



## **Royal Commission Update - Canberra Day 32 - 14 April 2022**

### **RSL References**

Positive:

NA

Negative:

NA

### **General remarks**

- The next hearings will be held in Townsville from Monday 20 June and Hobart from 1 August.
- The Interim Report of the Royal Commissions remains due on 11 August 2022. The focus of the interim report will be urgent recommendations for early actions that may be taken now.
- If required, the Royal Commission may consider making other urgent recommendations prior to the release of the final report if it is deemed necessary.
- The Royal Commission is also considering the possible requirement for an agency or body that may follow the Royal Commission akin to the Government's previous proposal for a permanent Defence and Veteran Suicide National Commissioner. They plan to consult stakeholders on this issue and receive submissions before making a recommendation to Government."

### **Counsel Assisting Closing Address**

- Royal Commission will examine what the Commonwealth and its Departments by requiring them to answer written question and obtaining documents from them
- Heard re. Australian Defence Force culture, how it is a command-and-control organisation, male-dominated workplaces can increase risks of bullying, harassment, and sexual assault - don't wait until someone is injured to fix it, but pursue preventative steps
- Heard re. about systemic abuse in Defence, and opportunities to do more to address it
- Heard about DART report from Mr Robert Cornall, and reporting is a key strategy to ameliorate this
- Heard from the Commonwealth Ombudsman - no systemic analysis has been completed yet, but there are opportunities there
- CommCare - obligation to engage and provide members with a safe workplace
- Since 1970, 2038 former members and veterans have been confirmed death by suicide
- Seems to be silos in the provision of health care in Defence - needs to be a whole of Defence approach to suicide prevention
- Information sharing is a key source of improvements for Defence and DVA

- Heard evidence regarding legislative and administrative complexity of claims, pensions and entitlements systems
- Advocates talked of difficulties veterans face in accessing claims, and addressed the difficulties advocates face
- Defence families were examined in detail - families as a protective factor against suicide, childhood trauma and development, intergenerational trauma, barriers faced by families and the support they provide, the strain placed on families, family breakdown
- Need to recognise the centrality of family in Defence life and suicide prevention
- Support and navigation for families looking to access services - holistic intervention is needed
- Transition from Defence to civilian life was examined
- Lived experience testimony was also explored

## **10:00am - 2:00am - Liz Cosson AM CSC (Major General Ret'd) Secretary, Department of Veterans' Affairs**

### Monitoring of the risks of suicide

- Estimated 632,000 veterans in the Australian community, around 180,000 of these are DVA clients
- Commissioned Australian Institute of Health and Welfare (AIHW) - report each year monitoring suicide risks
- Monitor incidence of suicide in the community - work with Defence to monitor those transitioning to assist those who are particularly at risk (less than 12 months service, medical, involuntary discharge) - form an assessment of risk for the individual - this has not been formally evaluated
- Monitoring through Open Arms - have an escalation process if a person presents a particular risk
- Additional new mechanisms where individuals in the community can alert DVA to risk of suicide, and then DVA can provide wraparound support
- Wraparound services and triage

### Mental health support and suicide prevention strategies

- Not an actual DVA function, but is a key priority of DVA planning - however, resources from Government are not sufficient to do this properly - there is more we can be doing
- To be more effective, would like:
  - Greater information sharing with Defence
  - Better early engagement with Members following enlistment
  - Reducing complexity in the DVA system, including harmonisation of legislation and reducing complexity in administration
  - Better data and insight - Census data is a start
- Want a targeted adverse events analysis capability to be able to analyse an incidence of death by suicide and identify improvements and strategies for suicide prevention - looking at systemic DVA risk, not risks for individuals - currently building capability to undertake this analysis
- Won't adopt comprehensive 'root cause' analysis approach, as do not know all life circumstances of the individual and do not hold capability in DVA - limited to information contained on DVA systems about DVA clients
- DSAS - data and analytics on whole-of-life of veteran - DDDIE - early-engagement program - requires information sharing with Defence
- Family-targeted measures - expanding access to Open Arms - educating families about what is available - connecting with Defence, especially through Transition Seminars
- What concrete support is available from DVA to at-risk veterans - Open Arms counselling, programs for families to connect at-risk veterans to services, drug and alcohol rehabilitation, counselling, mental health in-patient care
- Veterans' Affairs in the USA is developing data tools to predict where suicides may occur - SafeSide in Australia is doing some of this work - still in development, although Open Arms is seeing some benefit

