



TPI FEDERATION AUSTRALIA

“Disabled in our Service, United in our Cause”

Submission to the Productivity Commission Review into the Compensation and Rehabilitation of Veterans 2018.

INTRODUCTION

This paper aims to address the Productivity Commission’s Review and Issues Paper, in relation to the effect on Veterans in receipt of compensation and rehabilitation. This is especially so for Veterans who are classified as such under the three Department of Veterans’ Affairs’ Legislations. These Veterans include the Totally & Permanently Incapacitated (TPI), Totally & Temporary Incapacitated (TTI), Special Rate (SR) and Extreme Disablement Adjustment (EDA) Veterans. The three Legislations include the Veterans’ Entitlement Act (1986) (VEA), Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988 (DRCA) and the Military Rehabilitation and Compensation Act 2004 (MRCA).

The Federation of Totally & Permanently Incapacitated Ex-Servicemen and Women of Australia (TPI Federation) works closely with the Department of Veterans’ Affairs (DVA), including with a number of Departmental Officers along with the various National and Local Consultative Forums. This includes, but is not limited to, ESORT, DVA National Aged Care Consultative Forum, DVA Operational Working Party, Female Veteran’s and Families Forum, DVA Working parties on many topics (including the Legislation Workshop) and the individual State and Territory DVA Consultative Forums. It is in these forums that this Federation has also raised, many times, the issues raised by the Productivity Commission’s Issues Paper.

A set of Terms of Reference (ToR) was signed and issued by the Treasurer, The Hon Scott Morrison MP, on the 27th March 2018 and will be addressed in this paper. The ToRs indicate that the Government, as a Whole of Government (WoG) directive, is dictating the ToRs that the Productivity Commission must consider. This could be seen as a conflict of interest and makes the TPI Federation sceptical of an impartial report as a result of this Inquiry.

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ABBREVIATIONS

AMP	Australian Mutual Provident Society
CPI	Consumer Price Index
CSC	Commonwealth Superannuation Corporation
DRCA	Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988
DSP	Disability Support Pension
DVA	Department of Veterans' Affairs
EDA	Extreme Disablement Adjustment
MRCA	Military Rehabilitation and Compensation Act 2004
MTAWE	Male Total Average Weekly Earnings
NLHC	Non-Liability Health Card
OS	Operational Service
PTSD	Post-Traumatic Stress Disorder
SR	Special Rate
SRDP	Special Rate Disability Pension
ToR	Terms of Reference
TPI	Totally & Permanently Incapacitated
TTI	Totally & Temporary Incapacitated
VEA	Veterans’ Entitlement Act (1986)
WoG	Whole of Government

RECOMMENDATIONS – Section 1

RECOMMENDATION 1: Outcome 1 needs to be the centrepiece of this Productivity Commission examination. The question needs to be asked – is DVA fulfilling Outcome 1 to the benefit of the Veterans and their families?

RECOMMENDATION 2: The Commission needs to investigate the TPI Federation’s rightful claim to a fair and equitable economic loss compensation. Is it too much to ask that the basic benchmark for the TPI Economic Loss Compensation be equal to the tax-adjusted Minimum Wage.

RECOMMENDATION 3: The manipulation of the Veteran community by the Whole of Government processes and procedures is overwhelming and needs to be addressed. This includes, but is not limited to, all requirements for access to MyAgedCare, Centrelink Disability Support Pension and Centrelink Aged Pension. All Veterans and their families should always have ‘*front door*’ access to ALL Government services through their Department – the Department of Veterans’ Affairs.

RECOMMENDATION 4: DVA own staffing resources have diminished by 70% over the last 18 years – see figure 2 (©Peter Thornton – Independent Researcher) – and this needs to be rectified to cope with the current Veteran community needs.

RECOMMENDATION 5: The TPI Federation asked when MRCA was initially discussed in 2003 that the younger Veterans have a ‘*safety net*’ of the SRDP payment available to them. This ‘*safety net*’ has been diminished by the remainder of the MRCA legislation. This is not what the TPI Federation requested. This is denying the younger Veterans the full compensation entitlement that should have been made available to them. This, again, is abrogating the Government’s responsibility to the Veteran. Even the average Australian worker has this type of backup but the Veteran does not! You have to ask why! Is this considered an optimum way to provide compensation for Veterans? A Veteran who is wounded, or injured, should never be in a worse position than had they not been wounded or injured.

RECOMMENDATION 6: The TPI Federation recommends to the Commission that a return to full pharmaceutical compensation for all TPIs.

RECOMMENDATIONS – SECTION 2

Recommendation 7: The Commission is invited to recognise that it is imperative that ALL of the Veterans compensation's needs are to be considered in isolation and not linked to any other Government, or Non-Government, compensation scheme.

If the term Veteran is all embracing, as stated in the definition, then there should never be different health and welfare support services for those with or without warlike service. If a Veteran is a Veteran, then a TPI is a TPI, and there should be no discrimination in compensation methodology or support services. The Government has redefined the term 'Veteran' and now they need to recognise that.

The TPI Federation recommends highly the need for the economic loss compensation to be equitable to the tax-adjusted minimum wage.

Recommendation 8: The TPI Federation recommends that the Commission recognises that the priority should be "what is best for the fair and equitable treatment of Veterans". The cost of 'repairing', or 'caring for' the Veteran should **never** be a consideration.

Recommendation 9: The priority objectives for Veterans' support MUST always be what is necessary for the financial and health welfare of the Veteran and the Veterans' family. The responsibility that the Government, of any political persuasion, is to provide what is best for the Veterans and the Veterans' families, which cannot be measured in dollars and cents.

Recommendation 10: What chance does the Veteran have of finding a Financial Advisor who can advise them based on the intricacies of the Veteran's Law along with the financial implications of all of the 100 financial combinations that is laid before them? If the Veteran is psychologically or physically unwell, how are they expected to make a choice that will affect the rest of their lives? What if they make the wrong choice – who is there to help them or are they discarded to Centrelink? What responsibility does the Government have if the Veteran is so unwell as to not be capable of making the correct decision for themselves?

Recommendation 11: After 14 years of MRCA, it is probably too late to adjust the injustices of MRCA compensation – e.g. superannuation income insurance offsetting on both the Incapacity Payments or the SRDP – but this should be addressed, and rectified by the Commission. This would go a long way to ensuring the younger Veterans have a more fair and equitable compensation. Put simply – just fix what we have which would be a fair and just beneficial approach for the Veterans and their families.

Recommendation 12: The TPI Federation recommends that the Commission recognises that the appropriate Advocacy processes need to be provided by Veterans. To employ contractors would mean that they would be beholden to DVA for their income and this would be seen as a serious conflict of interest. This is now being reflected in the contracting of services for Veterans where the contractors are seen to be pleasing DVA and not necessarily helping the Veteran fully. This, again, is a serious conflict of interest.

Recommendation 13: A huge issue has been raised when there is a question or dispute raised by a Veteran or their family with regard to Veteran's entitlements and benefits when associated with either MyAgedCare, Department of Health or Centrelink. The individual agencies do not know of the Veterans entitlements and cannot answer their questions. Usually DVA cannot answer them either and passes the Veteran back and forth and the Veteran usually remains confused and unanswered. Again, the respect that is due to the Veteran does not follow through to the services that other agencies provide.

What should be happening is as stated on page 5 of this submission –

DVA FRONT DOOR FOR VETERANS – from enlistment to death.

Recommendation 14: The TPI Federation recommends that in this technological age, it should be easy for an ADF member to utilise an app where they can report a wound or injury as it occurs even when there is no medical attendants available. This would be a worthwhile utilisation of modern technology as DVA now has direct access to the ADF medical records and then wounds or injuries would become known immediately to DVA.

Recommendation 15: The compensation is not a ‘package’ and is not ‘adequate, fair and efficient’ as stated in this submission on pages 1-4 under the heading “**TPI ECONOMIC LOSS COMPENSATION**. The so-called ‘package’ is not compensation but rather benefits that every other form of Australian Worker’s Compensation has.

The TPI Federation asks the Commission to consider the responsibility that the ADF has in accessing compensation and benefits. The Department of Defence should be obliged to provide access to compensation and benefits should be available at the expiration of the Defence member’s enlistment until the full transition of the Veteran to the DVA health and compensation benefits has been completed. Why is it that the transition process does not already include completion of all DVA and CSC processes and procedures that are required to complete claims and benefits processes? To force the Defence member to discharge and then to ‘fight the system’ on their own is another failure of ‘*Duty of Care*’ by the Government.

SECTION 1

GENERAL

The TPI/SR Disability Compensation is provisioned for the Nation's most severely disabled Veterans, who are, or have been, generally of a relatively young age and who could never go back to work and could never hope to support themselves, or their families, or put away money for their old age.

The essential respect, without fear or favour, for the Veteran, in the spirit of the upcoming Military Covenant, must be given to ALL Veterans, of ALL eras, and is of the utmost importance to this paper and should not affect any legislation because of budgetary concerns.

In the very first section of the DVA Budget papers, it should be remembered, that it states –

“The Veterans’ Affairs Portfolio is responsible for carrying out government policy and implementing programs to fulfil Australia’s obligations to veterans, war widow/ers, families, serving and former members of the Australian Defence Force (ADF), certain Australian Federal Police officers with overseas service and Australian participants in British nuclear tests in Australia and their families/dependants.

