

To - Productivity Commission - Compensation and Rehabilitation for Veterans Review.

Submission from Wayne Craft.

First element.

General Comments.

The following comments and criticisms relate to my experience with DVA since my “medically unfit” discharge from the Navy on 4th October 2009. The problems encountered since then have been many and revolve around the confrontational (**adversarial**) attitude of most levels of management, the difficulties encountered when finally, one is granted a phone “audience” with a “Delegate” – there is a distinct reluctance by these people to even discuss any errors & all our several requests for the figures used by DVA staff to be supplied so we can ascertain how these errors occurred were not supplied. At no time did staff refuse to supply these details; **requests were simply ignored**. Data supplied was in summary form which required considerable analysis to ascertain how the errors occurred. It was obvious obstructionist tactics were being applied to our questions to avoid scrutiny of the numerous blunders being made in the payroll area.

Such behaviour is not the response the public would expect from a huge organisation like DVA.

The so called “Delegates” exhibited an appalling lack of understanding of the correct accounting and payroll principals which should normally be applied to the multitude of backpay elements and resulting overpayments during the period of this dispute until it is finally paid late in September, 2012. **Payment was eventually made three years after actual commencement date.**

Some background on this fiasco.

My enlistment in the Navy was in 2003 and by early 2005 it became apparent by that a serious neck injury had occurred requiring spinal surgery, which was carried out in the same year. In 2006 this procedure had failed so further surgery was needed to attempt to rectify the problem – all costs were met by Defence and treatment continued until my discharge. Defence paid my full entitlements to date of discharge being 4th October 2009. **DVA indicated all medical costs would be paid** but refused to make any support payments stating that I had “no entitlement to incapacity payments”.

By accepting liability for my ongoing medical costs would it not also be construed as an implied acceptance of responsibility, under common law, for my ongoing support payments?

DVA have always claimed the payments eventually made to me are “Workers Compensation” (**which should not take 15 months to take effect**) so how did they justify “no entitlement to incapacity payments” for such a long period of time?? Or is DVA so powerful that the management can choose to “cherry pick” which parts of a liability they will accept & which part they will deny?

This stance was maintained despite the Administrative Appeals Tribunal ruling in 2010 that liability for my injuries must be accepted by DVA. It appears DVA can choose to ignore an AAT ruling & in so doing claim by implication that it is above the law of the land ??

Military Super commenced small regular payments in November 2009 & are continuing to pay me a “disability pension”, which is still taxable, even after my accepted level of disability was increased to 60% in 2012. This pension has increased reasonably to its current level. Possibly the way this is paid needs investigating – is it a “disability pension “to a veteran who

is not yet 55 years of age ? If so, could it be subject special taxation under a rule of tax which will allow something less than full taxation???

At the date of my discharge, I was living with my wife and daughter in Defence housing in Sydney. On discharge we were given 10 days' notice to vacate the premises, but we were unable to secure suitable accommodation in the time demanded, so our possessions were loaded into containers & sent to storage in Sydney. As a result of this dilemma my wife elected to stay at her job in Sydney in order to help pay expenses & school fees for our 10-year-old daughter. My family was now to be effectively split, so my daughter & I had no alternative but to finally accept the offer of temporary accommodation with family several hundred kilometres away.

Financial support was obtained from family as an interim measure whilst I argued with DVA to try to gain some measure of help from this stubborn, intractable, irrational & immovable monolithic Government department. Little did I realise that this disagreement about support would continue for 3 years before any resolution was reached and funds finally reached my bank account. **Financial support from my family remains unpaid to date.**

In late 2009 an application for support was made to Centrelink, hopefully to gain some form of income to support the meagre sum being paid by ComSuper since my discharge, but this was refused, and I did not pursue the matter again.

At this point DVA had effectively abandoned me & my family without any means of support - this shows a complete failure of DVA's "duty of care" to a disabled veteran who had been injured in the course of carrying out his assigned duties in the Navy. This action also constitutes a failure to recognise any rights which I may have at common law relative to Human Rights or Discrimination laws and there was no attempt by DVA to assist me & my family in any way - they just stuck to the original position - "you have no entitlement to incapacity payments" or any other form of assistance. It is unbelievable that a Government agency can treat its responsibilities to ex service personnel in such an aggressive, dictatorial, uncaring & arrogant fashion. The stress produced by this intractable attitude is indescribable & causes untold strain on me & my family, which continues to do so to this day, apparently with no end in sight.

