



Royal Commission Adelaide Hearing Block -25 July: Day 7

RSL References

Positive:

No references made.

Negative:

No references made.

General:

Aimed to work together with ESOs to strengthen external support to veterans and their families;

Timeline:

9:00am - in session
 9:02am - witness affirmed
 9:03am - questioning began
 10:53am - adjournment
 11:21am - in session
 11:22am - witnesses affirmed
 1:05pm - Commonwealth Leave requested to seek advice about confidentiality
 1:28pm - Adjourned for lunch.
 2:23pm - In session
 No live notes recorded from 2:30-3:30pm - 26-27 July: notes added from transcript.

General summary:

- Concerns about Special Forces are transitioning;
- DVA undergoing VCR process and proposal;
- DVA respondents to proposal that General Singleman put forth;
- **\$716.2M total for VCR programme, delivery and implementation;**
- Veterans do not want to deal with DVA - identified by DVA themselves; complexities and lack of assistance being key concerns;
- DVA was inadequately equipped to deal with claims post-Middle East deployments - peacetime allowed quick resolution;
- The evolution of data-sharing was anticipated to occur parallel across departments - it did not occur that way;
- Legacy systems often the cause of frustration due to ageing ICT infrastructure and complex or outdated methods of data transfer;
- Considerable issues with Commanding Officers overriding medical advice and harassing medical staff;
- Medical staff unlikely to see DVA clients due to many administrative burdens placed on already poorly resourced clinics;

Counsel Assisting Opening Address

- **Three Themes**
 - o Claim resolution processes and pilot programmes
 - o VCR modelling and improvements
 - o Gateway Reviews

Witness List:

Time	Witness	Description
9:00am-11:00am	Kate Pope PSM Deputy President, Repatriation Commission – Department of Veterans’ Affairs	Commonwealth Witness
11:00am-11:15am	Short Adjournment	
11:15am-1:15pm	Kate Pope PSM Deputy President, Repatriation Commission, Department of Veterans’ Affairs Rachel Goddard First Assistant Secretary, Department of Veterans’ Affairs Laura Sham Chief Information Officer, Department of Veterans’ Affairs	Commonwealth Witness
1:15pm-2:15pm	Lunch Adjournment	
2:15pm-3:15pm	Panel Continued	
3:15pm-3:30pm	Short Adjournment	
3:30-5:30	Dr. Peter Wheatley - Psychiatrist	

Witness: Kate Pope

Type	Body/Comments
Verbal Evidence	As is set out in the Notice, Major General Sengelmann, who was at the time the Commanding Officer of Special Operations Forces approach COO of DVA, with a suggestion that he was concerned about how the Special Forces were transitioning and wanted to do something working with DVA to improve that experience.
	Holsworthy had Special Forces pilot programme and introduced to Campbell Barracks, and processing staff that did claims work were in Sydney CBD office.
	The overarching intention of the reform was to attempt to remove irritants and help them to get in good shape throughout that transition phase.
	<p>Key objectives:</p> <ol style="list-style-type: none"> 1. claims to be resolved prior to transitioning; 2. little gap between salary received by serving personnel and commencement of compensation benefits; 3. veterans and their families were connected to families and support post-transition. 4.
	Recognition of greater needs; but unsure about full visibility about the ongoing complexities, repetitiveness of claims processing.
	ESOs and ATDP training were responsible for building contact points to provide advice around claim lodgment and processing; those claims were prioritised by a Sydney-team and Bases were also provided with teams to manage workloads and cases.
	Sydney Office: Claims Delegates, Medical Advisor available - delegates fluctuated around five.
	We implemented many models to see how these issues could be best resolved and utilise the lessons we have learned to improve further processes.
	Recognition that there would be great difficulties in attempting to resolve the complex problems DVA had encountered.
	'Trusted staff' did not mean 'staff that DVA could trust', it was a focus on the VCR - ADF and former-serving Members of the ADF and Special Force Members being able to trust the staff within DVA. Improving those community connections.
	Outcomes of the pilot programme would determine the introduction and development of arrangements DVA would undertake in the future to improve claims processing. Gradual development
	Outcomes from the Pilot took different aspects of success and applied, molded and manipulated them to circumstances across different bases dependent on the situational issues faced by certain bases.
	Resourcing by DVA required funding to improve these models. Claims are triaged based on need and importance, with an attempt to ensure they are resolved in a timely manner. Insufficient resourcing has hindered this.
	We looked at how we could stream line the processes and reviewed the schedule on non-liability health care - instead of requesting troops to prove certain actions, we looked at basic regime training and then by understanding how the training was conducted, we would then assume that certain ailments and conditions were attached or caused by service.
	Claims processing wasn't a concern at-the-time due to a backlog not existing: changing circumstances have changed our perspective and priorities which is why we are now looking at claims processing now. There was a growing need to identify how we could grow in a way that worked.
	We needed to improve processes prior to enacting new legislation and reform - a full range of improved services around claims processing, health analysis etc.
DVA sought disruptive advice to better improve our processes promptly.	
As more information was gained by various reports and sources of information, VCR was adapted and manipulate to deal with those things. Insights and advice came from many reports and the Department as a whole was focussed on responding as a whole.	
Budget constraints meant that yearly business cases had to be developed; funding did not roll over and was returned when the year lapsed. It made staff retention and achieving objectives incredibly difficult.	

