changed. For example, most of Australia’s military casualties in the first half of the twentieth century were attributable to the brutal combat and conditions of the world wars — about 98 per cent of all deaths by the Australian military on deployment occurred during the two world wars (box 2.3). Today, most injuries occur during peacetime ...

Exactly, so why all the fuss?

On page 98 the Commission stated:

Other benefits from military service include a sense of camaraderie and purpose. Commenting on the intrinsic rewards of serving in the ADF, one veteran said:

‘I loved my career in the RAAF and it was the most significant experience that not only changed my life but also gave me a purpose. I cannot express what the experiences I had and the years of service have meant to me. It is simply indescribable. I enjoyed the camaraderie and the unity and the exhilaration of everything I did, saw and shared. The experiences I had are things that can never be experienced in a normal working environment (Neil Robson, sub. 146, p. 2).’

Well, so what? It has absolutely nothing to do with compo!

## Chapter 3

**Box 3.3 A maze of service types under the VEA THESE SHOULD BE RELEVANT ONLY FOR ALLOWANCES< NOT COMPO - SEE CH 4**

Some of the service types that determine what benefits veterans are entitled to under the *Veterans’ Entitlements Act 1986* (VEA) include:

- *eligible war service* — including continuous full-time service during WWI or WWII and any ‘operational service’ (s. 7 VEA)
- *operational service* — includes service:
  - outside Australia during WWI or WWII, certain service within Australian in WWII and various post-WWII operational areas
  - any ‘warlike’ or ‘non-warlike’ service, which are terms that the Australian Defence Force (ADF) has used since 1994 to classify service for the purposes of pay and conditions for serving members (ss. 6A–F VEA).
- *qualifying service* — allows access to the service pension, Gold Card and aged care once threshold ages are reached. The veteran must have incurred danger from the enemy during a

Box 3.3

**A maze of service types under the VEA THESE SHOULD BE RELEVANT ONLY FOR ALLOWANCES< NOT COMPO - SEE CH 4**

'period of hostilities' (the world wars plus a few other conflicts), or have warlike service or meet one of a few other categories (including veterans of allied countries) (s. 7A VEA).

- *warlike service* — those military activities where the application of force is authorised to pursue specific military objectives and there is an expectation of casualties, including a state of declared war or other conventional combat operations against an armed adversary (DoD 2017c)
- *non-warlike service* — those military activities short of warlike operations where there is a risk associated with the assigned tasks, where the application of force is limited to self-defence and where casualties are not expected (DoD 2017c)
- *defence service* — (sometimes referred to as 'peacetime service') under the VEA, this encompasses any continuous full-time service for three or more years between 7 December 1972 and 7 April 1994, unless the service member was medically discharged.
- *hazardous service* — includes maritime service in the Persian Gulf, and UN peacekeeping missions in Mozambique, Haiti and Yugoslavia (s120 VEA). Since 1997, any service that would be classed as hazardous service would now be declared a non-warlike service (Clarke, Riding and Rosalky 2003)
- *British nuclear test defence service* — service by any members near Maralinga, Emu Field or Trimouille Island during specific dates throughout the 1950s and 1960s (ss. 69B(2)-(5) VEA)
- *peacekeeping service* — members of a Peacekeeping Force raised for peacekeeping, observing or monitoring (including Australian police members involved in such operations), also referred to as non-warlike from 1997.



### Box 3.5 'Beneficial' legislation

The veteran compensation legislation is described by stakeholders, justices and politicians as 'beneficial' for veterans and their families. There seems to be at least two ways this beneficial nature manifests itself:

- the way the legislation is drafted (with its eligibility and benefits **AND PROCESSES**)
- the way administrators and courts interpret the rules.
- 

When considered as a package, compensation provided by the system is generous (chapter 12), and the eligibility rules have numerous traits that are 'beneficial' for claimants. For example:

- there is no time limit on claims applications, and veterans can generally resubmit claims
- under the *Veterans' Entitlements Act 1986* (VEA) and *Military Rehabilitation and Compensation Act 2004* (MRCA), evidence provided by veterans to support their claim is considered in light of the difficulties of record-keeping during service DURING WWI and the passage of time since (chapter 8) **It's a great excuse**
- under the VEA and MRCA, veterans with operational service are subject to a lower standard of proof (the 'reasonable hypothesis' standard) when connecting their condition with service (chapter 8).

