



Royal Commission Update - Townsville Day 34 - 21 June 2022

RSL References

- RSL sub-Branches struggling to get younger veterans involved – want more veterans having their voices heard
- RSL has been doing this for a long time and doing it well – other groups are forming with new ideas and approaches and are looking for their voices to be heard

Positive:

NA

Negative:

NA

General remarks

- Broad and sweeping examination of the state of the Veterans' Affairs portfolio during Mr Gee's time as Minister
- RSL should take note of the comments regarding ESO consultation and ESORT

10:00am - 3:00pm - The Hon Andrew Gee MP, Federal Member for Calare, Former Minister for Veterans' Affairs and Defence Personnel

Serving personnel and DVA

- Relationship between serving personnel and DVA could be improved, particularly around transition
- Strong demarcation for responsibility for personnel between Defence and DVA, but this is breaking down

Legislation and harmonisation

- Mr Gee believes that mistakes in processing under the legislation causes delays, which in turn contributes to suicide and suicidality – should be able to get on top of these things
- Productivity Commission proposes harmonising initial liability across all three acts, aligning Statement of Principles for the VEA with the other acts,
- Harmonising the MRCA and the DRCA
 - Some difficulties with this, as, for example DRCA may be more beneficial than MRCA in some circumstances, and vice versa – some difficulties, but not impossible
- Two scheme proposal of DRCA harmonised with MRCA, with VEA continuing for that cohort
- Government response to the Productivity Commission was decisions on legislative reform was pending,

including pending consultation with the veteran community - when made Minister, asked for work to be done to make this happen

- No appetite for work to be done before Royal Commission or the McKinsey review
 - Surprised at the lack of legal work done on making progress
 - Extreme complexity of the legislative framework
- Wanted to build a legislative consultation panel, but it was practically impossible with timings of commission and election
 - Advice to new Minister - Get the Law Reform Commission cracking, and then do the consultation work - start work early
- No reason why DVA haven't been funded to do the harmonisation

Organisation factors contributing to suicide and suicidality

- Claims processing structure can cause delays
- Management issues can also cause delays
- Staffing and funding is an issue for DVA

Claims processing

- Claims processing was a major concern, particularly the delays
- Wondered whether the system was as efficient as it could be and in the interests of members, veterans and their families
- Claims processing deep dive implementation plan for reducing the backlog was ambitious
- DVA doesn't have a model to forecast trends in types of claims - led to the unexpected increase in claims from 2018 - forecasting is important in these types of matters, and would allow DVA to better direct resources
- Considered whether targets were appropriate - they became almost irrelevant - just needed to get rid of the backlog - once you clear backlog, other issues become easier to deal with
- Brought in some positive measures i.e. triage
- Reporting was sometimes not appropriate
 - Annual report targets re. timeliness of income support and compensation
 - Got a weekly report into claims processing and target timeframes - target timeframes - DVA changed this to remove breakpoint on reporting linked to the annual report target of 100 days - removing this information was not helpful
 - Wanted more info, particularly on the averages - reality is they were struggling, and you didn't need too much insight to see that
 - Gave indication they were struggling to clear backlog, even if it wasn't a perfect tool - allowed us to determine that we were struggling

McKinsey review

- When dealing with claims processing, need to hear from those who have been affected by it adversely i.e. those who had been affected by suicidality - needed to hear the impact
- Asked McKinsey to interact with families
- Issue of not enough staffing only came out from DVA following the McKinsey review
- ESORT was consulted on the McKinsey review (disagree on this point)
- Concluded in December 2021 - produced overview and extensive full report
- Saw the report as the only way to address processing inefficiencies - 3rd party view to DVA - 'claims process diagnostic' - pain points and provision of implementation plan to reduce backlog
- McKinsey found double or triple counting occurring
- McKinsey Initiatives - 11 initiatives on top of the 6 planned by DVA - Mr Gee concerned with recommendation that claims by serving members be put to the back of the queue -
 - Concern due to not knowing the real-life impacts of Defence personnel
 - Also considered impact this would have on transitioning personnel

- Extending Non-Liability HealthCare conditions - essentially what gets waved through - currently applies to mental health conditions
 - Question is how far do you take that? Do you limit it to certain conditions or open the gates?
 - Worried about budget impact if too far expanded. What safeguards could be put in place?
- Ability of DVA to comply with McKinsey's proposed timeline is limited - delays associated with change of Government and caretaker period - Mr Gee wanted to get as much done as quickly as possible

Processing inefficiencies

- Backlog was effectively increasing by half every year from 2018
- Ongoing large gap between capacity to process incoming claims - asked what the cause of this is - Mr Gee assumes that in the past they won't given all the staff they wanted, possibly both in terms of employment and funding

Funding

- Saving measures or offsets - having to find cuts to offset additional expenditure
 - Increased expenditure in the portfolio for veterans, but that amount or even more would have to be saved by cuts to other areas of funding in the portfolio - this is mandated by Government
 - \$430 million needed to be found - equivalent to DVA operational costs
 - When offsets are required, it can be found in entitlements payments, and all other areas of the DVA business
 - Offsets are enforced by policy, not in Budget papers - i.e. notification when the money is allocated requiring an offset
- The annual Departmental appropriation for DVA to complete its claims processing job from 2020-21, while funding model is also a challenge
- DVA never raised not having enough funding with the Minister - Minister didn't think they did not have enough money
- For 2022-23 Budget, initially did not receive sufficient funding for additional claims processing staff - \$96 million - held discussions with Treasurer and Minister for Finance - told \$22 million would be provided, not ongoing, for 90 staff - eventually found the full \$96 million to implement the McKinsey action plan - not included in the Budget papers
- Gave press conference - gave strong feelings on doing better for veterans - 'these are peoples lives we are dealing with...it's a source of frustration that we have these budget processes, and I'm not sure that when they're undertaking these processes, they realise that decisions like this have real-life consequences'
- This should be a top priority - the care of ADF members, veterans and their families should occupy a place of prominence in the hearts of the nation, because they deserve it