The mission of the Department of Veterans’ Affairs (DVA) is to support those who serve or have served in the defence of our nation and commemorate their service and sacrifice. DVA is therefore the primary Australian Government service delivery entity responsible for developing and implementing programs that assist the veteran and ex-service communities.

Outcome 1: Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons and their dependants through access to income support, compensation, and other support services, including advice and information about entitlements.”

The TPI Federation believes that Outcome 1 needs to be the centrepiece of this Productivity Commission’s examination. The question needs to be asked – is DVA fulfilling Outcome 1 to the benefit of the Veterans and their families – [**Recommendation 1**]?

The previous DVA Secretary, Simon Lewis PSM, stated at the Senate Estimates in March 2018 that the DVA budget is not controlled by the Department, but rather by the Department of Finance and the Government. DVA staff continually advise us that both the compensation and the health budget for DVA are supposedly uncapped. However, it would seem that the Government has applied a ‘Social Security’ measure to handcuff the health budget, in particular, for the management of the DVA client’s needs.

The TPI Federation’s submission to the Senate Committee on Suicide is at Attachment A. A number of the Federation’s concerns have been noted in that submission and can be related to the Productivity Commission’s Review. The TPI Federation also recommends the submission from Peter Thornton, an independent researcher and commentator, to the Senate Committee on Suicide – especially Section 3 & 4.

1.1 TPI Economic Loss Compensation

Mr Thornton’s comments on page 12 are of particular note –

‘...detailed research and analysis that notionally splits the Special Rate TPI compensation payment into its two “notional components”: i.e. the “pain and suffering” and “economic loss” components. These components are analogous to 100% of the ‘General Rate’, and the ‘Above the General Rate’ respectively.

These two components exist extensively in compensation literature and also in that of DVA and political commentary. Here are just a few examples to substantiate this point:

Justice Toose, ‘The Toose Report’, 1975 - Conclusions and Recommendations, page 305-6

‘The present war pension structure should be replaced by a new structure incorporating two separately identifiable components, namely:

(a) disablement pension; and

(b) income supplement' ... AND

... the assessment should take account of the following other possible effects:

(a) pain and suffering;

(b) loss of amenities and expectation of life; and

(c) economic loss.'

Mr Campbell – Acting secretary DVA (Tuesday, 1 June 2004 Senate Estimates — Foreign Affairs, Defence and Trade):

“..... The special rate is broken into two components: pain and suffering compensation, which is up to 100 percent of the general rate; and economic loss, which is Above the General Rate. The amount up to 100 per cent which is pain and suffering is indexed by the CPI, which is government policy and has been government policy for a long time. The amount above the general rate, which is economic loss, will be indexed by what is in effect the formula but really by a wage index. I will not go through the complications of it. That is the reason why it is treated differently. I cannot see how there is a relationship to the DFISA decision.”

Mr Billson (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) – First Reading (Thursday, 20th September 2007):

“.....Currently there are two components in the calculations for special rate and intermediate rate disability pensions. The general rate provides compensation for non-economic loss or pain and suffering, while the Above General Rate provides compensation for economic loss. Compensation for non-economic loss is currently indexed to the CPI, while the economic loss component of disability pensions is indexed with reference to both the CPI and MTAWÉ.....”

Senator Ellison (Minister for Human Services) Second Reading Speech (20th September 2007):

“... Currently there are two components in the calculations for Special Rate and Intermediate Rate disability pensions. The General Rate provides compensation for non-economic loss or pain and suffering, while the Above General Rate provides compensation for economic loss. Compensation for non-economic loss is currently indexed to the CPI, while the economic loss component of disability pensions is indexed with reference to both the CPI and MTAWÉ.”

With the foregoing in mind, the fact remains that the 'economic loss component', that is notionally embedded within the Special Rate TPI payment, only equates and rates at approximately 65-66% of the minimum wage, which by any measure, is not an adequate level of compensation for a life time of lost earnings.

How many Senate Committee members, or any other member of Parliament for that matter, could reasonably say that they could survive on just 65% of the minimum wage? Would one not feel just a little depressed when faced with such financial inadequacy?

Bureaucratic and political arguments citing “cost” as a barrier to doing the right thing are just down right disingenuous, because in the past Australia has suffered greater economic challenges than today, but back then, Australia still managed to meet its obligations to its Veterans. In addition, such arguments about “cost” are illogical given 20+ years of economic growth and given DVA's unrestricted appropriation for the payment of such non-discretionary compensation benefits'

This research explains the needs of TPIs extremely well.

Often the “warrior mentality” of Veterans keeps them working hard to provide for their families. In many cases, they hide their injuries or mental health disorders such as Post-Traumatic Stress Disorder (PTSD) by becoming workaholics or even alcoholics. These veterans “hit the wall” when their PTSD manifests itself further. This is the very time when these Veterans would be saving for their retirement; they would have fewer outgoings and would in a higher earning position. They are denied the opportunity to save for their retirement by being struck down once they relax their guard against their PTSD symptoms.

This was recognised in 1985 by the Acting Minister for Veterans' Affairs, Arthur Gietzelt, who said:

“The special or TPI rate pension was designed for severely disabled veterans of a relatively young age who could never go back to work and could never hope to support themselves or their families or put away money for their old age.

It was never intended that the TPI rate would become payable to a veteran who, having enjoyed a full working life after war service, then retires from work possibly with whatever superannuation or other retirement benefits are available to the Australian work force. If a person has had the usual span of a working life or has retired voluntarily or has left employment for reasons other than accepted disabilities, a T&PI pension is not payable.”

Nobody chooses, or elects, to be struck down with illness, either psychological or physical, and leave work to ‘become’ a TPI and then to be denied the opportunity to ensure that they have a retirement free from poverty. Veterans, who have been badly wounded or injured during their Service to Australia, deserve not to be concerned about their financial well-being. If they had not been wounded or injured by doing this Nation’s bidding; they would be far better off financially, socially and psychologically.

TPIs believe that the Government has broken its contract with them.

It is an established fact that Veteran’s put themselves in harm’s way, as per the Governments directives, and under the assurance that “The Government will care for you if you are injured”. For well over a decade they have found that the Government has shirked its responsibilities. It is willing to attend all the ‘victory parades but will not pay the band’. In the eyes of many Veterans, particularly that of TPIs, this is just not good enough.

This explains why the “Special Rate” is so necessary because TPI/SR Veterans have been denied the chance to build a nest egg due to injury or illness in their Service to Australia.