Appellate courts have also confirmed on numerous occasions that — independent of the leniency allowed by the letter of the law — justices have generally interpreted the veteran compensation laws favourably for veterans. As early as 1944, it was said of the predecessor to the VEA:

In constructing the Repatriation Act the objects which it seeks to achieve must be constantly borne in mind ... It is to receive a benevolent interpretation ... (Justice O'Sullivan, quoted in Creyke and Sutherland 2016, p. 8)

This principle has been reaffirmed in more recent decisions:

Australian repatriation legislation has long contained provisions for the resolution of disputed claims unusually favourably to claimants, as compared with claims for other Government benefits. These procedural advantages are only understandable as a national acceptance that volunteering to put life and health at risk for the nation demands special recognition when that risk eventuates. (Federal Court Justice Heerey quoted in ADSO, sub. 85, p. 9) **Court policy making- But should it apply to present service ? Definitely not**

The Commission stated on page 139:

Summing this expenditure (excluding ADF health care), \$14 billion was provided in 2017-18 to support veterans and their families — this is equivalent to 43 per cent of the Department of Defence's (DoD) \$32.8 billion budget in the same year (DoD 2018f, p. 148).

Would be worth knowing what other compo schemes cost eg SRCA or any State system ie some benchmarking.

## Chapter 4 – Objectives and design principles

On page 154 the Commission stated:

This objective should be achieved while ensuring supports are provided in the most effective and efficient way. Taking a whole-of-life approach is important ...

Who said we should take this approach — cradle to grave — it's a con by the industry to keep an unnecessary system going in duplication.

On the same page the Commission stated:

The key principles that should underpin a modern veteran support system are that it be: wellness focused (*ability* not disability), equitable, veteran centric, need- and evidence-based, administratively efficient, affordable and sustainable, and responsive to the unique needs resulting from military service.

Military compo is nothing like standard workers' comp – it's not proven - and no adequate comparison is made.

The Commission also stated on the same page.

Distinctions between different types of military service for the purpose of compensation are inequitable and should be removed or reduced ~~where practical and cost-effective~~ [emphasis added].

This is an escape route – they'll agree and distinguish everything to keep it in effect.

The Commission also said on this page:

History, and the Australian Government's longstanding commitment to supporting and reintegrating into society those affected by their military service, explains why there is a separate and beneficial veterans' system.

But for heaven's sake, history is not a rationale – it's an explanation being used to defend the status quo. Their service might be unique but their needs are not.

On page 155 the Commission stated:

Support for serving members and their families is widely regarded as a condition of service. Australians serve in the Australian Defence Force (ADF) knowing that they could be injured, or they may die, as a result of their service, and expect that they (or their family) will be supported in the event of a work-related injury, illness or death.

No, no one else employed gets this treatment — let's not pretend this is a standard condition of employment.

The Commission stated on the same page:

The Australian Government is committed (and has been since World War I) to supporting, and reintegrating into society, those who are affected by their service in the ADF (box 4.1). The Prime Minister Billy Hughes first made this commitment to the Australian troops when he stated at the 1917 Premiers' Conference that:

‘We say the care of the returned soldier is one of the functions of the Commonwealth Government. ... They go out to fight our battles. We say to them: ‘When you come back we will look after you’ ... (Hughes 1917, cited in Lloyd and Rees 1994, p. 69)’

Bob Hawke, when he was Prime Minister, also commented that the Australian Government:

‘... firmly believes that we should be generous in our treatment to those who have suffered disabilities because of their participation in war and in the treatment of the widows and orphans of those who have died as result of war service. (Hawke 1985, cited in Clarke, Riding and Rosalky 2003, p. 96)’

And more recently, Darren Chester, the Minister for Veterans’ Affairs, said ‘I recognise the Australian community has a clear expectation that veterans and their families will be well looked after’ (Chester 2018f, p. 9688).

All the above is useless soothsaying and empty political promises – they don’t say how.