Staffing

- Agree there was not enough staff on claims processing - probably didn't get as much staff as they asked for
- ASL cap and use of contractor labour was not appropriate to get the job done - there is too much labour hire - agree ASL cap is an impediment for DVA - this should never be the primary consideration ahead of wellbeing of veterans and ADF members - need as much staff as is needed to get job done effectively
- APS ongoing is a better model for accumulating the knowledge required for claims processing
- Should there be a demand-driven funding model for claims processing, informed by forecasting - Mr Gee generally agrees with that

National Consultation Framework

- Never received draft of review of National Consultation Framework
- Changing the consultation framework is a big body of work that needs to be undertaken - needs to be addressed

- ESORT does have value, I found it useful - there is dissatisfaction with ESORT - want it to function better, be more representative, distinction between older and younger veterans etc.
- It would be useful if examination of reform could be undertaken, given how many ESOs there are (formalised/informalised, large orgs/small orgs/individuals) - more structure in the space would be useful
- Useful if framework could be brought into existence to unify ESOs - 'never possible for them to speak with one voice'
- Don't know whether that involves some form of accreditation
- Ian Lindgren has strong views for example
- Need results, timeliness of notes, actions following meetings to improve etc.
- RSL sub-Branches struggling to get younger veterans involved - want more veterans having their voices heard
- Does this present a challenge for legislative harmonisation - could be when it gets to the consultation review.
- RSL has been doing this for a long time and doing it well - other groups are forming with new ideas and approaches and are looking for their voices to be heard

Joint Transition Authority

- Progress in operationalising JTA was satisfactory in December 2021 - wanted it to go faster - excellent officers setting it up, very diligent in approach
- Referred the Implementation Plan to a roundtable to get a wide variety of views and which JTA away to implement
- Want formal evaluation of wellbeing outcomes for anyone providing services as part of the transition process, but also the overall performance of JTA - provides accountability
- DVA needs to be heavily involved with linking up with veterans when they're in service, so that once they leave DVA has visibility on them - could be more proactive in checking in on veterans and checking on their welfare

Sexual misconduct and unacceptable behaviour

- Received response from Secretary of Defence Moriarty outlining steps Defence was taken to deal with these issues re. the safety of Defence Force personnel

Families

- Introduced *Veterans' Affairs Legislation Amendment (Enhanced Family Support) Bill 2022* to provide crisis support for veterans and their families when DVA or Defence became aware they were vulnerable, incl. crisis payments, funding for household services, child support and schooling, support for widowed partners
- Introduced to the lower House - on the last night of Parliament - left on the floor because there was not enough time - called Mr Neumann - got it through to the Senate - didn't get through
- Encouraged Labor to get the bill through

Proposed increase of size of ADF

- No modelling has been done on the proposed expansion of the ADF in future years - this needs to be done
- Need some flexibility in the model

Reform proposals

- Resourcing set-up for those veterans who do not want to, or are isolated from, DVA, particularly those who are on a Managed Access List - Minister's Office can't be the consistent last port of call for many veterans
- Believes there should be a restructure in DVA, with the claims processing function separated and overseen by a specialist unit/entity - if you can take claims processing away from DVA, DVA can get back

to core business of looking after veterans

- Allows that unit to specialise in claims processing – entitlements and service provider claims
- Will reduce resource re-allocations
- Allows DVA to focus on wellbeing/welfare duties and/or policy formulation around the care of veterans, transition, harmonisation

Australian Veterans Recognition Act

- Reporting obligations – no obligations under it at the moment
 - Want to put veterans front and centre – often not considered in Budget considerations
 - Think this should be changed so that all veterans that have dealings with ADF members/veterans, and their families should be accountable and should have to report to Parliament on an annual basis about what they've done to act in the interests of veterans – Whole of Government reporting, PM down – set up metrics, including weekly reporting of the DVA claims backlog
 - Will increase respect for Veterans' Affairs as a portfolio – increasing prominence will achieve better outcomes
 - Does not recommend an enforceable funding obligation regarding direct outcomes – hard to put a right in the Act that cuts across all of Government – this also applied for VEA, MRCA and DRCA – want to be careful
 - Not all MPs believe in the prominence of Veterans' Affairs

Commissioner's questions

- Role of the States
 - Veterans Wellbeing Taskforce – group meeting with State and Territory Ministers – talk about issues including incarceration, veteran homelessness etc. – meetings every quarter
 - Can help track who the veterans are, and where they are – Identification forms i.e. on drivers' licenses
 - Have a role in education
- ESORT composition
 - ESORT should be a more flexible and representative body – potentially opening up membership – don't want it to become unwieldy
 - Would need to start early in the term of Government
- Key Issues/Deep Dives when being briefed as new Minister
 - There was no suicide-specific one
 - During handover with previous Minister, was there any briefing on the challenges to DVA/claims processing
- Minister for Veterans' Affairs should sit in Cabinet