The Australian Federation of Totally and Permanently Incapacitated Ex-Servicemen & Women Ltd
(Incorporated in the ACT)

TPI FEDERATION AUSTRALIA

"Disabled in our Service, United in our Cause"

Attachment A

Submission to
Senate Foreign Affairs, Defence and Trade Committee
Inquiry into Suicide by Veterans and Ex-Service Personnel

Introduction

The TPI Federation of Australia welcomes this invitation to make a submission to this Senate Committee Inquiry.

The TPI Federation would like to take this opportunity to address the following –

a. Issues affecting the Totally & Permanently Incapacitated/Special Rate Disability Payment (TPI/SRDP) compensation recipients.
b. Factors affecting Veterans PTSD and Anxieties
c. Three Tiers of Disability Compensation Recipients
d. Inappropriate Correspondence received by Veterans from DVA, Department of Health and Department of Human Services.
e. Overpayments Recovery Processes
f. Non-Liability Health Care White Card
g. RPBS & PBS comparisons
h. Funeral Allowance
i. MyAgedCare Streamlining Ramifications for Veterans
j. Duplicity on non-cost productive processes

a. TPI/SRDP Issues

1. Under the Veterans' Entitlement Act 1986 (VEA), the TPI Veteran can obtain their compensation entitlements, along with any superannuation entitlements, without the necessity for offsets. Under the Military Rehabilitation and Compensation Scheme 2004 (MRCA) this is not the case. Under MRCA those Veterans who are eligible for SRDP do attract the Commonwealth Superannuation offsets. The TPI Federation notes that this is duplicitous and unfair to the MRCA DVA clients and needs to be addressed.

2. The contentious issue with the eligibility of SRDP to a Veterans and that member must make a life-long choice of whether to take the Incapacity Payments along with a lump sum or to take the SRDP. There is no provision to change back to the other alternative if an incorrect decision has been made. MRCA provides funding for the member to gain advice from a Financial Adviser prior to making a decision on this course of action. The TPI Federation contends that most Financial Advisers would, in most cases, recommend the Lump Sum Payment, which comes with the Incapacity Payment until age 65, as this is a bias to receive a commission. Where a young person is faced with the proposition of obtaining a very large sum of money or a small fortnightly compensation payment, the overriding temptation to take the lump sum payment is extreme. They do not think of the ramifications of when they 'hit the wall' and are no longer able to work and earn a living. In this case they cannot double dip and revert to the SRDP. DVA considers that their job has been done. The only option for the Veteran is to join the confidence sapping, demoralising disability queue at Centrelink. Is this any way to treat our contemporary Veterans and their families? The TPI Federation sees this as a distict failure of Duty of Care by DVA, and the Federal Government, toward the younger Veterans.

3. The benchmark for the Above General Rate of the TPI/SRDP compensation was the Basic Wage. Prime Minister Billy Hughes CH KC set this with the War Act 1914. In the early 1950s this benchmark was approximately 80%of the Average Weekly Earnings (AWE). Since then, and up to and including 2013/14 the Above General Rate comparison with the AWE has been reduced to 43% of the AWE – see **Attachment A**. In January 2010 the Basic Wage was replaced with the Minimum Wage. The TPI Federation contends that a benchmark of the Minimum Wage needs to be introduced to the replace the

old Basic Wage benchmark. This will at least assist the most disabled of the Nation's Veterans to achieve a more acceptable and appropriate standard of living. This is the least that a Veteran deserves.

In May of 2014 the Treasurer announced, to the TPI Federation's great disappointment, the proposal to revert a now well-established indexation mechanism applied to Veterans' Disability Compensation Payments, back to a measure of CPI only, starting from September 2017.

This proposal was in stark contrast to the welcomed bi-partisan announcement and support initiated by the Howard Government legislation in September 2007 of "**fair**" indexation as measured to the better of CPI / PBLCI / MTAWE. This legislation re-established, in part, Parliament's original intent of the War Pension Act of 1914, which was to "provide for the grant of Pensions upon the death or incapacity of Members of the Defence Force". This statement was reinforced by Prime Minister Billy Hughes CH KC who, in 1917, said –

"We say to them – 'You go 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!"