On page 156 the Commission stated:

In effect, the Australian Government has made a social contract with serving personnel that, in return for their service, they (and their families) will be looked after if they incur a service-related injury, illness or death. This social contract, or acceptance by the Australian Government of a ‘duty of care’ to veterans for service-related injuries and illness (while they are in service and beyond)

Nonsense – it is not a blank cheque.

On the same page the Commission quoted the Department of Veterans’ Affairs

... a fundamental role of DVA has been the provision of a substantial part of the ‘offer’ that is made by the nation to each service member prior to and on enlistment. This offer recognises the willingness of the enlistee to commit to service, be subjected to military discipline, and to be placed in harm’s way for Australia. In return, the Australian Government will look after them, including when they leave service. (sub. 125, p. 3)

This is romantic rubbish – tell them to read chapter 4 this is the enormous vested interest of DVA.

On page 158 the Commission said:

While DVA acknowledged the longstanding commitment of the Australian Government to supporting veterans, it also said that ‘such longstanding acceptance should not and does not confer immunity from examination as to relevance and appropriateness’ (sub. 125, p. 2).

Ah, but it does just that.

On the same page the Commission says:

When we asked participants to this inquiry what the objectives of a future system for supporting veterans should be, many said they should be about improving the lives or wellbeing of veterans

and their families. Many also said that the system should take a long-term and ‘holistic’ approach to supporting veterans. For example:

- the Department of Defence (DoD) said that ‘the priority objectives for veteran support should be to ensure the long-term wellbeing, successful rehabilitation and transition for veterans into civilian life’ (sub. 127, p. 4)
- the Veterans’ Advisory Council and the Veterans’ Health Advisory Council said ‘every effort must be made to ensure that those who have entered the profession of arms can access appropriate health, mental health, welfare, compensation and rehabilitation services both during and after their service obligation. Access to services should be streamlined, intuitive, and non-confrontational’ (sub. 96, p. 2)
- Maurice Blackburn Lawyers said ‘the military compensation scheme, including the legislation and administration of the scheme by the DVA, should take “an holistic approach to injured personnel by integrating the safety, rehabilitation, resettlement and compensation elements”’ (sub. 82, p. 4).

These are all vested interests – they don’t represent good policy in any way.

On page 159 the Commission says:

It is also the Commission’s view that the overarching objective of the veteran support system should be about improving the wellbeing of veterans and their families. The system should have at its core minimising harm to veterans from military service and rebuilding lives affected by service. And as with all other government programs, the support system should achieve this objective while ensuring value for money for the Australian community and providing supports in the most effective and efficient way. This includes avoiding unnecessary and costly duplication of services and ensuring that funding provided to improve the lives of veterans is focused on the areas where it can have maximum impact.

So having made this very correct statement, the draft report largely endorses the status quo — which isn’t logical.

On the same page the Commission states:

The Commission also agrees that, when thinking about the wellbeing of veterans and their families, and the costs to the community (or taxpayers) of supporting veterans, it is important to take a long-term or whole-of-life approach.

No it’s not – the point is to get them back to work, off the drip, or have some mainstream specialised agency look after them.

On the same page, the Commission quoted Defence’s mental health strategy:

[Defence will] ... lead a whole-of-organisation approach to mental health and wellbeing, from time of recruitment, through military and public service careers and through to transition and life beyond Defence. (DoD 2017h, p. 6)

Cradle to grave – really?

On pages 159-60 the Commission quoted the DVA:

If this were to be DVA's central tenet for its operations, it would reflect a philosophical move away from focusing on payments, benefits and compensation, to a stronger focus on veterans' health, wellbeing, rehabilitation and productivity. (sub. 125, p. 18)

This social welfare policy made up by DVA to suit its long term existence – has government ever decided this?

On page 160 the Commission states:

A whole-of-life approach involves taking into account each of the life stages of military personnel — recruitment, in-service, transition and ex-service (figure 4.1).

This is all motherhood, wishful thinking and romanticism at its worst – designed to impress – but it will all fail – they can't do their current job, let alone this waffle.