- Monitoring risk of suicide - female veterans - DVA still trying to understand why female veterans die at a rate 227% higher than general population - this also occurs in other countries
- Demand forecasting model - why hasn't there been investment in this? - even Australian Government Actuary can't do this at the moment - but with new data analysis capability, this should help forecasting in future - currently, based mostly on recent trends - therefore, no assurance of accuracy of forecasting moving forward
- Suicide Prevention - is there a clear program of works to be costed and put forward to Government - the agenda is not clear in public domain - DVA want to create a whole strategy, but need close partnership with Defence

#### DVA services

- Don't currently support all veterans - requires proactive step for some veterans to connect - has changed since 2016 early engagement, when all veterans are known to DVA - to reach pre-2016, using Services Australia and Census to find more veterans
- Want better connections with health system to identify veterans, especially if they connect with hospital services for suicidal ideation
- Not currently resourced to serve all veterans - 'most veterans we don't know, don't need us' - if those resources were available, could reduce risk of suicide
- Intent that if veteran approaches DVA, they will receive a timely response - not currently happening, especially in claims processing - Collie Report showed this can have negative mental health impact - veteran community raises this issue consistently
- Can use labour hire to get around Public Service staffing cap -
- DVA's outcomes are imposed on DVA through Budget process - key public accountability mechanism for DVA to public and parliament - one of them is financial wellbeing including lump sum payments - DVA pays for financial advice
- Mental health and wellbeing not referred to in DVA outcomes - set in agreement with Government - but these haven't been changed for DVA for several years, but they are being reviewed now
- DVA said in its previous annual report that it has met its outcomes across all its activities - Australian National Audit Officer gives feedback on annual reporting and reporting against outcomes - Annual Report will be changed to be a better reflection of DVA's operations - inadequate measure of timeliness

#### ESORT issues raised

- Members include organisations known as national ESOs, such as RSL or Legacy - examined Defence Force Welfare Association (DFWA) submission to ESORT - concerns raised include
  - Processing time for initial MRCA liability
  - Staffing level cap and labour hire
  - Harmonisation of legislation
- Royal Australian Regiment Corporation (RARC) submission examined - desired outcome was focus on workforce issues at DVA
- Vietnam Veterans Association (VVA) submission examined - processing times exceeding 12 months - desired outcome includes dissemination of information about support to reduce backlog
- These have been topics of discussion for several years
- ESORT - appointment of groups doesn't change - does this lead to echo chamber effect - next steps are to brief new Minister on these possible reforms

#### Claims Processing times

- Not meeting timeliness targets - some claims will be sorted quicker than others - there is priority processing for those in need - alarming growth since 2019 - 60,000 claims on hand, more than 40,000 outside target processing times
- Long times generate gap between expectation and what is actually occurring - this uncertainty could be cause of anxiety and other impacts on mental health

- Claims delays with DVA is a contributing factor to the risk of suicide among veterans
- Key root causes in growth of backlog was way of DVA better engaging with veterans:
  - Early engagement model - Encouraging members still serving to lodge claim when they experience injury etc. - 60% of claims in backlog are current serving members for MRCA initial liability - prioritised if they are transitioning - otherwise, not prioritised
  - Veterans Centric Reform (VCR) and MyService, which allowed veterans to make their claims online and make them easier - forecast increase in demand for the VRC, but did not forecast the rise experienced - forecasting was out and back in house systems are still not adequately in place - was always a six-year program, currently in year four
  - Introduction of Non-Liability Health Care (NLHC) and White Card for mental health saw large rise in applications
- Therefore, important to be transparent about how long it takes to process claims - not included in the Annual Report, in fact, this info is poor - DVA could do this better, has been working with ESOs to work out how to do this by claim category type
- 6 categories of claims that are highest volumes - MRCA initial liability is biggest with backlog
- Claims on hand are roughly the same as last year, but determinations have increased as new staff are trained and improve - number of claims has also continued to rise - Tiger Team put on claims over 300 days, with good improvement on these claims