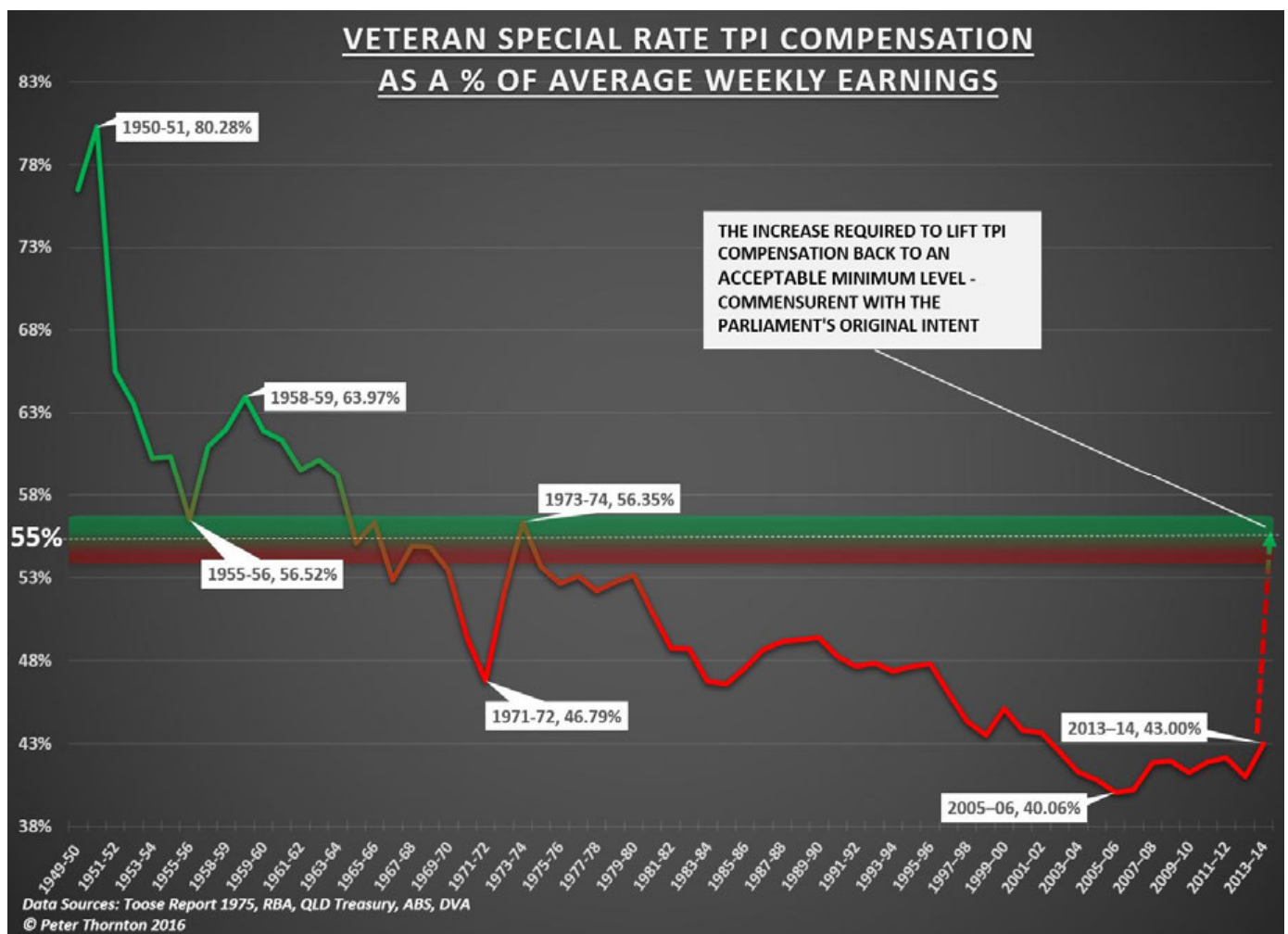


Figure 1
**Decline of Veteran’s Compensation
from 80% of Average Weekly Earnings
to only 43%.**

The graph shown at Figure 1, (© Peter Thornton) indicates that the Special Rate (TPI) pension has fallen from 80% of the average weekly earnings in 1950 to only 43% in 2014. The graph clearly shows the dramatic degradation of Veterans' Compensation payments.

Irrespective of the history, it is unconscionable that any Government could accept that just 65% of the minimum wage is adequate for a lifetime of lost earning of the Veteran and their family. The TPI Federation maintains that an increase in the 'Economic Loss Component' of TPI/SR Veterans' compensation, up to the effective tax-free minimum wage, would restore the whole payment back to a level considered somewhat commensurate with the Parliament's original intent.

An average person on the Minimum Wage has the chance to improve their position in life and increase their income, whereas the TPI/SR can never improve their position in life financially. Is it too much to ask that the basic benchmark for the TPI Economic Loss Compensation be equal to the tax-adjusted Minimum Wage.

Not to do this is abrogating the responsibility of each and every politician within the present day Government.

Please ask yourselves
Would 65% of the minimum wage
be fair and equitable economic loss compensation
if you were unable to ever work again?

The Government, through its Central Agencies, has demanded that offsetting arrangements must be found for the cost of such a request for 'new money'. The TPI Federation is aware that the DVA budget returns to the Central Agencies \$1.2bn per annum because of the demise of the Veteran community through age and health. The Parliamentary Budget Office has assessed the costings for the TPI Federation's claim at \$240m per annum. The Government will not allow the \$1.2bn to be considered as an offset for our fair and equitable claim. The TPI Federation considers it abhorrent to consider relinquishing other hard-fought-for benefits as an offset for our claim.

The TPI Federation believes that the Government needs to stop equivocating upon the TPI Federation's rightful claim to a fair and equitable economic loss compensation and disregard the prejudicial and deleterious influences from the staff of DVA and the Central Agencies [RECOMMENDATION 2].

1.2 Whole of Government Effect on Veterans and Veterans Families

The Whole of Government (WoG) concept was first instituted in 2002. The Veteran community only became aware of the past Governments initiative in 2014. The current Government has continued this concept unabated. This meant that the WoG concept was well entrenched and could not be reversed or revised.

The Department of Finance website introduction to WoG states – “What is Whole-of-Government?”

These are arrangements established to benefit most if not all Non-Corporate Commonwealth Entities (NCCE) when they procure goods and services. Whole-of-government arrangements may take the form of a contract, standing offer and/or template documentation.

These contracts and arrangements have been variously established by lead entities including Defence and Finance. For example; the Volume Sourcing Arrangement with Microsoft that came from the coordinated procurement initiative.

Generally whole-of-government contracts and arrangements are for use by NCCEs and their use may be mandated.

Why

Whole-of-government arrangements are established for a number of reasons; to give effect to government policy decisions, to improve consistency and control and to deliver savings and efficiencies.

How

Whole-of-government arrangements are established from time to time through a tender process and may be led by an entity (lead entity) with policy responsibility or expertise in the particular goods or services.

The coordinated procurement contracting initiative is establishing whole-of-government contracts and arrangements where savings and efficiencies can be delivered to entities.

Entities use of some contracts and arrangements is mandatory.

Features

- *All entities*
- *Often mandatory*
- *Generally initiated by government”*

These ‘*efficiencies*’, ‘*harmonisation*’ and ‘*rationalisation*’ of Government processes and procedures is an effective way of controlling budgetary concerns but it should not be a part of these ‘*efficiencies*’ that underscore the full compensation and support services for all Veterans as they should be maintained. Any budgetary concerns are at odds with the uncapped approach to Veteran compensation.

In the Veteran community what this ‘*harmonisation*’ and ‘*rationalisation*’ equates to, is a ‘*normalisation*’ of the Veteran community into the general population. With this ‘*normalisation*’, the Veterans and their families are denied the benefits that their *Uniqueness of Military Service* previously allowed to be considered. This *Uniqueness of Military Service* has been acknowledged by the vast majority of politicians to ensure that consideration in all areas Veterans’ compensation and health requirements. Once these services and considerations are *normalised* then they are unlikely to be effectively restored again should Australia be subjected to a serious conflict resulting in sustained casualties. The following quotations over time provide considerable substance to the political intent:

1917-BILLY HUGHES-(THE LITTLE DIGGER):

We say to them go out and fight and when you come back we will look after your welfare. We have entered into a bargain with the soldier and we must keep it.

1944-JOHN CURTIN:

When the war is over, our obligations to our fighting men will not have ceased, we must satisfy that solemn debt of honour, which all Governments owe to the fighting men and their dependents, for having stood between the enemy and those at home.

1969-GOUGH WHITLAM:

They should be given war service homes, repatriation health benefits, civilian rehabilitation training, scholarships for their children and generous retirement and resettlement allowances.

2011-JULIA GILLARD:

Many will not serve again – some will not walk again. None will be forgotten. Our Country will recognise and respect our wounded as well as our dead. Our Country will take care of these Australians as they have taken care of us.

2014-TONY ABBOTT:

Those who served must know that their Country will not ask them to bear the emotional wounds of war alone.

2016-BILL SHORTEN:

Our obligation is for practical help, a caring arm and a helping hand for those who come home and better support for their families. The uncomfortable truth is that as a Nation we have been better at honouring the dead than offering decent support for the living.

2016-MALCOLM TURNBULL:

When we look back at Australia’s treatment of Veterans, the sad truth is that our actions have not always matched their best interests. We honour their service by caring for the wounded honouring the fallen and caring for their families and never forgetting that the best way to honour the Nation’s past heroes is to support and care for the heroes and Veterans of today.

There are so many quotes – quotes from every Anzac Day and Remembrance Day Commemorative Service over the last 100 years. There are also many speeches from many politicians from a variety of other Commemorative Services over the same 100 years.

Is this rhetoric honest or is it just words?

1.3 DVA ‘Front Door’ for Veterans

The TPI Federation has previously advised the Department, and the Minister, that it is vital that the Department should always be the ‘front-door’ entrance and exit for all Veterans and their families when dealing with any Government issue. This should be from enlistment to death for each DVA Veteran or family member. Along with this, the Departmental ‘Welcome Mat’ should say ‘Veteran Centric’. Meanwhile the wholesale progression of the Whole of Government processes and procedures removes the ‘Veteran Centric’ concept from the Department, and more importantly, the Veterans and their Families.

To have to deal with other Departments, such as Human Services or Department of Health, incorporates misunderstanding and confusion on the part of the Veteran, the Veteran family and the various departmental staff. As soon as the other Departmental staff are trained by DVA, they move on and new staff have to be start again with the same training. There is no cohesion in their knowledge base. DVA has the knowledge and experience of dealing with the Veteran Community, and if they need to work in the background with other Departments to engage in the ‘Whole of Government’ process then they should be able to do this. To ask the Veteran or the Veteran family to do this is to deny the Veterans and their families the promises that have been made to them for over a century.

*Prime Minister W.M. ‘Billy’ Hughes made a promise to the country’s armed forces on behalf of the Australian people. ‘When you come back we will look after you’, he declared. It was a solemn and binding promise and Hughes recognised returning soldiers would be entitled to say to the Commonwealth Government: You made a promise. We look to you to carry it out’.*¹

DVA’s staff have the knowledge and the ongoing desire to do the best for the Veterans and their families – other Departments just put the Veteran and their family in with the general population clientele and do not give them the consideration of their situations. This should never occur.

This includes, but is not limited to, all requirements for access to MyAgedCare, Hearing Services, Centrelink Disability Support Pension and Centrelink Aged Pension – [RECOMMENDATION 3] To say that DVA does not have the facility to access Income and Assets tests that are required for Income Support payments is false. DVA already has this facility for the DVA Service Pension and the DVA Aged Pension – see 2.7 of this submission.

