

Productivity Commission
Compensation and Rehabilitation for Veterans
Level 2, 4 National Circuit,
Barton, ACT, 2600.

Dear Sir/Madam,

I write to provide comment and insight into the Draft Report prepared by the Productivity Commission into the Compensation and Rehabilitation of Veterans. I do so after having served 11 years in the Australian Regular Army prior to being medically discharged in 2017.

I write to the Productivity Commission in a private capacity and my comments and insights into the draft report should not be considered the views of any other individual, entity or organisation.

“First of all, the Government, through the Repatriation Commission, undertake the complete and entire responsibility of restoring men to health. In the next place, they assume responsibility for securing employment for them in their old avocations in life, or, failing that, undertake to prepare them for some new occupation, and, where that is necessary, to provide them with sustenance in the meantime ... The moment a man is discharged from the Australian Imperial Force he comes within the purview of the Repatriation Department, which undertakes to restore him to health, and to make the most complete provision for that purpose, no matter what the character of his wounds or illness may be.”

Arthur Rodgers MP, 4 June 1918

Highlights and Recommendations

- The current system for the Compensation and Rehabilitation for Veterans is outdated, not in line with global best practice and would not be the system we would establish in 2019.
- The Commonwealths decision to send fit and healthy Australians into harm’s way – be it during peacetime, peacekeeping, peacemaking, combat or training – is unique and must be acknowledged.
- The current system of Compensation and Rehabilitation does not represent the best value for money and does not achieve the best possible outcomes.
- The Compensation and Rehabilitation system should embrace a wellness model.
- The ADF should be incentivised and penalised for not effectively managing investments made by the Commonwealth.
- The Commonwealth should adopt the Veteran Services Commission within the Defence portfolio as proposed by the Productivity Commission.
- The current provisions and eligibility to a Gold Card should be retained to target the service-related health needs of the most vulnerable, injured and unwell Veterans.
- The White Card is a well-targeted and appropriate vehicle for funding future health care without the administrative and bureaucratic burden of proving liability.
- I concur with the Productivity Commissions comments within the Draft Report regarding the Gold Card ‘not sitting well within the key underlying principles of a future scheme’.
- Veterans who have qualifying service or Veterans with a service related injury or illness that has been approved and accepted by the Commonwealth could be provided with a ‘Silver Card’.

Introduction

Since the establishment of the Repatriation Commission through the Australian Soldiers’ Repatriation Act 1917, Australia has changed for the better. In 1917 Australia did not have a welfare system and our volunteer citizen soldiers

could return home to be supported by a pre-existing safety net. Thankfully, the government of the day acknowledged that Veterans required a dedicated system to care and support them, and their unique needs, regardless of the cost.

The requirements of mass mobilisation and the subsequent repatriation of volunteer citizen soldiers is entirely different to the present-day challenges faced by the modern Australian Defence Force. The concept of 'repatriation' simply does not exist in the current context of the ADF.

The lines between peacetime, peacekeeping, peacemaking, combat and training are often blurred and entangled. Units are held at high readiness for combat and the state of readiness requires challenging, frequent and often dangerous training. Today, our highly professional Soldiers, Sailors and Airmen are expected to go from their living room to combat (and potentially back) in a matter of hours – not the months of sea voyages that preceded our First World War volunteer citizen soldiers. They are often required to serve across this ever-changing continuum throughout their career.

The fundamental assumptions that underpinned the Repatriation Commission in 1917 and the required legislation, bureaucracy and administration are largely unchanged; however, the context for our Soldiers, Sailors and Airmen today is totally changed.

What has not changed since 1917 is Australia's political and social commitment to *"...to restore him to health, and to make the most complete provision for that purpose, no matter what the character of his wounds or illness may be"*.

If Australia was to establish a dedicated support system to look after its current professional Soldiers, Sailors and Airmen; would it look like the current system in place? I do not believe so.

Return on Investment

The current system for the Compensation and Rehabilitation for Veterans is outdated, not in line with global best practice and would not be the system we would establish in 2019. It does not promote wellness and provides almost no incentive to the bureaucracy to achieve the best possible wellness for Australia's Veterans.

The Commonwealths decision to send fit and healthy Australians into harm's way – be it during peacetime, peacekeeping, peacemaking, combat or training – is unique and must be acknowledged. The nations interests override the personal safety, health and wellbeing of its service members. They offer to sacrifice themselves on behalf of their nation.

*"When you come back we will look after you"
"You made us a promise. We look to you to carry it out"
Prime Minister W.M. 'Billy' Hughes, 1917*

Civilian norms do not always apply to this unique situation. Likewise, civilian concepts of wellness and compensation do not always fit. However, in 1917 when the system of compensation and rehabilitation was established for Australia's Veterans, it was considered best practice for the compensation and rehabilitation of Veterans across the world. Australia should again lead the way in our provision of compensation and rehabilitation of its Veterans.