At no time did **ATO staff in authority** show any element of empathy, compassion or humanity toward a disabled veteran and his family left in an impossible position without any means of support. **The community believes the sole purpose of DVA is "to manage veterans affairs & assist with reintegration into civilian life"**, not to obstruct every attempt to obtain answers or obtain some form of support, be it workers compensation or some other form of ongoing support payment. This support is even more critical when the help is being sought by a person who has been disabled whilst enlisted & DVA have accepted responsibility for medical expenses after discharge, how can compensation type support be denied????

Second Element.

Following my discharge, MRCC/DVA then maintained their inhumane, ridiculous & intractable position of rejecting my claim for support payments, despite a hearing before the AAT dated December 2010, which clearly stated that "DVA must accept liability for my neck conditions," but did not specify the date from which compensation payments were to commence.

Later, in a document dated 22 June 2011, MRCC /DVA denied any liability to pay me anything saying I was "NOT entitled to receive incapacity payments for the period 2/11/2009 to 11/01/2011". The first date was not explained???? (explained in 2nd paragraph below.)

MRCC/DVA chose to ignore this AAT ruling and continued to deny any liability or make any support payments from the date of discharge.

Suddenly, in late January 2011 DVA deposited a payment for 4 weeks full pay. This was explained in a letter received late February, 2011 as being a payment due to all personnel after discharge, but was paid 15 months later????

Following a letter dated late February, DVA made a lump sum payment for the period commencing 12th January 2011 to my bank account. From this point DVA continued to make regular support payments. The commencement date used by DVA was obviously wrong and was furiously contested by me, but at this stage any income from MRCC/DVA was gleefully accepted whilst I vigorously contested the stupidity of this dictatorial decision.

Regular payments continued without disruption until late September 2012 a letter arrived from DVA stating they had accepted liability for my injuries saying "I was entitled to receive Incapacity payments backdated to my discharge date in 2009." The amount calculated was paid to my bank account the following payday. Then big problems began as shown below.

Some more examples.

1. Several errors were made in these "Lump Sum Paid in Arrears" (Backpay) calculations showing a clear lack of understanding of the methods needed to make **correct** payments & at the same time recover overpayments which had been made whilst DVA rejected my claim for compensation. These errors resulted from recoveries being deducted from payments due up to 3 years earlier & taxing the net balance paid so tax deducted was nearly \$4000 short. The result was a large tax debt when the tax return was lodged.

2. Wrong tax deducted from 6 pays in first half of 2013 year, which was authorised by "Delegates", resulted in tax deductions shortfall of \$290

3. Payment summaries for 2012 and 2013 have both been issued by DVA are both wrong when compared with **spreadsheets which reconcile gross pay with bank deposits** made to my bank account. These errors affect both gross pay and tax deducted & combined with errors in LSPA made in 2013 make one hell of a mess in this tax year, not the least of which is the massive tax debt produced by these errors & obviously authorised by these incompetent so called "Delegates" who exhibit little or no understanding of the effect this rubbish has on the veterans concerned when tax returns are lodged eg. anger, frustration & stress for problems caused by the very people who are charged with managing their finances & welfare.

4. With the benefit of hindsight, could these errors above be related to the recently revealed Plutus Payroll fiasco and related fraud against Australian Taxation Office? If DVA payroll was

outsourced to Plutus, then it is possible the errors were accepted by DVA without any checking & passed on to unsuspecting veterans ??? This could be worth checking.

5. As a veteran with no other income than the pay from DVA and Comsuper – which represents 1 payment which is split into 2 parts by authorities & is taxed separately - this invariably produces a tax debt. I have had 5 years of such a problem. Would it be too much to expect that the 2 authorities communicate in a better fashion & split the tax at each alteration by Comsuper to overcome this problem & so ensure that the tax burden is not so hard on veterans? Tax Office says “just pay more Tax” – is this a fair go?????

6. Other problems encountered include – DVA cutting off my income for 6 weeks, overpaying me for reimbursements of travel cost and overruling GP medical certificates in order to stick to their twisted interpretation of the rules.

Enough for now,

Wayne Craft.

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