The Veteran and their families should only ever have to access DVA. DVA can then manage the other Departmental requirements and complications as a back-office process. Outsourcing of processes and Veteran services is circumventing broken people, which ultimately becomes a burden on DVA. DVA own staffing resources have diminished by 70% over the last 18 years – see figure 2 (©Peter Thornton – Independent Researcher) – and the TPI Federation believes this deficiency needs to be rectified immediately in order for DVA to cope with the current Veteran community needs. [RECOMMENDATION 4]

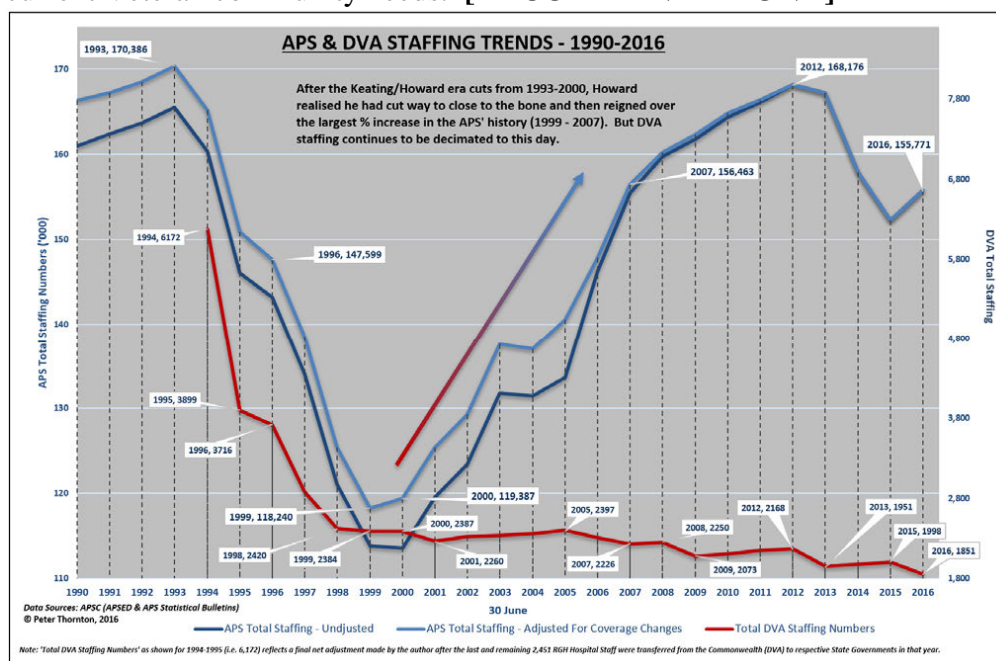


Figure 2

Given the higher than average rate of psychological disorders suffered by Veterans, it is considered irresponsible to expect and ask a Veteran and/or Veteran's family to attend such a department as Centrelink as this has often put them into a situation of 'fright or flight' desperation because of the processes that operate within those centres. It is incumbent on DVA and Government to provide a safe and secure place of business for the Veteran and the Veteran's family to conduct Government business. Centrelink has a rather chequered history on this front.

Veterans should not have to be concerned about which Department handles which process to enable the Whole of Government (WoG) concept to proceed. The Veteran's only concern is that of obtaining those services and not the oversight, control and management of those services. This should be a DVA 'back office' issue for the Departmental staff. This would then enable DVA to maintain the quality control of the services provided to the Veteran community. WoG processes are progressively setting up DVA to fail their formal obligations under both Outcome 1 and 2 DVA Budget performance requirements.

Outcome 2: Health

Maintain and enhance the physical wellbeing and quality of life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health service entitlements.

Programs

2.1 General Medical Consultations and Services

2.2 Veterans' Hospital Services

2.3 Veterans' Pharmaceutical Benefits

2.4 Veterans' Community Care and Support

2.5 Veterans' Counselling and Other Health Services

2.6 Military Rehabilitation and Compensation Acts – Health and Other Care Services

2.7 Adjustment to the Military Rehabilitation and Compensation Acts Liability Provision – Health and Other Care Services.

As Dan Tehan stated in a speech on 7th July 2018 there is a 'rise of "minority fundamentalism"'. He stated that

"Australia has reached an unusual point where the tools of oppression – sowing the seeds of division, conquest, manipulation and cultural division - are being wielded by the minority against the majority".

The manipulation of the Veteran community by the WoG processes and procedures is overwhelming and needs to be addressed.

Veteran's entitlements must be delivered in a timely manner and be, in all other respects, 'Veteran Centric'. The Minister, or the Government, cannot abrogate their responsibilities in this regard.

1.4 SRDP Offsetting

The MRCA Special Rate Disability Pension (SRDP) and Incapacity Payments offsetting is because of the Military Rehabilitation Compensation Act 2004. The DVA website states at –

"The Review of Military Compensation Arrangements commenced in 2009 and which was completed in 2011. The Steering Committee's report was released by the then Minister for Veterans' Affairs on 18 March 2011." Chapter 11 of the MRCA report volume 2 –

*A former member unable to work because of accepted disabilities may choose the Special Rate Disability Pension (SRDP) in lieu of incapacity payments. Under the SRDP, they are paid an ongoing, tax-free amount for life The SRDP rate is equivalent to the Special Rate of pension under the Veterans' Entitlements Act 1986 (VEA)"; currently \$1,092.90 per fortnight) and there are offsets for Commonwealth superannuation and permanent impairment compensation payments. The SRDP was built into the Military Rehabilitation and Compensation Act 2004 (MRCA) as a **safety net payment**.*

*While tax offsets under superannuation schemes have changed since 2004, the superannuation offset against the SRDP has remained unchanged, with the result that the SRDP **is now more advantageous than in July 2004**. The setting of a single rate of offset as an adjustment to the SRDP does not result in an equitable outcome. The same chapter notes*

11.4 The Special Rate of pension under the VEA is a fortnightly amount, generally payable for the life of the recipient. It is not taxed or means tested. It may be offset by other compensation payments, but it is not offset by superannuation.

Table 11.1: Summary of differences between SRDP and TPI pension			
Eligibility for payment		SRDP	Special Rate of pension
Minimum	impairment points	50	70% Incapacity Pension, awarded at 40 points and lifestyle rating of 3, or 45 points and 2, or 50 points and 1
Maximum	hours weekly remunerative work	10	8
Vocational	rehabilitation assessed	Yes	No
Ceased work solely due to	accepted disabilities	No	Yes
Unable to continue work solely due to	accepted disabilities	No	Yes
Those over 65 able to demonstrate a long-term commitment to working		No	Yes

At the time of that report, only two former members had indicated that they would choose to take the SRDP in lieu of incapacity payments. Today – 14 years after the commencement of MRCA – there are only approximately 800 who have elected to take the SRDP. If the SRDP was supposed to be a ‘safety net’ for those under MRCA, then how is it that so many do not see it that way. Someone has to ask – WHY is this happening?

The review stated above that under VEA the superannuation is not used to offset any compensation benefits. Why is it not the case for the MRCA SRDP? Is this not discrimination or, at worse, illegal?

The huge 6 figure lump sum payments that are being offered to such young people is totally immoral and enables DVA to forego the responsibility that they should be maintaining for the life of the Veteran.

The Veteran is usually tempted by the large sum, or is advised to take the large sum offered by DVA for their compensation when a Financial Advisor, for commercial reasons, advises the Veterans to do so as to obtain a commission from a lump sum investment. They are rightly intent on making an income for themselves but is this necessarily in the best interest of the long-term, or lifetime, benefit of the Veteran? The Royal Commission into the financial sector is showing large discrepancies in the financial advice given to too many people.

Is DVA, or the Government, responsible, and perhaps culpable, for having forwarded a Veteran to a disreputable Financial Advisor? Even if this is not the case, the young Veteran who chooses to take the lump sum can then invest it in a home or to just buy a car. It is well known that over time a marriage may break-up (as the result of the psychological or physical condition of the Veteran) and the value of the house needs to be split, or a car will lose value after a few of years. Either way this lump sum compensation is now gone. What does the Veteran now live on?

Once these funds have been exhausted, and when the Veteran and the Veteran’s family needs of providing housing, food etc. are at the forefront again, then DVA is now entitled to say that the lump sum has been paid and their responsibility to the Veteran has now been completed. The Veteran and the Veteran’s family is now only left with Centrelink as a backup. The TPI Federation is of the opinion that this is an unconscionable expectation by Government, of the very young Veterans. Is this considered an optimum way to provide compensation for Veterans?

The TPI Federation asked when MRCA was initially discussed in 2003 that the younger Veterans have a ‘safety net’ of the SRDP payment available to them. This ‘safety net’ for them has been diminished by the remainder of the legislation – including the offsetting provisions. This is not what the TPI Federation requested. This is appalling and the Government is denying the younger Veterans the full compensation entitlement that should have been made available to them. This, again, is abrogating the Government’s responsibility to the Veteran. Even the average Australian worker has this type of backup but the Veteran does not! You have to ask why!