	It was identified that veterans did not approach us because they were fine, they did not approach us because of the complexity of the systems involved and would rather go without than deal with DVA.
	Due to the end of Afghanistan and Iraq tours, the rigors of those tours saw increased claims per person; mental health became a stronger feature of the claiming pattern; inadequately equipped to deal with influx of claims due to ending tours in Middle East.
	Difficult to measure attitudinal change; monitoring of effectiveness of the lessons learned and VCR experience. Process of closure of the programme, DVA has engaged with independent implementation assurance boards to highlight what has been learnt and what could have been done better.

Evidence Tendered

Document	Paragraph	Body
Special Operations Pilot	DVA.0023.0001.0073	<p>Project Objectives:</p> <p>Objective : Measure Irritant issues : reduced by half Complex cases : reduced Members feel empowered and enabled : up 100% Claims determined first time, full completion : % Days from MyService registration to determination : reduced average to 28 days Families are connected to and understand process : xxx Members connected to networks : % members of SOF ESOs Former members contacted by DVA : % Targeted information for advocates used by SOF community : xxx</p>
Veteran Centric Reform Transformation Program.	DVA.0023.00001.0069	<p>DVA has supported veterans and their families for almost a century. This mission is ongoing. However, DVA will be unable to meet the needs of current and future clients without reform.</p> <p>In order to meet these challenges, DVA has commenced the Veteran Centric Reform (VCR) Transformation Program. Through this reform, DVA will better know, connect and support Veterans while continuing to respect their service.</p>
Special Operations Forces Pilot - Perth Transition and Transitioned: Stakeholder Value Discovery (2017)	DVA.0023.0001.0001	<p>DVA.0023.0001.0004 - Poor staff competence and understanding</p> <p>DVA.0023.0001.0005 - Claims processing takes too long</p> <p>DVA.0023.0001.0006 - Lack of interdepartmental cooperation</p> <p>DVA.0023.0001.0007 - Lack of guidance to navigate complexity of system</p> <p>DVA.0023.0001.0008 - Poor staff training and understanding of requirements</p> <p>DVA.0023.0001.0009 - Complicated processes and paperwork</p> <p>DVA.0023.001.0010 - Lack of single point of contact</p>
Permanent Impairment Claims	DVA.5043.0001.0046	
Income Support Claims - Process Discovery and Impairment Report	DVA.5043.0001.0078	
		<p>The review team has identified three key focus areas needing urgent attention for DVA to transform:</p> <ol style="list-style-type: none"> 1. Operating structure, governance arrangements and ICT; 2. Approach to clients, culture and staffing; 3. Effort to formulate effective strategy, establish priorities and use feedback 4.
		<p>The objectives of the VCR program when it was introduced in 2017-18 were as followed:</p> <ol style="list-style-type: none"> a. Delivering enhanced veteran services

Capability Review: Department of Veterans' Affairs		<ul style="list-style-type: none"> b. Delivering contemporary and modernised processes c. Delivering foundational ICT d. Using a data-drive approach
Legislative Barriers Workshop: Health Advisers, Melbourne (2017)	DVA.5048.0001.1354	<p>Enzyme Group Report - page .1360: Part V, Legislative Barrier Priorities and grouped - We take a disease-based approach rather than wellness. Identifying weaknesses, to remove them and allow the strengthening of appropriately-enacted structures.</p> <p>Identified (J) - lack of continuity of care from Defence and DVA;</p> <p>Recommended harmonisation and to improve the experience of veterans, to shield them from the complexity of the legislative requirements.</p>
Veterans' Affairs Critical Issues	DVA.5048.0001.1618	Identified: <i>leadership and financial</i> concerns. Focus, focus and refocus.
[REDACTED]	DVA.9999.0070.0020	<p>Services Australia received \$303.4M of the \$715.8 through direct appropriation.</p> <p>The ANAO Report, Efficiency of Veterans Service Delivery DVA reported total of \$653.3M funding.</p>
Delivery Confidence Assessment		<p>The Review Team finds that the overall delivery confidence assessment for the program at this point in time is <i>Green Amber</i>:</p> <p><i>Successful delivery of the program to time, cost, quality standards, and benefits realisation appears probable however constant attention will be needed to ensure risks do not become major issues threatening delivery.</i></p>
[REDACTED]	DVA.5044.0001.0005	The way in which DVA delivers this mission is in need of reform, and this change is at the core of the VCR Program. Many in the veteran community have found DVA to be too adversarial, too slow, or not responsive. VCR will provide DVA staff with the tools and processes to serve veterans and their families better.