The system should embrace the wellness model as referenced in the Draft Report by the Productivity Commission. This model should simultaneously seek to maximise the return on investment made by the Commonwealth whilst simultaneously achieving the best possible wellbeing for service members and Veterans.

The economic burden of a dedicated system to provide for *the "complete and entire responsibility for restoring men to health"* is an important consideration and one that has always weighed heavily on the minds of politicians in Australia. This consideration has not changed since 1917 and should never change.

The current system of Compensation and Rehabilitation does not represent the best value for money and does not achieve the best possible outcomes.

When a young Soldier, Sailor or Airmen who joins the ADF and arrives at his or her unit following basic and initial training; the Commonwealth has already made an investment into that individual and will continue to invest over the career of that service member. The investment by the Commonwealth over the lifetime of a service member is considerable and will likely be measured in the millions of dollars when total investment is taken into account.

The ADF (who is the Commonwealth agent for a Veterans health and wellbeing whilst they are serving) should be incentivised and penalised for not effectively managing the investment made by the Commonwealth on financial, capability and personal levels. Presently, the ADF has no penalty imposed upon it for poor choices that negatively impact on the health and wellbeing of service members and will only achieve cultural change when both incentives and penalties are imposed – when leaders are held accountable.

Time and time again, service members could receive early intervention/treatment for minor, and at the time short term injuries, do not do so due to cultural pressures within the ADF.

Only when leaders within the ADF encourage, support and require injuries to be managed early, quickly, inexpensively and at the earliest possible level will the costs of Compensation and Rehabilitation for Veterans be reduced whilst improving the wellness of service members and Veterans alike.

When the Commonwealth can analyse the whole of life costs incurred by its decisions (both positive and negative) can service members and Veterans be provided with the best possible health and wellbeing.

This can be best achieved by the adoption of the Veteran Services Commission within the Defence portfolio as proposed by the Productivity Commission.

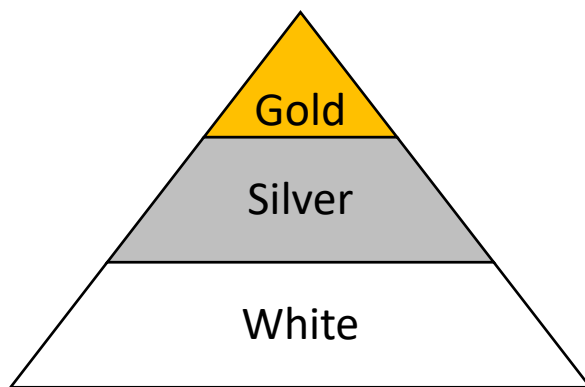
A silver card?

A possible aid in the reduction of whole of life costs to the Commonwealth whilst simultaneously increasing the wellness of Veterans is the adoption of a ‘Silver Card’.

The current provisions and eligibility to a Gold Card should be retained to target the service-related health needs of the most vulnerable, injured and unwell Veterans.

I agree with the Productivity Commissions comments within the Draft Report regarding the Gold Card ‘not sitting well within the key underlying principles of a future scheme’. I will become eligible for a Gold Card at age 70 due to qualifying service.

I also agree that the White Card is a well-targeted and appropriate vehicle for funding future health care without the administrative and bureaucratic burden of proving liability. I currently hold a White Card.



However, I believe a middle ground is achievable that reduces lifetime costs of Compensation and Rehabilitation whilst also increasing the wellness of Veterans.

Veterans who have qualifying service or Veterans with a service related injury or illness that has been approved and accepted by the Commonwealth could be provided with a ‘Silver Card’. In effect, a tiered system of health care cards would provide taxpayer funded ‘private’ health insurance to Veterans to encourage a lifetime of wellness.

This would reduce the burden on the Commonwealth later in life - when an eligible Veteran receives a Gold Card – through the reduction in severity of chronic health conditions when it is most cost effective to treat them (early, quickly and simply).

As proposed, this tiered health care card provides support to Veterans to achieve their best possible health whilst maintaining a level of personal responsibility. This would be supported by the Commonwealth contributing the 'premium' and contributing 'out of pocket' expenses.

Conclusion

"Australians will...defend her to our last man and our last shilling"

Andrew Fisher MP, 31 July 1914

When Australia asks its finest men and women to enter harm's way, regardless if it is during peacetime, peacekeeping, peacemaking, combat or training; it does so with the responsibility to care for those men and women in ways that are commensurate with the level of sacrifice proffered by our servicemen and women.

Likewise, Australian's want to know that the funds being expended to care for those men and women is effective, efficient and aligned with best practice. The current system of Compensation and Rehabilitation for Veterans is ineffective, inefficient and is not best practice. The Commonwealth, Australians and Veterans expect and deserve better.

Only through fundamental reform can the system of Compensation and Rehabilitation for Veterans make genuine and generational change to achieve the best possible outcomes for all.