### McKinsey

- McKinsey engaged to identify strategies to reduce backlog - growth in new claims was above predictions made by McKinsey - made recommendations for 11 Initiatives that could have impact on backlog - 6 are already in train
- Approval in Budget papers for some of the 11 issues, but not all - therefore, Backlog not likely to be eliminated by the December 2023 target in the McKinsey report - now predicting early-2024 - this is subject to stability in the workforce
- Both budgeting and turnover in claims staff have impacted this being pushed back

### Workforce in claims processing

- Key input into how claims processing operates
- Ongoing workforce chosen on merit-based system - Non-ongoing provides flexibility to a Department, but gives no employment certainty - productivity of non-ongoing Australian Public Service (APS) workforce is the same as ongoing, because they usually have acquired all of the skills required - sometimes non-ongoing can become ongoing
- Time taken for claims-processing staff member to become fully productive - up to 6 months - 3 months training is 50% productive - supervisors also must supervise, removing them from full capacity capability
- Staff turnover, therefore, is a significant issue
- Contract labour - 12-month contract - pay a little bit above what is paid to an equivalent APS staff member - don't monitor attrition for labour hire - but they do leave often - turnover every 12 months - therefore, half the time labour staff are engaged, they are at reduced capacity/capability
  - Would be beneficial to extend labour hire arrangements beyond 12 months, but need funding certainty, which is only given each year
  - Need better balance between APS and labour hire - no more than 20% labour hire, with the other 80% ongoing and non-ongoing APS - a bit above a third of staff are labour hire currently
- Change in Average Staffing Level (ASL) cap
  - For May 2021 - constraint to two-years' worth of funding to 30 June 2023, when it will be reassessed - 447 additional employees under the increase across DVA - 390.5 were allocated to direct delivery in claims - 116 in the two divisions impacted by increased demand outside claims - 274 went directly into claims processing - funding not certain beyond 2022-23 for the original 274
  - For May 2022 - further funding additional 90 to be assigned to claims processing from 1 July 2022 to end of 2023-24

- Have nearly recruited to meet this raised staffing cap
- ASL - is there any zero-base reassessment of the ASL for a Department - NO - but this would be helpful
- ASL - what is the purpose of this? - purpose is to limit the number of bureaucrats and provide extra flexibility - essentially an ideology, but in DVA's case, it isn't working and has led to inefficiency, stress, and potentially, suicide
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#### Funding issues

- Departmental funding - \$430 million total funding for DVA per annum - 52% spent of employee costs - capped annually
- Since 2017-18 - have gone back annually to seek supplementation of funding - annual allocation has been insufficient to meet costs - sometimes will have to offset these costs
- \$96 million allocated to funding the McKinsey recommendations
- No guarantee ASL surge funding will continue after June 2023 - will have to go back to Government to elicit other funding at this point

#### Counsel propositions re funding, staffing and backlog

- Because DVA does not have a model to forecast demand, they were unable to deal with claims increase in 2018 - YES
- DVA's annual department funding was inadequate from 2017-18 onwards - YES
- In 2017-18, DVA through Senior Execs, must have known that claims processing was not appropriately resourced to meet increased claims - YES
- Claims processing capacity not being adequate persisted and compounded following 2017-18 - YES
- Starting in 2017-18, DVA received substantial annual supplementation funding each year - YES
- ASL caps are not specific to work areas and functions of DVA - DVA decides allocation of ASL to work areas
- ASL allocated to claims processing, felt constrained by competing requirements of DVA to allow only a certain level of ASL allocation to that area - Not exactly, addressed claims processing through supplementation
- Because of ASL caps on DVA, the staffing of ASL claims area has been dependent on contract labour - YES
- Disadvantages of having more than 20% claims processing staff as labour hire - YES
- Ratio of labour hire in claims processing was near 50% in 2019-20 and 2020-21 - YES
- A third is still too high - YES
- Inadequate staffing levels and labour hire staff have contributed to backlog - YES
- Backlog has arisen from absence of forecasting model, DVA funding model, inadequate yearly funding, and ALS cap - YES
- Solution proposed by McKinsey and DVA, and the forecast of when backlog will be eliminated, is highly optimistic and based on assumptions unlikely to be met - YES
- DVA was not consulted on the increase of more than 18,000 personnel to the ADF announced in March - YES, CORRECT
- How is DVA going to be able to meet staffing levels etc. to meet the increased need this will bring about - YES, we are planning now. Don't know what staffing mix we will need after 2024.