On page 169 the Commission states:

The ICA considers the following as appropriate objectives of workers' compensation schemes:

- to contribute to the prevention of injuries
- to promote prompt, effective and proactive treatment and management of injuries
- to support injured workers in returning to work/assist with full recovery
- to compensate fairly
- be affordable, financially viable (charge employers premiums that are affordable, reflect risk and fully fund the liability).

No mention of whole of life or wellbeing here.

On page 170 the Commission states:

Best-practice schemes are also underpinned by guiding principles, such as:

- work is good for your health — once an injured worker has recovered sufficiently, further recovery will be aided by resuming work
- appropriate incentives — to encourage positive outcomes for injured workers and for the scheme's financials
- target supports and services to the more seriously injured — and limit benefits for minor injuries to what is essential
- strive for efficiency — a streamlined scheme, managed efficiently, will benefit all participants and will maximise the proportion of payments made to claimants
- establish clear expectations — to minimise ambiguity and increase accountability
- minimise politics — purely political agendas should not drive scheme design or management (ICA 2015, p. 12).

On page 170 the Commission also states:

In the context of workers' compensation, the Insurance Council of Australia said 'best practice means sustainability', where a sustainable scheme 'satisfies stakeholders expectations over an extended period so there is no financial need or a political imperative to reform the scheme' (ICA 2015, pp. 4, 9). EML also said that 'there is an overarching understanding that compensation schemes need to be financially sustainable in the long term' (sub. 90, p. 2).

Exactly right

On page 171 the Commission states:

Other features of a best practice workers' compensation scheme include:

- administrative dispute resolution processes (rather than judicial), with decisions made by a tribunal that is inquisitorial rather than adversarial in nature
- one level of appeal from a decision — on medical issues this should be involve a medical panel, on other issues by senior members of the tribunal
- access to courts only when there are important or novel issues involved
- evidence-based management of the scheme — consistent and reliable data analysis is important for identifying and responding to emerging pressures
- a positive culture with outcomes such as:
  - higher employer engagement in claim outcomes
  - open and transparent decision-making
  - low appeal rates for decisions.

None of these apply to military compo – the cat has the key to the canary cage and the commission is helping them keep it.

On page 174 the Commission states:

Veteran support schemes in similar countries have common and different features to Australia's system (box 4.7).

This section seeks to distinguish these schemes and then dismisses them. The UK has a lot to teach us on good process - the us has a lot to show on an insurance model — the section is inadequate.

The Commission stated on page 176:

The system should promote wellness, return to work ~~and recovery for life.~~ *as far as possible*  
[correction added]

On page 178 the Commission has a heading: 'Should there be distinctions between types of military service?'

Distinctions on type of service should only be made for the purposes of setting allowances – for risk and conditions. This issue has been the cancer in the system for 70 years!

On page 180 the Commission stated:

The Commission's analysis of MRCA claims shows greater incidence of many conditions arising out of wartime service. For example, although claims relating to operational service accounted for about 24 per cent of all MRCA claims, they accounted for about 74 per cent of claims relating to post-traumatic stress disorder and nearly two thirds of the claims for alcohol use disorder (Commission estimates based on unpublished DVA data).

Exactly, exactly – so why squib the question?

On the same page the Commission stated:

The Commission also agrees that, *to the extent* that one ADF member incurs more extreme physical and mental impairments than another, the former should receive a higher level of compensation. This would be the case under a system that compensates based on need or the level of impairment. For example, if members engaged in ~~war or warlike service~~ [emphasis added] did incur more extreme physical and mental impairments than other members, they would receive more compensation because of higher payments for higher levels of impairment.

No – for any service – please be consistent.

On the same page the Commission stated:

In the Commission's view, veterans' compensation arrangements ideally should treat injuries of a particular type and severity equally. And to the extent that operational service is riskier than peacetime service, it does not justify the *same* injury being treated differently based on where and when it occurred. In principle, therefore, compensation for the pain and suffering a person incurs should not depend on the type of service they were undertaking when the injury or illness occurred.

Exactly

On page 181 the Commission stated:

While history provides insights into why there is a bespoke veteran support scheme (chapter 3), many stakeholders argued that there continues to be a need for separate military-specific arrangements because of the unique nature of military service.