[RECOMMENDATION 5]

The Superannuation Class A or B invalidity pension – that the Veteran paid for – is being considered ‘compensation’ for the same condition as the DVA compensation. This is then offset from their SRDP or Incapacity Payments. They are told, “You cannot double-dip”. It is not uncommon that as a result of the offsetting process the Veteran and the Veteran’s family receives \$0 for their DVA compensation. This may be legal as it is legislated to do this, but at the same time, it is extremely immoral to put this hardship on the Veteran and their family and should be removed from the legislation.

The TPI Federation feels that had the Veteran had their superannuation – which includes income protection insurance – with a private company which was paid for by the Veteran, along with the employers contributions, (as is required by law) then no offsetting would have been required by DVA.

An example of this can be found on the AMP website where they state that their income protection insurance provides –

“Income protection insurance (or temporary incapacity or salary continuance insurance) provides cover if you can’t work due to illness or injury. It generally pays up to 75% of your monthly income for your chosen benefit period to help you pay the bills and maintain your family’s quality of life.

Income protection insurance can:

- *cover daily living expenses, such as the mortgage, groceries and school fees*
- *pay your medical expenses and rehabilitation costs*
- *provide access to support services to help you return to work or find a new job, depending on your insurer.”*

As can be seen, there is no mention of ‘offsetting’. This is criminal that a Veteran and the Veteran’s family is put in the position where they receive NO compensation because of a superannuation income protection payment they receive from Commonwealth Superannuation Corporation (CSC). This then denies the Veterans to have the SRDP as a ‘safety net’, as it was originally intended and recommended by the ESO community in 2003. The very wrongful application of offsetting against SRDP recipients fails the ‘beneficial’ criteria test that the MCRA was legislated upon and therefore must be changed immediately

A Veteran who is wounded, or injured, should never be in a worse position than had they not been wounded or injured.

1.5 Veteran’s Families

The TPI Federation is heartened by the expansion of services to Veteran’s families, (announced in the 2018/19 Budget). which should by now be embedded into legislation. The Government is now treating the Veterans and their family as an entire holistic unit that will receive support as needed. The expansion of the NLHC to include the top 20 musculoskeletal traumas sustained during Service is a start but obviously still needs expansion.

1.6 NLHC

The TPI Federation is of the opinion that to continue to exclude those Veterans, who become victim to any cancers because they served prior to 1972, is quite exclusive. All Veterans, regardless of when or where they served, lived, slept and worked in the same asbestos filled buildings, ships, planes or tanks. Why would one who served after 1972 be more entitled than one who served prior to 1972?

1.7 Non-Operational TPI Issues

A TPI is a TPI. Why are services and benefits denied to some and not others? This is divisive and enables exclusivity among our most disabled Veterans.

It should be remembered that a comparable number, if not more, non-operational deaths have occurred post-Vietnam than during Operational Service (OS). The Blackhawk disaster, other air crashes, Navy and Army field training, injured personnel during disaster relief operations e.g. Banda Ache etc. Along with this, for Compensation Claims for a non-operational client a higher standard of proof, with MRCA “reasonable satisfaction” or VEA “reasonable hypothesis”, is required for non-operational Veteran’s compensation claims, even when injuries are as significant as those attained in Operational Service.

TPIs who do not have Operational Service are disadvantaged to a large degree purely because of their Operational Service status. The services that are involved in this issue which excludes a Non-Operational Veteran includes, but is not limited to,–

- a. *Pharmaceutical Reimbursement Scheme* – not entitled (when is compensation not counted as compensation – when the Veteran loses entitlement to full pharmaceutical compensation?). The TPI Federation recommends to the Commission that a return to full pharmaceutical compensation for all TPIs occur immediately and to offset this that the pharmaceutical allowance be removed. [RECOMMENDATION 6]
- b. *DFISA, Disability Support Pension, Aged Pension* - access through Centrelink – “*Front Door*” access would rectify this issue.
- c. *Aged Care* – TPI compensation counted as income – having all TPI compensation not assessed as income for the purposes of the Income and Assets Test would rectify this issue.
- d. *Heart Health Program* – no access – access would ensure all Veterans have the same medical assistance and may reduce the costs of heart medications and surgical interventions.

1.8 Funeral Benefits

TPI Federation is concerned about the disparity of the Funeral Benefits for Veteran’s families under the VEA and MRCA. Under VEA a figure of \$2,000 is set under this legislation. As stated by Partners of Veterans, and supported by the TPI Federation in a submission to the ESORT meeting of 12 April 2016, –

“In 2003 the funeral benefit for eligible veterans and dependants under the VEA was \$572.00. In the 2004-2005 Budget, it was increased to \$1,000.00. In 2007 it was again increased to \$2,000.00.

Funeral benefits under both SRCA and MRCA for those eligible is up to \$10,138.00 and aligned with increases to the CPI. There are no such increases attached to the VEA Funeral Benefit.

The cost of a basic funeral by cremation in 2016 depending on your location is between \$7,000-\$8,000.00.

Funeral homes located in regional areas tend to be more expensive than those located in cities or large towns.

The cost of a basic burial is much higher allowing for the cost of a burial plot and can be as much as \$20,000.00.”

The Partners of Veterans Australia (PVA) then went on to request of the ESORT that –

“After nine years (the last increase being in 2007) the Funeral benefit under the VEA be increased from \$2,000.00 to \$4,000.00.”

This occurred over 2 years ago and still, the funeral allowance remains at \$2,000, as it was 11 years ago, and the MRCA funeral allowance is now approximately \$12,000.

SECTION 2

2 INTRODUCTION

The TPI Federation would like to reiterate that it is imperative that ALL of the Veterans compensation and health needs are to be considered in isolation and not linked to any other Government, or Non-Government, compensation or health scheme. [RECOMMENDATION 7]

The Uniqueness of Military Service should, and must, guarantee this.

In a recent article of Camaraderie Vol 49 No 2 the *Unique Nature of Military Service* was described as –

‘Australia is a signatory of the Universal Declaration of Human Rights (United Nations – 1948), Article 3 states: “Everyone has the right to life, liberty and security of person.”

But ADF men and women do not. Their “life, liberty and security of person” is in the hands of the State. That’s unique. No other calling, occupation or profession – including police and emergency services – is required to surrender these rights, although some do so voluntarily.’

The same article contends that –

‘Support for serving and former ADF men and women must be as unique as their service is unique. It is inappropriate, indeed dangerous, to attempt ‘normalising’ support to community standards.

Military Service is fundamentally unique. The reciprocal obligation this places on the State is a s inescapable as it is enduring’

These two statements should be the main consideration in promoting the ideals that the Veteran community is trying to instil in the Government and all the Government Departments

Section 2 – “*The nature of military service*” of the Issues Paper states in part –

‘The unique features of military service have led to a system separate from, and more generous overall than, the system of workers’ compensation and support generally available to civilian workers, including:

- *easier access to support (through a lower burden of proof for accepting liability for a condition)*
- *a higher level of compensation than that available to other Australian Government employees.’*

This statement is highly volatile and is quite incorrect. The ‘*unique features of military service*’ must always be recognised for what it is – unique. There is no other national service like it. To be at the beck-and-call of the Government of the day for any-and-all requirements, to put your life on the line when-and-if required, to put yourself in harm’s way when-and-if required and to be on call 24/7-365 days of the year is not something that any other national service would endear itself to.

‘*Easier access to support*’ is only correct as far as the Veteran currently still does have their own Department to call upon to assist them. This will change to the detriment of the Veteran once the full extent of the Whole of Government concept is developed. The ‘*lower burden of proof*’ concept is not correct. The DVA legislation enables the ‘*burden of proof*’ to be of an extremely higher standard than any other form of compensation. This is so to such a point that Centrelink does not question the results of the DVA decisions. They would not do this if there were a ‘*lower burden of proof*’.

The TPI Federation deplores the statement that there is a ‘*higher level of compensation*’ ‘than other Government employees’ as can be seen under the TPI compensation status stated in Section 1.1 of this submission.

Section 2 – “*Who are Veterans*”, of the Issues Paper, states that –

“DVA defines a veteran as anyone who has served at least one day in the ADF, including those with warlike, non-warlike or peacetime service”.

If the term Veteran is all embracing, as stated in the above definition, there should **never** be different and varying health and welfare support services for those with or without warlike or operational service. If a Veteran is a

Veteran, then a TPI is a TPI, and there should be no discrimination in compensation methodology or support services. The Government has redefined the term ‘Veteran’ and now they need to recognise that with the remaining duplicitous compensation and support services.

Section 2 – “*Veterans’ rehabilitation and compensation in the broader context*” – the Issues paper states that consideration needs to be given so as to achieve “*better value for taxpayers’ money*” – this is not the criteria that should be foremost in the thrust of this Inquiry.