The essence of Mr Hughes's statement was once again reinforced by Senator Chris Ellison at the second reading of the 2007 legislation when he said, "*This Bill continues the Government's ongoing commitment to supporting Australia's Veteran community and will ensure ongoing* ***fairness and value*** *in the pensions for our disabled Veterans and War Widows and War Widowers."* The then Minister for Veterans' Affairs, Mr Bruce Billson MP, also stated in 2007, *"In keeping with the Government's commitment to a 'best practice' and beneficial system of support for Service related injuries, illnesses and impairment…."* He also went on to say: *"I am pleased to present a bill that introduces a uniform – and a more rational and equitable method of indexation for all disability pensions."*

Thankfully, the May 2014 indexation proposal did not go ahead. Due to proposed changes to many payments within the Centrelink purview, that will help the Government 'balance the books', the TPI Federation asks that the DVA Compensation payments, and its indexation methodology, be quarantined from any other Social Services changes. The DVA Compensation payments are

Compensation and not Welfare

and should remain isolated and protected from the whim of the Government of the day.

b. Factors affecting Veterans PTSD and Anxieties

The Government is embracing the Whole of Government concept and, to this end, are centralising processes for the betterment of 'good Government' and 'best practices'. This is an admirable concept but it does not take into account the issues of all, young and old, Veterans and their Families. The Veterans and their Families have enormous hurdles to contend with. For them to then have to navigate through a countless number of Departments and Agencies, and also to keep track of when and where they have contacted those Departments and Agencies, is an enormous pressure to place on the Veterans and their Families. The Veterans have their own Department for a reason. This is so that the Veteran and their Families only have to deal with one Department for any Compensation, other payments and medical concerns.

The Liberal Government, and the Minister for Veterans' Affairs, Dan Tehan MP, have stated emphatically that the Department will continue to work for the Veterans and their Families.

Why is it then that these same Veterans and their Families are being asked to contact other Departments or Agencies for their entitlements?

Some telling statistics are –

a. the current Australian population is 23.13 million.
b. Those born overseas is 5,294,200 or 22.9% of the population.
c. The Aboriginal population is 458,520 or 2.4%.
d. The Veteran community (which includes War Widows and orphans) is 164,997 or .7% of the Australian population.
e. The TPI population is 28,183 or 16.88% of the Veteran population or .12% of the Australian population.

With such a small number within the Veteran population, when compared to the Australian Population, it is any wonder that the other Departments and Agencies know little, if anything, of the Veteran's issues or entitlements and much needed consideration of their condition/s.

When a Veteran becomes confused and lost and has the feeling of losing control of his surroundings this is, along with other reasons, when the Veteran loses hope and suicide is contemplated. DVA, and the Federal Government, cannot deny their responsibility to these Veterans and their Families and just to tell them to move on to another Department because of a change in Government philosophy is so morally wrong.

c. <u>Three Tiers of Compensation Recipients</u>

The Federal Government, over many years, made changes to the Veterans Entitlement Act (1988) which began, during World War I, with the War Act (1914). This was dealt with by many, the Government, DVA, Pension Advocates and the Veterans, for just on 74 years. The Government in their wisdom then introduced a number of ways of breaking up the Veteran community.

The following indicate the four tier sections that Compensation Recipients are now allocated to –

1. Veterans' Entitlement Act 1988 (VEA)

2. Safety Rehabilitation Compensation Act 1988 (SRCA) soon to be Defence Rehabilitation Compensation Act (DRCA)

3. Military Rehabilitation Compensation Act 2004 (MRCA)

Veterans under any of the 3 Compensations Acts listed 1-3 and without qualifying service, and especially TPI/SRDPs without qualifying service, (while still being the most disabled of the Nation's Veterans) are denied access to the following DVA services purely because they don't have operational service –

i. Changes to the reimbursement of pharmaceutical costs by the Veterans' Pharmaceutical Reimbursement Scheme were introduced in 2013. These changes provided reimbursement of costs of pharmaceuticals that exceeded the Pharmaceutical Allowance paid in a calendar year, to a TPI/SRDP with qualifying service. These changes denied this benefit to TPI/SRDP without qualifying service. All TPI/SRDPs have the highest requirement for the cost of pharmaceuticals, and this denies those without qualifying service their full compensation entitlement.