Questions by Counsel and Commissioners:

Witness: Kate Pope		
Parties	Question	Comments
Peter Singleton	Were there particular metrics or measures to identify success and failures of the pilot programme?	Yes. One of the measures was to – to the greatest extent possible – to ensure that claims processing was finalised prior to transition and separation. It went well – potentially nearly all classes – claims were resolved prior to separation.
	Did anybody draft a business case which sought additional funding to implement these models across all bases?	No, that was not the approach taken.
	Individual elements from the pilot were taken and applied at other bases and manipulated to broadly apply them successfully?	Yes, that is a fair assessment.
	Was the Department of Finance opposed to the rollout of the soft pilot? Was the elected Government, Minister, or Defence opposed? Were there legal hurdles?	To the best of my knowledge, none of those parties opposed it or caused hurdles.
	It appears the Department did not consider replicating the pilot – it almost took lessons and sprinkled them across DVA and bases.	I don't recall – they weren't "little lessons" – I wasn't apart of this, however, can understand and see the changes that have occurred.
	Were the Ministers of-the-day aware?	Yes, they'd have been briefed by someone. I'm not sure who.
	What is VCR?	VCR commenced in 2015 – it was an ICT and non-ICT reform that was a thorough reform that had a range of objectives, principally, to improve outside connections and simplifying systems for veterans to navigate and to broaden the connection with Defence that data could be easily transferred. Also aimed to direct veterans to ESOs where DVA did not provide those services.
	Why did it take three years for the first business case to begin?	I could not answer that; that is prior to my engagement with DVA.
	What did Enzyme Group do, and why did the Government and DVA engage with them?	They helped identify the full-range of players; identified the things that needed to be retained, changed, highlighted frustrations and irritations and helped to extract efficiencies and questioned whether certain processes needed to be in place, and if so, what benefits they would provide.
	To what extent was Enzyme Group's capitalised?	It was commissioned through VCR, and helped us to understand what was wrong with our processes and how to improve them;

Commissioner Douglas	Is there some consistency about the identity of the officers who go to individual barracks so there is continuity between people who go to the barracks, and the people who deal with them?	Yes, we now have permanent members who are listed or posted to Hubs. We rolled this out, and those staff, operate in a hub-and-spoke fashion often travelling out to smaller satellite bases so there's staff who operate frequently between multiple bases.
	Are there any issues from the Joint Transition Authority with your presence on bases?	Defence is very supportive of the new systems we have in place.
Commissioner Brown	Will Claim Advocates go so far to identify additional claims or help further?	They should, however, I do not know first-hand the extent of the services offered.
	During the pilot, were there any negative impacts on other claims?	No, not that has been identified.
Commissioner Kaldas	Can you clarify the decision-making process to not continue the form it was in?	A range of governance boards decided that the then COO Mark Cormac, and the Secretary.

Witness: Rachel Goddard		
Parties	Question	Comments
Peter Singleton	Was the degree of crisis understood by external consultants felt to the same extent by the Department?	I would disagree that we were in crisis; we had points of crises - but the crisis identified was not felt by DVA. We required energy and funding around priority areas, but we were not in a particular crisis at that point in time.
	Were external reports a fair reflection on the environment and factors faced by DVA?	DVA has had ongoing priority changes at that time; DVA was under financial pressure but continued to manage and pivot the Covid crisis we were dealing with to deal with issues with our staff, and aim to ensure that all our veterans were cared for.
	Can you please explain the budgetary frameworks for VHS?	\$2.2M was provided to DHS to assist with the business case. The funding was allocated for a year, and was difficult to deal with. Delivery was expected within a year, very small residual pool for extra costs - difficult to request funding in advance, and only one year-funding basis meant that it was hard to enact any strong plans due to being unsure about budget generosity in the following year. Government changes, Cabinet reshuffles or new Ministerial appointments made it difficult to also plan and achieve the objectives outlined in reports that have been tendered.
	Can you explain why the budget wasn't increased or the government wasn't approached?	Legislative change requires ongoing or increased funding to achieve these goals - this was not put to government during consolidation phases. Systems ready-for-use and ICT systems were complex and the DVA legacy landscape was not appropriately programmed for DVA use. Big ICT builds in the VCR programme, the discovery side of that requires prior investment.
	Do you agree that there was a lack of insight underpinning this - and a lack of management in failing to see the risk that might occur, and mitigate those risks?	Non-liability health care was introduced to access important care to deal with complex needs. VCR had mechanisms and was overall beneficial however, could have always been improved - the significant hurdle was the ICT systems. It wasn't within our remit to fix those systems but implement ways that we could ensure veterans were connected to services they required.