Of course they do – so what – populism does not make good policy.

On the same page the Commission quotes the Campbell review:

The Committee confirms the unique nature of military service and the requirement for a military-specific compensation scheme that recognises that military service is different from civilian employment. The Committee concluded that compensation arrangements separate from the civilian compensation arrangements should be continued. (Campbell 2011a, p. 93)

The committee was an IDC – it had no charter to say so – obiter dicta.

On the same page the Commission states:

That said, there are a number of arguments why military service, and veterans' circumstances, do warrant a separate support system or a separate approach to providing particular support services. The Commission recognises that there also is a broad community expectation that veterans should be well supported because of their contribution to the protection and service of the nation, and that there should be a beneficial approach to compensation. However, the policy responses to such expectations must also take into account what is in the best interests of veterans and their families, the overall community benefit and the appropriate targeting of limited resources.

Does this refer to compo or the whole health and welfare monster? I haven't seen any argument in favour of a bespoke scheme- it's just what the punters want that seems to influence.

On page 182 the Commission stated:

One argument for veterans receiving higher levels, of or easier access to, support is the often arduous and risky nature of service. However, the military already provides remuneration and allowances that are directly tied to the risks and onerous conditions and the Government recognises these aspects through recognition programs (chapter 2). It is therefore not clear cut that this aspect of military service *itself* warrants separate and/or more generous compensation and support arrangements for veterans.

Yes, yes, yes – get rid of QS

On page 182 the Commission stated:

A problem with providing more generous compensation to compensate for risks and conditions of military service is that it can result in inequitable outcomes. For example, if the risks and other demands of service are reflected in pay and allowances, it would seem inequitable that a veteran who suffers a particular accident — say loses a limb — should get more compensation for that loss than an emergency services officer, construction worker, truck driver or indeed any other civilian who suffers the same loss (in the same way that it is inequitable that military personnel who suffer a particular loss during war should get more compensation than military personnel who suffer the equivalent loss while training in Australia).

And don't forget the \$200 tax free per day when deployed.... Set by the government.

On page 183 the Commission stated:

There is also the stigma some veterans associate with accessing mainstream welfare. The Commission heard that some veterans do not like going to Centrelink offices (notwithstanding the range of government business they handle and the many other Australians who use them).

They've been saying this for years – yet there are DVA offices in Centrelink branches – they said the same about selling the hospital – populist rubbish.

The Productivity Commission has a section headed 'Other rationales for retaining services and entitlements' on page 183. This needs to be more prescriptive< service by service- eg veterans home care to HACC, service pension to human services, etc.



On page 185 the Commission stated:

Distinctions between different types of military service for the purpose of compensation are inequitable, and should be removed ~~or reduced where practical and cost effective~~. [emphasis added]

An escape hatch – be firmer.

## Chapter 5 — Preventing injury and illness

On page 217 the Commission stated:

There is a fundamental conflict between appropriate support for injured personnel and the pressure on unit commanders to have an effective unit ready for deployment in accordance with rotation requirements. There needs to be recognition of this dilemma and practical mechanisms to address it. I doubt that a premium system or a mechanism for financial accountability would prove effective. (sub. 108, p. 5)

Nonsense – it’s an old excuse enabling them to avoid it for years – all premiums calculate risk for all contingencies.

## Chapter 8 — Initial liability assessment

On page 341 the Commission stated:

Historically, a single standard of proof also applied for all operational and non-operational service from the genesis of the *Repatriation Act 1920* until the legislative amendments in 1977 (Baume, Bomball and Layton 1994, p. 26).

Absolutely right – but follow it through!

On page 342 the Commission states:

As such, we believe that a single test of causality (which test is considered in section 8.3) should apply to all claims. The current dual standards create unnecessary complexity and have a weak rationale. Dual standards should not form part of a reformed system that is designed to remove complexity (where possible) and introduce greater equity between categories of veterans going forward.

Correct – but note the consequences and remove the benefits to – and install some fairness and simplicity.