The priority should be “what is best for the fair and equitable treatment of Veterans”. The cost of ‘repairing’, or ‘caring for’ the Veteran should **never** be a consideration. The Health and Compensation budgets are uncapped for a reason. That reason should not only be to have the finances available should there be another war, but also to pay for the needs of those who have served and now need help. **[RECOMMENDATION 8]**

2.1 Assessing the Veterans’ Compensation and Rehabilitation System

- a. *What should the priority objectives for veterans’ support be? Why? What principles should underpin the legislation and administration of the system?*

The priority objectives for Veterans’ support **MUST** always be a legacy obligation for all Governments and should be what is necessary for the financial and health welfare of the Veteran and the Veterans’ family. The responsibility that the Government, of any political persuasion, has to the Veterans and the Veterans’ families cannot be measured in dollars and cents. The Nation has called on the Members of the ADF, of all eras, to defend and protect their Country and their lifestyle in numerous arenas, and it is abhorrent that they then cringe at supporting them when they have wounds or injuries that are a result of that Service. The Members of the ADF did not question those orders and yet the Government can question how they ultimately support them when they most need it. **[RECOMMENDATION 9]**

The major principles that should underpin the legislation and administration of the Veteran support system is all encompassing with full health requirements, full welfare requirements and full and fair compensation requirements.

ADF members need to be educated and supported in making claims to DVA as soon as possible after the occurrence of an injury and not to wait until after discharge or, in most cases, many years later.

The provision of Advocates for Veterans is a vital part in providing support to Veterans in making claims. To that end, the ATDP program needs to be supported together with the recruitment of younger veterans, male and female, to undertake training in advocacy work. To have the Advocates who are also Veterans advocating on behalf of other Veterans gives the Veteran the support and empathy that they require. To privatise this process would remove the understanding and empathy that is required by an Advocate.

The Advocacy processes need to be provided by Veterans. To employ contractors that have their contracts with DVA and not the Veteran is a serious conflict of interest. This is now also being reflected in the contracting of services for Veterans where the contractors are seen to be pleasing DVA and not necessarily helping the Veteran fully, and is a serious conflict of interest. **[RECOMMENDATION 12]**

MRCA is quite a complex piece of legislation in relation to those Veterans who are entitled to the SRDP. The complexity for a Veteran to decide whether to accept the SRDP or the alternative lump sum financial compensation provided under MRCA is enormous. The Veteran has a financial combination of 10 possibilities to consider for the MRCA entitlements. If the CSC compensation is included with this, then another 10 financial combination possibilities are added to this complexity. Now the Veteran and their family has to decide the best option for their financial future out of a possible 100 financial combinations. What chance does the Veteran have of finding a Financial Advisor who can advise him based on the intricacies of the Veteran’s Law along with the financial implications of all 100 financial combinations? If the Veteran is psychologically or physically unwell, how are they expected to make a choice that will affect the rest of their lives? How can they possibly be expected to make the right choice? What if they make the wrong choice – who is there to help them or are they discarded? **[RECOMMENDATION 10]**

Unfortunately, most financial advisors are not conversant with MRCA and the ramifications of the legislation, or the fact the Veteran may be limited physically and not able to work. The Government displays, dramatically, its failure in their “*Duty of Care*” for the all Veterans in allowing this to occur. It is abrogating their responsibility to their Defence Force.

b. Is the current system upholding these priority objectives? Where are the key deficiencies in the system?

The current system is an adversarial system of trying to disprove a claim in the hope that the stance of a particular argument just might be incorrect. The millions, if not billions, of dollars that are spent in fighting the claims, and requests for support that a Veteran asks for, is improvident, uneconomical and inefficient. The additional stresses on the Veterans and their families when the Government does debate the vagaries of protecting the Government’s budget is foolhardy. The Government has ‘promised’ to support its Veterans and their families and instead they are fighting them at every turn. How much would be saved by the Government if they didn’t fight every supposed possible small error. The Department knows that there is approximately a 3% fraud rate within the Department. This means that 97% of the Veteran community are honest people (which cannot be said for other Department’s clients). Then why are the Veterans treated as suspected welfare liars, cheats and thieves when they ask for help. Why does the Government and the legislation allow this to occur? It will take a full cultural change for ALL the Departmental staff and ALL Governments to treat the Veterans as honest people and give them the respect they are entitled to.

2.2 A System to Meet the Needs of Future Veterans

a. What should the system of veterans’ support seek to achieve in the longer term? What factors should be considered when examining what is in the best interest of veterans?

The MRCA legislation was a much-needed enhancement on the services that could be provided to Veterans and their families when it was introduced. The problem is it went too far! The VEA was a well-established compensation legislation but what was needed was the mechanism to enhance the support services to include rehabilitation. Compensation should never have been included in the MRCA legislation. MRCA should only ever have been a Rehabilitation Act. The complexity of the current situation is as a result of this cross-over of entitlements and benefits. Remove the complexity of the MRCA compensation strategy and reinforce VEA for all compensation and the system would be greatly simplified. Obviously, after 14 years of MRCA it is probably too late for this, but if the injustices of MRCA compensation – e.g. superannuation income insurance offsetting on either the Incapacity Payments or the SRDP – could be addressed, and rectified, it would go a long way to ensuring the younger Veterans have a more fair and equitable compensation. **[RECOMMENDATION 11]**

The system of Veterans’ support should provide the Veteran with their full entitlements under the various Acts to ensure for the welfare, medical, and financial support to allow the Veteran to live a life commensurate with any civilian counterpart. This is what true compensation should be.

b. How have veterans’ needs and preferences changed over time? How can the system better cater for the changing veteran population and the changing needs of veterans?

Veterans’ needs have not changed. They still need fair and equitable compensation and suitable and practical welfare assistance.

The dynamic nature of veterans’ needs implies that the system should have the flexibility to be able to respond to external changes – such as medical advances. A ‘veteran-centric’ orientation for the system also implies that it should allow supports to be designed to meet the individual’s and their family’s needs. This is occurring successfully through the current DVA Veteran-Centric program.

2.3 How Should the Nature of Military Service be Recognised?

a. What are the key characteristics of military service that mean veterans need different services or ways of accessing services to those available to the general population? How should these characteristics be recognised in the system of veterans’ support?

- b. *What is the rationale for providing different levels of compensation to veterans to that offered for other occupations, including people in other high-risk occupations such as emergency services workers? Are there implications for better policy design?*
- c. *Are differences in support and ways of accessing support based on different types of service (such as operational, peacetime and Reserve service) justified?*

A Veteran conducts their ADF Service under one or more of the following Acts, VEA, DRCA and/or MRCA each with its own conditions – a civilian does not. The nature of military service requires carrying out physical activities, which lend them to a greater chance of injury in the workplace than a civilian would encounter in their employment.

‘Warlike Service’ presents a significant chance of death or injury several times within a specific period when in contact with the enemy. The same multiple chances of death or injury on a regular basis, in a specific time, does not occur in other high-risk occupations. This is not to suggest for example, that members of the emergency services do not face death or injury at times, but not at the same frequency as a Veteran does where the military have an obligation to go into harm’s way in all facets of their Service.

The TPI Federation does not believe that the support given, or accessing support, that is available for all Veterans should be specified by the type of service given (i.e. Operational or Non-Operational Service) despite the current limitations within the various Acts. All ADF personnel are available 24/7 365 days a year for the purpose as dictated to them by the Government. The Government can put them in harm’s way and, at times, the Government knows there will be casualties whether they be KIA or WIA. No other civilian operation has that directive – their OH&S standards would not allow it.

2.4 The Complexity of Veterans’ Support

- a. *What are the sources of complexity in the system of veterans’ support? What are the reasons and consequences (costs) of this complexity? What changes could be made to make the system of veterans’ support less complex and easier for veterans to navigate?*
- b. *Can you point to any features or examples in other workers’ compensation arrangements and military compensation frameworks (in Australia or overseas), that may be relevant to improving the system of veterans’ support?*
- c. *Is it possible to consolidate the entitlements into one Act? If so, how would it be done? What transitional arrangements would be required? How might these be managed?*
- d. *Are there approaches, other than grandfathering entitlements, that can preserve outcomes for veterans receiving benefits or who may lodge a claim in the future?*

The TPI Federation considers that the legislation of all of the Acts – VEA, DRCA & MRCA – to varying degrees, have deliberately been made complex as a result of the Government attempting to deny the claims made by the Veterans. This is on the pretext of savings to the budget.

If the Government stopped fighting these so-called ‘contentious’ claims the savings to the budget would be enormous, especially in legal fees as well as repeated medical reports. Just these two fields of legal fees and medical reports would save millions of dollars to the budget.

The TPI Federation contends that an ADF Veteran always enlists in a 100% physically and mentally fit condition (or else their enlistment would not have been approved), and if they do not discharge in that same 100% physically and mentally fit condition then there should be no contention as to the cause of that diminished capacity. The ADF Veteran is the full responsibility of the Government as they are in their care for the duration of their enlistment. To make the claim-and-support process intolerable and extremely complex is, again, to deny the Government’s ‘Duty of Care’ to that Veteran.

The real question should be – why is the Government arguing with a Veteran who they espoused to protect and support?

To consolidate the three Acts into one would be an enormous and, again, complex, and costly exercise. Why is it necessary? The major problem with MRCA is the offsetting problems as mentioned previously. If the

Government fixed this immoral part of the MRCA legislation and then stopped arguing with the Veterans on their claims the problems – or most of them – would be resolved. This would not be as costly as trying to merge all three Acts. Put simply – just fix what we have which would be a beneficial approach for the Veterans and their families.