ii. Aged pension and disability support pension, as income support, cannot be obtained through DVA. The non-operational Veteran must consult Department of Human Services (DHS). DHS, through no fault of their own, cannot be expected to know all the ramifications of dealing with the Veterans' conditions and entitlements (including knowing the empathy and considerations needed to manage their condition/s) because of the relatively low numbers of Veterans compared to the national population. Again, DVA should be responsible for all DVA client's payments. It is not good enough to say that DVA does not have the computer facilities for such payments because they manage so well with those clients that do have operational service and require income support.

iii. DVA Heart Health program is provided as a preventative measure for DVA clients but only for those with operational service. The savings to the DVA health budget would be enhanced if all DVA clients had the opportunity to take advantage of the Heart Health Program. As a preventative clinical measure for heart conditions it has been proven a very successful program – but not for the non-operational clients. Even if these clients are TPI/SRDP, they are still not entitled to this preventative measure.

iv. The non-operational DVA client is not entitled to receive a number of the Assisted Listening Devices (ALDs) that other DVA clients are entitled to. DVA has now conceded that hearing issues should be accepted as a Defence caused disability without have to have a causation effect. Should DVA now reverse its decision to deny non-operational clients the same entitlement as other DVA clients.

v. And finally, the most disappointing case is where the non-operational DVA clients have their TPI/SRDP compensation (not income support) treated as income for the purposes of the MyAgedCare entry income and assets test. This will affect a number of Veterans, who having fought all these years for entitlements and justice, and who are now too ill and/or too old to fight for their own rights as they are dismantled to suit the Whole of Government processes.

This is discriminatory and a failure to recognise that a non-operational TPI suffers the same consequences as an operational TPI even to the extent of not having access to a service pension at age 60, but must rely on a Centrelink Disability Support Pension. A salient point, worth remembering, is more service people have been killed or injured in non-operational theatres since the Vietnam War; by example the Black Hawk tragedy, the WESTRALIA incident and other numerous non-operational occurrences that have caused fatalities or injury. The TPI takes the view that

A TPI is a TPI!

d. Correspondence

DVA's correspondence with their client Veterans from some parts of DVA have at times been confusing, ambiguous and too legalistic. This area needs to be addressed urgently. DVA is too decentralised and many of the staff are temporary and little background knowledge of the Veteran issues.

There are many TPI/SRDPs who have many mental health issues when a letter or email arrives from DVA, and then often the wife/partner needs to open the correspondence and make a decision as to whether the DVA client should see it. If it is inappropriately written the wife/partner needs to find a time that is suitable to the DVA client's condition. If he/she is having a good day, then the wife/partner does not want to change that and if he/she is having a bad day they don't want to aggravate it. The wife/partner is definitely caught in the middle.

e. Overpayments Recovery Processes

As stated in the submission for this inquiry by Mr Michael Quinn, "the department states that there is less than a 3% over payment problem". Some letters received that threaten prosecution if overpayments are not rectified can lead a Veteran to thoughts of suicide especially when it involves large amounts of money.

There is also an issue where a non-operational DVA client who HAS to deal with Centrelink is advised by them that there is an overpayment. This needs to be repaid via the Centrelink Disability Pension. Because there was an overpayment with this payment then the DFISA from DVA also has an overpayment. This has to be recovered from the DFISA payment. If a DVA client wants to query this overpayment, then Centrelink advise that DVA should be contacted and then DVA advise that Centrelink should be contacted. There is never a resolution. Again, DVA should be controlling all DVA client's payments. With this type of confusion there is much to worry about with those DVA clients who have mental health issues

f. Non-Liability Health Care (NLHC)

The DVA Secretary initiated a great service for all current serving and ex-serving ADF Members with the introduction of the Non-Liability Health Care, or White Card. Mental health treatment is now available to all current and former permanent members of the ADF for a range of conditions, including post-traumatic stress disorder (PTSD), anxiety, depression, and alcohol and substance use disorders. These members will also be issued with a DVA White Card for treatment of these conditions. It is a great start for current serving ADF members suffering from these conditions, when they first transition from the ADF. Those ex-serving ADF members also gain the NLHC for the 5 mental health conditions out of the possible 200 + mental health conditions that are currently known. However, there is a discrepancy with the Cancer and TB section of the NLHC. One of the nine eligibility criteria for this is to have served from December 1972. It is extremely difficult to advise an ex-serving member that has served in 1968 or 1948 and to advise them that they are not eligible. The Member served in the same asbestos riddled accommodation on land and on the sea yet they are not eligible. This needs to be addressed urgently. Again, as the health budget for Veterans is uncapped why can this not be done?