#### Australian Veterans' Support systems

- System has involved so it's considered not fit for contemporary needs of veterans. Ms Cosson agrees
- Has not been a systematic approach to the design of the system
- What do you see DVA's role as? DVA should have a lead role in the system - with operations and policy functions separated, and policy function playing a coordinating role in the system
  - DVA won't be the only part, but will be responsible for design of policy, evaluation, and oversight for any part of system delivering services to veterans and their families

- This will include engagement with other agencies in the system – DVA already does this, but can improve – no systematic engagement with DVA by other agencies when a veteran engages with their services
- DVA should know all veterans – need to improve information interface with Defence –
- Would like for Veteran Support Officers (VSO) program to be expanded – at the moment there are 40 VSOs – would like to increase professionalisation for the role – want to grow person-to-person function – want to use VSOs to educate other parts of DVA

### Legislative Reform

- Reference to Productivity Commission 2019 recommendations 8.1 on harmonisation of initial liability, 13.1 harmonisation of MRCA and DRCA, 19.1 for two scheme framework moving forward, whereby VEA claimants continue under the VEA, with harmonised MRCA/DRCA arrangements
- DVA has produced a nuanced set of recommendations on legislative reforms – contained in a range of documents that have been tested with ESORT – workshop within ESORT on legislative reform – just one workshop with ESORT (December 2020) – several internal workshops – ESORT formed sub-group to give feedback – ESORT believed there should be one Act or two and discussed warlike and non-warlike service – things still need to be teased out and sorted
- 2021 started developing legislation reform roadmap in May 2021- intent is to implement the Productivity Commission recommendations, and the Government AGREES IN-PRINCIPLE with these recommendations
- There will be winners and losers with harmonisation of MRCA and DRCA – Ms Cosson agrees on the harmonisation, and it should be possible to reach reasonable solutions to these issues
- Legislation harmonisation – could we not just grandfather for the losers during this process – YES
- There has been no consultation outside ESORT
- Legislative reform timeline – not available – because of decisions, funding and passage of legislation timing

### Lifetime wellbeing

- Agree with AIHW lifetime wellbeing model –
- Latent injury or harm – focus Defence’s attention of lifetime coast of ADF Members across their lifetime for injury etc. and build in a price signal for something that happens in service but later comes to the fore in compensation costs – data sharing could ensure these same outcomes are reached and hope Defence modifies activities for an individual on how they conduct training, service etc. – less powerful incentive for Defence – will show long-term cost, but not levy it
- How do you measure a satisfactory level of wellbeing? DVA has done some analysis of this, including introducing a wellbeing index in partnership with Deakin University, based on the DVA Client Satisfaction Survey – will combine with AIHW analysis
- Veterans Covenant is not backed up by any enforceable rights or obligations – not intended as anything else – proposed to fill haps identified by veterans when connecting with their local communities – Ex-service community were attracted to similar UK and US bills – system-wide approach – gaps were in understanding of community services
- Full implementation of the covenant will require additional work
- Veterans Wellbeing Centres evaluation will begin towards the end of the year

### DVA culture

- Veteran Identifier – form of data sharing – symbol on forms of ID that will allow veterans to be identified at, for example, an emergency department – intended to support them and contact DVA etc. – Privacy Act issues to consider – discussions with State Governments
- Is there a roadmap – NO – but want to develop a strategy, need to sort out jurisdictional issues