A good example of this is the cost involved in the re-branding of VVCS's current process. The more recent re-branding from VVCS (Vietnam Veterans Counselling Service) to VVCS (Veterans and Veterans Families Counselling Service) only involved a small cost and enabled the younger Veterans to feel a part of the Counselling Service. The colour of the logo remained the original orange. The major problem after that was that the Veterans families did not know of their entitlements with VVCS. Now the problem appears to be that the media does not recognise the brand and does not put it at the top of referral information on Veteran orientated programs. Another major issue apparently, is that the younger Veterans do not like acronyms. As a result, the new brand name of "OpenArms" and the 'new' colour of orange and purple is supposed to be more welcoming to the younger Veteran community.

The money involved in marketing such a dramatic change is enormous and these are funds that are being diverted from the support of Veterans. The more simplistic and more economical effort would have been to change the colour to the purple and orange but leave the VVCS logo as it is. Add a marketing structure to advise media outlets and the families of Veterans on the services of the well-known, and traditional, logo. It is fair to say that the cost for the more simplistic method would have been far less.

It is for the same reasons that the need for the one-Act should be structured toward fixing what we have rather than recreating another complex structure. The other cost that has not yet been considered is the cost of the changes to the new ATDP adaption to a new Act. Why does Government complicate these things unnecessarily?

2.5 A System to Meet the Needs of Future Veterans

- a. *What should the system of veterans' support seek to achieve in the longer term? What factors should be considered when examining what is in the best interest of veterans?*
- b. *How have veterans' needs and preferences changed over time? How can the system better cater for the changing veteran population and the changing needs of veterans?*

The first priority of this review should be to introduce ideals for a culture within the Australian Government and the Australian Community that the ADF Veterans and ex-Serving Veterans should have the respect for the Service they have given their Country and their fellow Australians.

This respect is then translated into full respect for the needs of those Veterans, whether it be compensation or welfare support, following their discharge from the ADF. Should this actually occur the Veterans, of all ages and all ranks, would then apply that same respect to the Government who would then be seen to be there for their benefit and support. This utopia would present to the general population a true reflection of the many eulogies that are espoused at Veteran commemorations.

This respect would follow through to the services that the Government provide without fear nor favour but out of respect.

The most essential factor that needs consideration is – what is required for the necessary compensation, medical and welfare support of the Veteran and their families? The answer is – whatever it takes to enable the Veteran and their family to maintain a lifestyle suitable to their needs and commensurate with the standards of the general population.

2.6 The Claims and Appeals Process

The TPI Federation considers they do not have the knowledge to contribute suitably on this subject.

2.7 System Governance

- a. *Do the governance arrangements for the veterans' support system encourage good decision making — from initial policy development to its administration and review? If not, what changes could be made?*

- b. *Are incentives sufficiently aligned between agencies, or are there areas of conflict that could be better managed? If there are any incentive problems how can they be resolved?*
- c. *Is the veterans' support system sufficiently transparent and accountable for both veterans and the community?*
- d. *What role should ESOs play? Are there systemic areas for improvement in the ESO sector that would enhance veterans' wellbeing?*

The current governance of the Veterans' support system is extremely adversarial and restrictive. To enable the Veteran and their family to have the lifestyle that is expected of every Australian is often considered 'greedy', 'excessive', and 'over the top'. This disrespect of the Veteran's service is both humiliating and demeaning to the Veteran. This adds to an already despondent disposition of the Veteran and often has disastrous consequences.

The agencies that currently 'support' Veterans do so, not with the respect that Veterans are due, but as a member of the general population. They are not given the due consideration, empathy and support that DVA previously gave them, but rather they are dismissed without any additional consideration for their psychological and/or physical conditions. A typical example of this is the MyAgedCare system, which was introduced to treat the Aged Care community in a Whole of Government process. Veterans and War Widow/ers were included in this to their detriment. Trying to maintain their DVA entitlements and benefits while in the MyAgedCare system is next to impossible. Initially DVA wiped their hands of any responsibility to these aged Veterans and War Widow/ers as it was only the responsibility of the Department of Health. With advocacy by the TPI Federation, this has now been alleviated a little, but the Veterans are still not being shown the respect the way it should be or the way it used to be.

Another extreme example is the Centrelink issue for Veterans and Veteran's families. A TPI/SR Veteran who does not have operational service is not entitled to the Service Pension as a means of obtaining Income Support. They need to approach Centrelink and apply for a Disability Support Pension (DSP). Because of the TPI/SR status of the Veteran, this is automatically approved. There is then an Income and Assets test with the TPI/SR compensation counted as income. Once approved Centrelink advises DVA of the DSP payment. DVA then calculates what this payment would have been had the TPI/SR not been counted as income. The difference is then paid by DVA as a Defence Force Income Support Allowance (DFISA). The end result is that the DSP plus the DFISA is the equivalent of the Income and Assets Tested Service Pension.

So in short for a Non-Operational Veteran –

1. TPI/SR is approved
2. Centrelink assess a DSP payment
3. Centrelink advises DVA of the payment
4. DVA calculates DFISA payment
5. The DSP plus DFISA = Service Pension

Whereas for an Operational Veteran –

1. TPI/SR is approved
2. DVA calculates the Service Pension payment
3. The Service Pension = DSP plus DFISA

DVA state they cannot do this income and assets calculation for Non-Operational Veterans, as they do not have the computer systems to allow for this.

It follows then that a huge issue is raised when there is a question by either the MyAgedCare or the Centrelink DVA clients and the individual agencies do not know of the Veterans entitlements and cannot answer the questions. The Veteran usually remains with unanswered questions because DVA cannot answer them either. **[RECOMMENDATION 13]**

What should be happening is as stated on Section 1.3 of this submission –

DVA FRONT DOOR FOR VETERANS – from enlistment to death.

Because of this disassociation for the Veteran from their lifelong support system – their Department – the agencies are seen to be cold and to lack any form of empathy or recognition for the Veteran’s service. Agencies are commercial entities, their only consideration is profit, and they do not have a Veteran Centric approach. This lack of respect cannot be measured financially.

This also enables the Veteran’s support system, as a whole, to become fragmented, less transparent and accountable for both Veterans and the community. The Veteran is regarded as JUST part of the community and the uniqueness of military service is subsequently cast aside. Exchanging responsibilities back and forth to WoG back doors is not good enough. DVA itself must retain responsibility for oversight and the quality control of all Veteran-Centric services through their back-office operations and liaisons with other Departments.

2.8 The Role of the Australian Defence Force — minimising risk

- a. *What obligations should be placed on the ADF and individual unit commanders to prevent service-related injuries and record incidents and injuries when they occur? To what extent do cultural or other issues create a barrier within the ADF to injury prevention or record-keeping?*
- b. *The ADF is not financially accountable for the cost of compensation or for the cost of treating service-related injuries and illnesses after a veteran leaves the ADF. Is this a barrier to the ADF having an adequate focus on preventing injury and illnesses and providing early intervention and rehabilitation support? If so, how might this be remedied?*

It is vital that the ADF improves its recording methodology so that the debates that ensue as to whether wounds or injuries did, or did not, occur would be eliminated. In this technological age, it should be easy for an ADF member to utilise an app where they can report a wound or injury as it occurs even when there is no medical attendants available. This would be a worthwhile utilisation of modern technology as DVA now has direct access to the ADF medical records and then DVA would know immediately of a wound or injury. **[RECOMMENDATION 14]**

Defence (including all their individual unit commanders), as a responsible employer, must abide by the OH&S laws, as best they can, but they can never really keep their members out of harm’s way.

The entire Defence portfolio is responsible, as it should be, for all functions of care and responsibility for all Defence personnel – including after discharge from the ADF. DVA is a sub-portfolio of the Defence portfolio and as such is entwined with the full responsibility of all Veterans.

2.9 Providing Financial Compensation for an Impairment

- a. *Is the package of compensation received by veterans adequate, fair and efficient? If not, where are the key shortcomings, and how should these be addressed?*
- b. *Is access to compensation benefits fair and timely? In particular, are there challenges associated with the requirements in the MRCA and DRCA that impairments be permanent and stable to receive permanent impairment compensation? How could these provisions be improved?*
- c. *Is there scope to better align the compensation received under the VEA, MRCA and DRCA? In particular, could the provisions for permanent impairment compensation and incapacity payments in the MRCA and DRCA be made consistent?*
- d. *Are there complications caused by the interaction of compensation with military superannuation? How could these be addressed?*
- e. *What is the rationale for different levels of compensation to veterans with different types of service in the MRCA? Should these differences continue?*
- f. *For those veterans who receive compensation, are there adequate incentives to rehabilitate or return to work? Are there examples of other compensation schemes that provide support for injured workers and successfully create incentives to rehabilitate or return to work?*

This so-called ‘package of compensation’ is extremely offensive to all Veterans. The compensation is not a ‘package’ and is not ‘adequate, fair and efficient’ as stated in Section 1.1 of this submission. The so-called ‘package’ is not compensation but rather benefits that every other form of Australian Worker’s Compensation has. The medical coverage – the white or gold card – and the income support is available to everyone who has a Worker’s Compensation claim in the general population. The major shortcoming is in the lack of a benchmark for the economic loss compensation. From the 1920s to the 1960s, the

Basic Wage was used for this benchmark. With the demise of the unit called ‘the basic wage’, the VEA did not replace it. The benchmark of today’s equivalent to the ‘the basic wage’ which is ‘the minimum wage’ needs to be utilised.