Witness: Laura Sham		
Parties	Question	Comments
	Do you see that 2019 was a particular period point of crisis, was it typical of what was before and after 2019?	The word 'crisis' was never used, but there was an awareness about our priorities, and challenges faced by DVA.

Peter Singleton	What I suggest is that a sensible management approach for a project of claims processing and particularly ITT, but more generally, would be to increase the capacity of the system to process claims first, and then open the door to a lot more claims/ Why is that not a good analysis of how it should have been managed?	We attempted to transform programmes to ensure they were ready for VCR. The consolidation phase attempted to make sure that we were completing the foundational work for VCR to be delivered, and taking a considered approach to see what was going to be next.
		The foundational capability about how services and support is delivered, and putting the veteran at the centre of every component, thinking about every aspect, was an important change for the department and getting that into a way we do business has been an important of VCR.
		In the context of ICT, the smaller funding is to ensure completion of programmed work, because of the range of impacts that natural disasters and Covid, had considerably impacted Services Australia and minimised the efficiency and delivery of all products and programmes.
		From an ICT perspective, the legacy left from previous systems and processes, the systems were considerably dated, and simplistic things such as data exchange between data systems and compensations - required manual input.
		This legacy created complexities and there have been incremental improvements to increase the efficiency, with ICT still challenging DVA by needing to find ways to remove manual processing.
		Data was not automatic between Defence, Veterans' Affairs or compensation officers and has been introduced in May 2022 - improving efficiency of claims processing now.

Witness: Dr Wheatley		
Parties	Question	Comments
Gabriella Rubagotti	Dr. Wheatley, can you recall specific incidents where commanding officers overruled your medical advice, or have shown resistance?	Yes, there has been ongoing friction between me, other physicians and commanding officers. Having commanding officers able to overturn advice shows the power differential, and systemic control that goes on in Defence.
	What impacts did this have on you as a physician?	It caused a lot of frustration and angst, something like that is morally wrong. There was no option to debate the issues or overriding decision by the commanding officers.
	Is it the case that admissions are delayed owing to administrative complications?	It was - there were new service providers and due to spelling my name incorrectly - I didn't exist on the system. I received letters from Canberra saying that was a consequence of the delay = Canberra did not want to investigate nor did they want to hear my version of events.
	In your appointment as Director of Clinical Services, can you explain your role?	When I was Director, I helped establish with other doctors and clinicians, the inaugural Mental Health UNit at Enoggera Barracks, where we would treat and assess patients who came under that banner. The benefit was improved coordination of care, and better communication. There was feedback to the units about what was happening to their members. There was an ongoing training opportunity for two weeks, for two to three hours, at Enoggera Barracks.
Commissioner Brown	With DVA, in terms of getting the voice of the health practitioners into the policy considerations of DVA, do you think that is adequate, do you think it could be done better?	There are a couple of ways this could be done = one might be that DVA becomes a little more proactive with travelling and trying to engage with clinicians, making us aware of initiatives, asking for feedback about what we're seeing. We currently don't hear anything from DVA.
Commissioner Douglas	Is there some formal orientational program for Medical Officers, with say, the people in charge of the unit you are being posted to, to work out how the position is supposed to respond, one to the other?	It was taught on a course, we'd do a direct entry officer course but that was five or six months into you already being there.
	The issue of non-medical or non-clinical staff being overruled - overruling medical practitioners who might make recommendations about someone's condition, what is your understanding of where that's at currently within the ADF?	It hasn't changed significantly, I haven't taken any new DVA patients since the issues we were talking about in Brisbane, so that was about two years ago but I've not heard anything that has made me aware of changing it.
	What made you join the Reserves from the Full-time Army service?	I was told that postings were not available in Brisbane however, upon refusal to move to Townsville due to an expecting-wife and a two-year-old child. After talking to multiple career advisors, one said that Brisbane could be organised as there had been postings there all year.