g. RPBS and PBS comparisons

As the Government proceeds with the Whole of Government process and the normalisation of the Veteran into the general population the items available on the RPBS are being reduced at a rapid rate. Where previously, the mantra was 'where there is a clinical need, then the prescription will be approved', it now appears that the RPBS is being merged into the Medicare system and many of these approvals are no longer available. This has occurred with a great number of products and services to the point where the RPBS is now almost identical to PBS.

h. Funeral Allowance

As stated in the DVA submission for this inquiry, under the MRCA, a DVA client's family is currently eligible to $11,654 as a funeral allowance. This is markedly different with the VEA client's family where the same allowance is $2,000. In 2004 The TPI Federation gained a 100% increase to the Funeral Allowance whereby TPIs Funeral Allowance was now increased from $572 to $1,000. This was increased again in 2007 to $2,000. This allowance for the DVA VEA clients should again be examined. The VEA Funeral Allowance is ensconced within the legislation of the VEA (1986). The TPI Federation is asking the Government to make a suitable amendment to the legislation so that the VEA Funeral Allowance is increased each year by the CPI and not to have a set amount written into legislation.

i. MyAgedCare Ramifications for Veterans

It should be noted that 80% of DVA clients are aged over 65. Therefore, most will eventually become clients of the MyAgedCare system in the very near future. The MyAgedCare system was introduced in 2013, again, as part of the Whole of Government integration of processes. The DVA clients in this age group are mainly Vietnam Veterans, along with some remaining WW2 and Korean Veterans, who have done the 'heavy lifting' for the Veteran community in the past. Now these same Veterans are being diverted to the Department of Health and the Department of Human Services for their old age requirements. This is a disgrace.

Currently, if trying to gain access to the MyAgedCare system, a Veteran needs to complete an ACAT Assessment, a 32-page Department of Human Services document, a 2-page DVA document and a 60-page Aged Care Facility document. If the DVA client wishes to put his/her name down for more than 1 facility, then this 60-page document is multiplied by the number of facilities.

It is the experience of the TPI Federation that DVA does not provide any assistance with the entire MyAgedCare process. The Veteran and their families are being left to their own devices. In instances where the DVA client is alienated from his/her family due to their Defence cause condition/s, then the DVA client usually turns to an Ex-Service Organisations (ESOs). DVA has refused, to date, to provide any form of training for the ESO Welfare Advocates to assist these Veterans. Departments of Health and Human Services have provided some information but most Advocates are still quite ignorant of the requirements of the MyAgedCare system. Some information has also been gleaned from COTA. Overall though, the knowledge of the Advocates is still very poor on this. It is obvious to say that financial advice cannot be given to a client. This is a well-known fact for all Advocates but it cannot be left to the Financial Advisors to advise clients and/or their families on how to complete a form and to advise on the requirements of the entities involved in these processes.

When trying to act as a Welfare Advocate for a DVA client, only to be told that either DHS or DoH cannot talk to the Advocate and that they can only advise the client, is defeating the purpose of the ESO Welfare Advocate.

To overcome all of these issues, DVA needs to take control of <u>all</u> their clients again. It is irrelevant what DVA has to do to achieve this, but it would be simple enough to set up a DVA hotline for all DHS and DoH issues. If DVA could then liaise with DHS and DoH, in a back-office capacity, on the issues and return to the client with an answer this would resolve all the conflicts that Veterans have with other Departments.

It is admirable that DVA has ensured the Contemporary Veterans that the Department of Veterans' Affairs will be there for them 'from enlistment to the grave'. Why is this not available for the older Veterans now?

Surely, this is the least a Veteran should be entitled to in their time of ill health and declining years.

This is the right thing to do!

j. Duplicity on non-cost productive processes

There are a number of unnecessary and duplicitous costs incurred by DVA that would provide the much needed reduction in costs that the Government is looking for.

For example –

1. Referrals to health providers such as Physios, Psyches including VVCS, need to be streamlined. Why is it necessary to obtain a GP's referral for treatment that has been, and will continue to be, needed for the rest of the Veteran's life. The cost of the unnecessary GP's consultation just to receive the referral is not cost efficient. This also occurs in many other sections of the health spectrum.