On page 349 the Commission stated:

Moving the standards of proof under all three Acts to a uniform balance of probabilities standard would also have the added benefit of aligning the veteran system with the civilian workers’ compensation system. This would significantly reduce complexity in the system, as the tried and

tested rules in civilian systems could be applied to veteran support, removing the ongoing legal confusion caused by interpreting the ‘beneficial’ standard in practice.

Yes, yes, yes – but why not recommend it – why leave it open?

## **Chapter 10 — Reviews and Appeals**

On page 419 the Commission stated:

In the Commission’s view, there should be a single review pathway for decisions across all three Acts. This will make it easier for veterans, their families and their advocates to navigate the system and know their rights to appeals and reviews. DVA (or any body that absorbs its functions in the future) could also simplify its notifications of decisions for reviews under each Act to a single document, reducing back-end complexity. The proposed single pathway is outlined in figure 10.6.

Just get rid of the VRB, and ban new information to stop the fishing expeditions – all new evidence should be returned to the claims assessor.

## **Chapter 11 — Governance and funding**

On pages 467-8 the Commission stated:

Best-practice workers’ compensation schemes place a strong emphasis on scheme sustainability, and this in turn means they focus on the lifetime costs of supporting clients. (And a focus on lifetime costs of support means better outcomes for clients because there is an incentive to intervene early and find cost effective rehabilitation, transition support and health care). In the interest of getting better outcomes for veterans, the management of the veteran support system needs to more closely reflect contemporary workers’ compensation schemes ...

Yes yes yes, but this report doesn’t bring that to any head – it must include disciplined processes eg it’s absurd, almost criminal that only 2.5 % of claims are supported by an incident report – but where is the recommendation?

... and while the driver in the case of the veteran support system is not a financial one ...

It should be – that’s why they have got away with it for so long.

The Commission said on page 468:

A policy and administration divide is also consistent with institutional arrangements elsewhere in government:

Claims for pensions and other forms of social security payments are considered, administered and paid by the Department of Human Services (through Centrelink), while the Minister for Social Services (with advice from the Department of Social Services) has responsibility for the Government’s policy on pension eligibility.

The tax system is administered by the Australian Taxation Office (ATO), but the Treasurer, with advice from Treasury, has responsibility for the relevant tax legislation.

Put it all under SRCA and Comcare and the problem is solved.

On page 469 the Commission stated:

The new VSC would replace many of the functions of DVA and the RC and MRCC, including managing claims, engaging with stakeholders and providing or commissioning services. However, a critical function of the VSC should be the management of the veteran support system, adopting the model and management of a workers' compensation scheme, including a strong reliance on data collection and actuarial analysis — it is this approach that will get better outcomes for veterans and their families.

A massive battle to fight – can't see Treasury agreeing...another bit of bureaucracy for a small business which is duplicatory, has low scale and for which there are ready made alternatives. Simplification please.

On page 471 the Commission stated:

To improve strategic direction in veteran support policy (section 11.3) and overcome a heavy reliance on ad-hoc policy review processes, the Commission is recommending the creation of an independent Veterans' Advisory Council that reports to the Minister for Defence Personnel and Veterans. The goal of the Council would be to provide advice to the Minister on veteran issues, particularly on the policies and performance of the veteran support system to ensure it remains fit for purpose going forward.

Experience shows this as highly inadvisable – ministers don't like being beaten up by people who simply want more.

On page 473 the Commission stated:

The governance changes discussed so far mean changes will need to be made to the institutional arrangements governing the commemoration and war graves activities undertaken by DVA.

As discussed in chapter 4, commemoration activities are a 'relatively small but enormously significant part' of DVA's broader functions (DVA, sub. 125, p. 12) and serve a vital role in the veteran support system by providing veterans and their families with community recognition and validation of their service and sacrifices.

This myth building – platitudinous, we didn't have a commemoration program till 1998 – wouldn't be missed after a year – just a political feel good program.

On page 474 the Commission stated:

Administering the commemorative activities currently undertaken by DVA would be a significant change for the AWM, given the AWM's current activities are based largely in and around the War Memorial in Canberra. An expanded remit for all commemorative activities would involve a much broader geographic focus, covering activities across Australia and at memorial sites around the world. This change in focus may present some transitional challenges,

but would be surmountable over time with capable leadership and using existing expertise and systems within DVA.