Access to compensation and benefits should be available at the expiration of the Defence member’s enlistment. Why is it that the transition process does not already include completion of all DVA processes and procedures that are required to complete claims and benefits? To force the Defence member to discharge and ‘fight the system’ on their own is another failure of ‘Duty of Care’ by the Government. [RECOMMENDATION 15]

The complex financial combinations are substantially enhanced when the superannuation options are added to the compensation options, which then become far too excessive and complex even for financial advisors. The MRCA clients have to decide on a financial option that is to affect the rest of their lives. This is a cruel responsibility to put on such young shoulders.

The suggestion to improve this complexity is to simplify it to less than a 100 combinations of compensation and superannuation financial options, to no more than six-ten. To do this would be essential to remove the immoral reasoning for offsetting the superannuation payment from any compensation payment. This is a discriminatory act on behalf of the Government, as the VEA does not have this option. If the Government wants to harmonise the Veteran community then it should start with such important issues.

2.10 Helping People to Transition from the ADF

- a. *Are transition and rehabilitation services meeting the needs of veterans and their families? Are veterans getting access to the services they need when they need them? What could be done to improve the timeliness of transition and rehabilitation services, and the coordination of services? What changes could be made to make it easier for ADF personnel to transition to civilian life and to find civilian employment that matches their skills and potential?*
- b. *Veterans who are medically discharged are generally in higher needs categories than people who access other rehabilitation and compensation schemes, and have exhausted options for return to work in the ADF. How should this be reflected in the design of rehabilitation services for veterans?*
- c. *How should the effectiveness of transition and rehabilitation services be measured? What evidence is currently available on the effectiveness of transition and rehabilitation services? How can the service system be improved?*
- d. *In some countries, rehabilitation services are provided to the families of severely injured and deceased veterans. Is there a rationale for providing such services in Australia? If so, what evidence is there on the effectiveness of these services?*

All Defence members who have to discharge on medical grounds need to have their issues addressed prior to discharge. This includes all Defence members from Trainee to Officer. Often the Trainee is discarded as a mere ‘minion’ who does not deserve the compensation that they are due. If anything, they are more in need as it was so recent that they were strong healthy members on enlistment and then suddenly, shortly after enlistment, they are in need of a medical discharge.

The MRCA definition of ‘permanent and stable’, among other requirements, enables the Veteran to consider SRDP or Permanent Impairment payments. The problem arises when the Veteran is considered ‘permanent and unstable’ where SRDP or Permanent Impairment cannot be accessed for the Veteran. A number, if not all, psychological conditions along with a number of physical conditions will never be stabilised but yet the Veteran and their families need to wait until the Claim Delegate decides that they are ready to finalise the claim. Meanwhile the Veteran is in limbo waiting for this resolution.

2.11 Income Support and Health Care

- a. *Is health care for veterans, including through the gold and white cards, provided in an effective and efficient manner? Has the non-liability coverage of mental health through the white card been beneficial?*
- b. *Is there scope to simplify the range of benefits available, and how they are administered? Are all of the payments available necessary and beneficial? Are they achieving value for money outcomes?*
- c. *What are the benefits of having generally available income support payments also available to veterans through DVA? What are the costs?*

The figures stated in page 18 of the Issues Paper seem unbelievable and beyond belief.

- a. Of the \$5.3bn spent by DVA on health care in 2016-17 where the majority was for gold or white cards
- b. DVA states the Gold Card is worth on average \$20,000 per annum per card.
- c. Therefore 135,000 Gold Cards would cost = \$2.7bn
- d. Therefore 59,000 White Cards would cost the remainder = \$2.6bn or \$44,000 per annum per card.

“Allowances and benefits that Veterans and their dependants receive have evolved over time. For example, DVA recently extended treatment of all mental health conditions under new non-liability health care arrangements (mental health conditions do not need to be related to service). Other allowances and benefits pre-date similar services being made available to the general population — for example, the gold card pre-dates free or subsidised health care through Medicare. In cases such as the service pension, the benefit largely replicates a benefit available to the general population”.

This statement in the Issues Paper leads the TPI Federation to believe that the Whole of Government processes are again trying to ‘normalise’ the Veteran community.

This innocuous statement should be considered in conjunction with the previously stated position at Section 1.3 of this submission – **DVA FRONT DOOR FOR VETERANS**

The many processes and procedures that the Whole of Government concept is trying to ‘normalise’ can be easily achieved by allowing the Veteran to maintain their access to their Department but having the back office processes and procedures not openly obvious to the individual Veteran. The Veteran needs to take their requirements and needs through the ‘front door’ and have the resultant answer delivered through that same ‘front door’.

The costs involved in doing this would be minimal as the majority of processes and procedures are now electronic, and all the Departments have the methodology of interacting and intersecting their needs and requirements. For example, each time a White or Gold Card is accessed by a DVA client, this is automatically referred to throughout the electronic processing of the transaction by a Centrelink Customer Reference Number (CRN). This is regardless of whether that DVA client is actually a Centrelink client. Most DVA clients are not aware of this process. If this can be achieved through a back-office process then most, if not all, processes can be completed the same way.

Harmonisation & Rationalisation = Normalisation

= loss of Uniqueness of Military Service

= the demise of the Veteran community

Figure 1

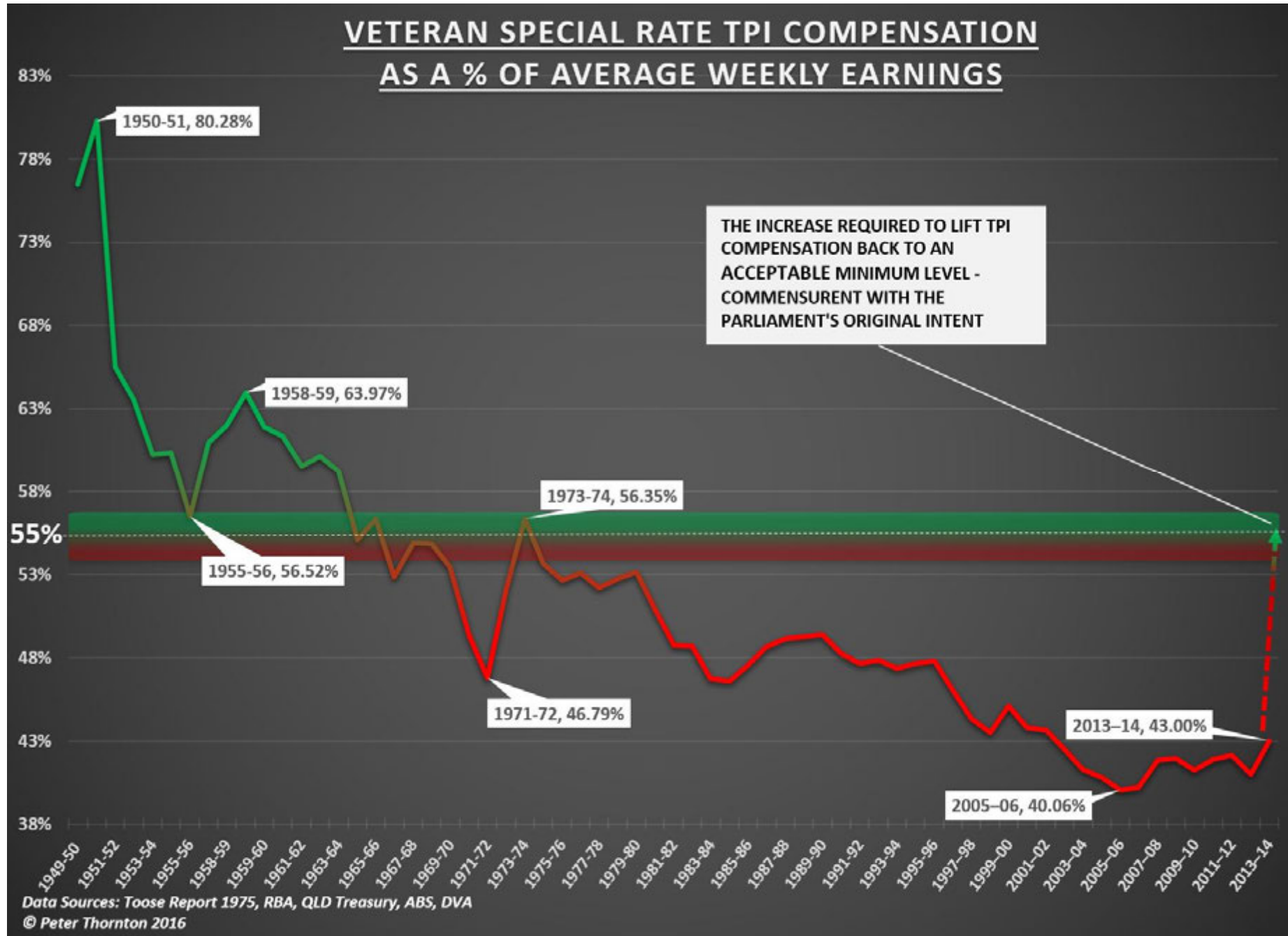


Figure 2