2. The costs for legal work and health reports when a condition is obviously Defence caused, and is referred to in the Defence medical documents, still needs to be thoroughly investigated by DVA for a claim to be accepted. This is a current legislation requirement but it is duplicitous in that Defence has already been treating the Member for this.

3. DVA has acknowledged that there are less than 1.5% of claims that are disingenuous. The TPI Federation asked that DVA have a claim for compensation and medical health costs accepted immediately on receipt of the claim. Should the claim be one of the few disingenuous claims this can then be followed up by the Department's fraud section.

   The TPI Federation would suggest that this would not be an onerous task with so few to follow up. Meanwhile, should this happen the other 98.5% of clients need not be put through the wringer to prove a case with very expensive medical reports and, at times, legal reports for both DVA and the client. The client's agitation and peace of mind would be satisfied as well and the number of suicides would reduce dramatically. It should be noted that most ADF members were honest while they served, and most are still the same after they leave the ADF. Surely it would be more cost efficient and more effective for the client, and the DVA staff, to process all claims immediately and, if necessary, follow upon the more suspect claims.

4. DVA's compensation and health payments are uncapped within the budget constraints. If this is truly so, then why are not all compensation and health requirements paid. Why does it have to be a fight for what is deemed, by the client and the medical profession, to be a legitimate requirement.

   Why is it that many health requirements (including the Heart Health Program for non-operational DVA clients) are not considered 'essential' despite medical advice?

5. In relation to paragraph (e) of this document, many overpayment recovery processes are definitely not cost effective. For example, when Centrelink sends out a letter stating that that an amount under $10 has been overpaid and will be recovered, DVA follow this up by sending out another letter advising how this will affect the DFISA payment. These processing costs for the correspondence and the recovery are far out-weighed by the small amount recovered.

Conclusion

It is both wrong and immoral that Veterans are losing their entitlements along with the recognition of the Uniqueness of Service in the community, the Nation and the Government, particularly as the Government tries to normalise the Veteran into the Whole of Government concept. This sees the Veterans lose their services and entitlements as they are merged into the general public's entitlements and processes.

It was Prime Minister Rudd who stated –

"Anyone who puts on the uniform of the Nation deserves our utmost respect."

This is not occurring, rather Veterans are being asked to deal with a myriad of Government obstacles to gain compensation and medical services - especially those most disabled.

As the Whole of Government processes are rolled out, the reduction of Veteran's entitlements now occur by stealth. This is now very common and extremely disappointing to the TPI Federation. As this occurs, we are told that whatever has occurred cannot be reversed. The Government can reverse, or at least adapt, any chang