But there won't be a DVA!

On pages 476-7 the Commission stated:

The veteran support system is currently funded on a pay-as-you-go (PAYG) basis, similar to Australia's age pension system. PAYG funding meets the immediate cash requirements of the system, such as payments for compensation, rehabilitation and treatment. No assets are accumulated to meet future entitlements or management expenses in respect of incidents that have already occurred (PC 2004, p. 279).

Compared to a fully-funded approach, a PAYG approach leads to:

- Unfunded liabilities, where a scheme's liabilities are not covered by its assets. In the veteran support system, contingent liabilities are large and there is no specific source of financial capital to fund annual liabilities — funding comes from the Australian Government's general revenue.
- Cross-subsidisation over different generations. In the veteran support system, past generations of ADF members make claims and current and future generations pay the bill.
- Dampened incentives to improve workplace health and safety. In the veteran support system, there is no institutional price signal providing information about the lifetime costs of injury and illness (PC 2004).
- A short term focus, as PAYG schemes with large contingent liabilities (such as the veteran support system) encourage scheme managers to 'focus on the next 12 months and then the next three years, and not beyond that' (PC 2011, p. 669).

PAYG funding models also fail to provide the Government, Defence and DVA with useful information about the long-term financial costs of contemporary policy decisions. Under PAYG, even with the governance arrangements recommended above, the current leadership of Defence and the Government would not be accountable for policy decisions they make today because the liabilities (injuries or illnesses for ADF members) would not mature until many years or even decades later — the average MRCA and DRCA claimant does not submit a claim until 16 years after the injury occurred (ANAO 2018b, p. 55).

This is a ridiculous basis on which to form a business like model – let's get serious – that's why military compo is a racket. Keep it simple....

On page 479 the Commission stated:

As discussed in chapter 5, Defence argued that the 'high-risk nature' of its operations means a premium is not suitable (sub. 127, p. 18). The very nature of military service is one involving elevated risk and there will be injury and even death. But making clear the cost of engaging in high-risk behaviour, military or otherwise, is the point of a premium. It is another piece of information that should be considered — and weighted appropriately — amongst the broader suite of information that informs departmental and Cabinet deliberations about national security. Defence is best placed to account for these costs.

Correct – they cannot avoid accountability any longer.

On page 480 the Commission stated:

For the veteran support system, Defence could reduce the size of the premium by:

- intervening early to treat and rehabilitate injuries or illnesses (preventing costly exacerbation)
- encouraging a smooth transition to civilian life (improving long-term wellbeing and reducing any future draw on benefits from veterans with poor transition outcomes)
- ensuring benefits and services provided to ex-service personnel are both effective and efficient
- changing the capital-labour mix in the make-up and operations of the ADF.

Toughening up the processes but refusing claims without an incident report and putting a time limit on claims — otherwise the only outcome will be more of the same.

## Chapter 13

On page 524 the Commission stated:

As discussed in chapter 4, the reason for the different rate of compensation is that operational service is more demanding and risky, and veterans injured in such service should be granted special compensation. For example, the 2011 MRCA Review stated that:

The retention of higher compensation payments for operational service is in recognition of those who are intentionally exposed to harm from belligerent enemy or dissident elements. This policy objective is as relevant today as it was following the Second World War. (Campbell 2011b, p. 73)

Complete nonsense and obiter dicta.

On page 525 the Commission stated:

Selecting a single rate of permanent impairment compensation for all veterans covered by the MRCA is not straightforward. Moving to the warlike and non-warlike rate would mean that no veteran was disadvantaged, but it would have budgetary implications for the scheme. Back-of-the-envelope estimates suggest that moving all veterans to the warlike and non-warlike rate would increase permanent impairment compensation by about 28 per cent — which would have increased compensation by about \$60 million in 2016-17 (Productivity Commission estimates based on unpublished DVA data). And this will increase substantially over time as the MRCA becomes the predominant compensation scheme.

The current SRCA rate should be used if the commission is to be consistent — otherwise it remains a racket — bad policy.