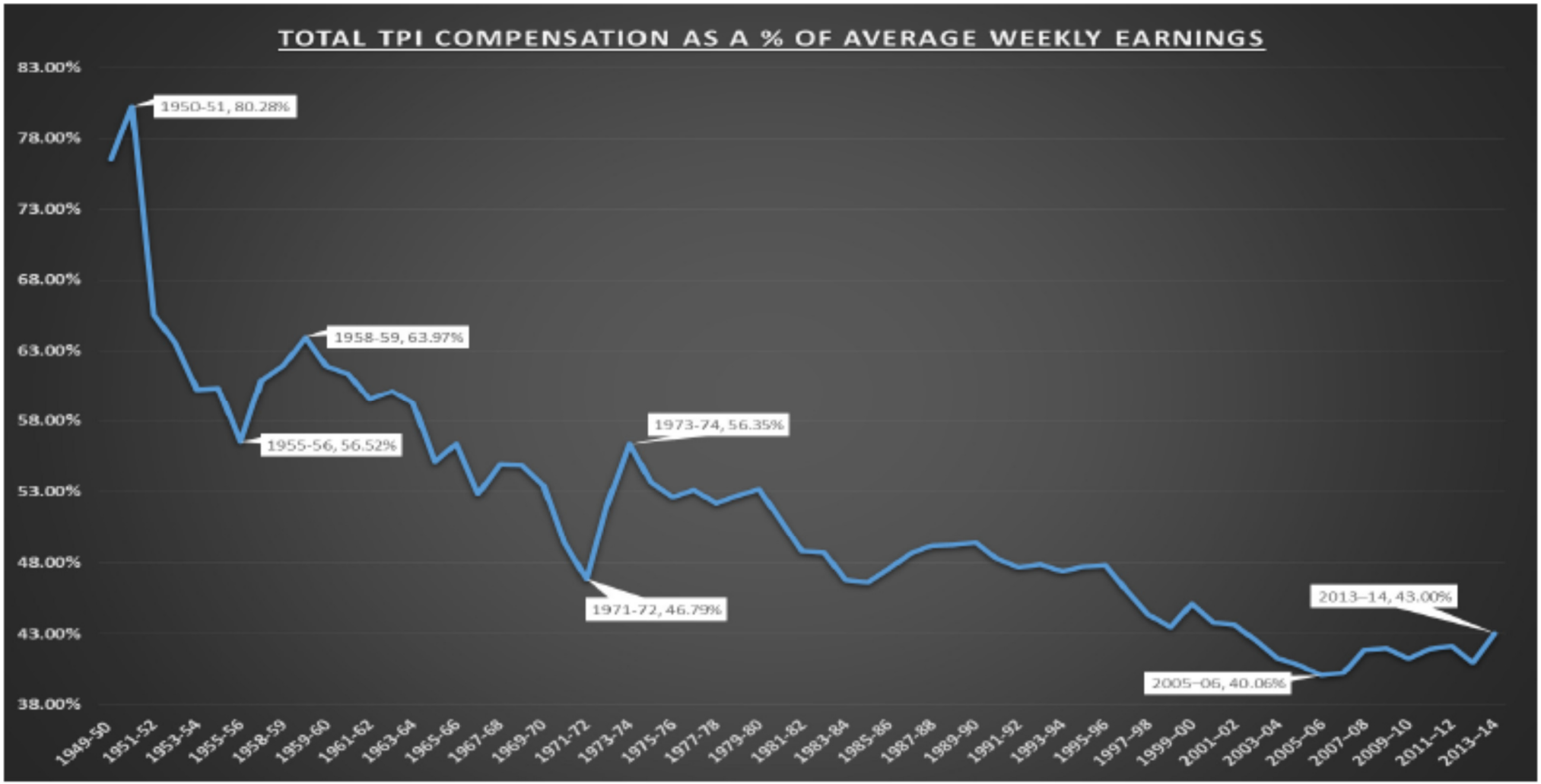
The contemporary Veteran, who is covered under MRCA, and is also a TPI/SRDP, still has to repeat his story to each and every new provider that is allocated to him by the DVA Rehabilitation Plan. This repetition is depressing and causes distress as the Member is scared that if he/she leaves out a detail or a detail is not as stated previously then his/her entitlements will be affected. The stress this causes the Veterans and his family is enormous. Surely once a Veteran has been classified as TPI/SRDP then they should never again have to justify their Service to anyone – medical or civilian.

It is imperative that all DVA clients continue to have DVA as their ally. They must never have to deal with other Government Departments on any issue. Issues affecting DHS & DoH such as Disability Pension (as an income support payment), Aged Pension, MyAgedCare, Hearing Services (and any other services that are about to be sent to other Departments) should be completed by DVA. DVA should have the facility to contact these other departments, get the requirements for any issue, then go back to the DVA client with a result. This will confirm to the DVA client that he/she is, indeed, still a DVA client and the Whole of Government processes can continue to develop as required away from the eyes or ears of the DVA client.

To really have some control over the number of suicides and aggravated mental health issues the constant draconian cantankerous adherence to the precise letter of legislation, regulations and SOPs is so exacerbating as to cause this multitude of aggravated mental health issues. With an uncapped budget why are the delays and technical and legal hitches so detrimental to the Veteran. To accept the Veteran at face-value and for the DVA Departmental staff to not treat them as potential fraudsters but rather thank them for their Service to this Nation by accepting their issues and their needs at the first instance. It is vital that all Australians, with emphasis on the Government of the day, treat all Veterans with Honour and Respect.

The Government of the day is elected by their constituents and then the Government Leader of the day delegates positions to the Ministry. The clients of these Ministries then become their constituents. It is time for the Government of the Day and the owners of the Ministries to truly represent their constituents. Is the DVA Minister in this position to represent the Government or to represent the DVA clients who are, in reality, his constituents.

Attachment A



Data Sources Various (Special Mention – TPI Ray Evans)