



Royal Commission Update - Sydney Day 23 - 16 March 2022

RSL References

Positive:

NA

Negative:

NA

General Summary

- Testimony from general witness, Mrs Colleen Pillen
- Panel discussion with DVA into claims processing and complexity

10.00 - Mrs Colleen Pillen (Powers), general witness

Please note the team were unable to monitor this session and a transcript will be available in due course.

11:30am - 1:30pm Department of Veterans' Affairs

- **Ms Natasha Cole First Assistant Security, Client Benefits Division, Department of Veterans' Affairs**
- **Ms. Kate Pop PSM, Deputy President, Veteran and Family Policy Group, Department of Veterans' Affairs**
- **Mr Simon Hill Assistant Secretary, Policy Development Branch, Veteran and Family Policy Group, Department of Veterans' Affairs**
- **Mr Mark Harrigan Chief Operating Officer, Department of Veterans' Affairs**
- **Mr Glen Casson Chief Financial Officer, Department of Veterans' Affairs**

Opening clarification

- Executive management board meets every month on operations and strategic direction
- Conducts general management
- Breadth includes all from service delivery to finance and strategy
- All above on the board except Mr Hill
- Ms Cole's division focuses on claims processing

Claims processing and complexity

- Claims for rehabilitation include in incapacity claims - client can volunteer as part of incapacity claim
- Rehabilitation services provided by external services

- Agree that current legislation is complicated
- Agreed complex to process claims
- Agree it can make veterans feel overwhelmed
- Agree it can contribute to depression
- Agree that while each incidence of suicide is unique, it is not unreasonable to think an overwhelming process can be a contributing factor
- Complexity also places strain on DCA staff - complex and difficult to understand / navigate - hence a strong emphasis on training
- 6 month before staff considered proficient
- Complexity of claims means make its difficult to process fast and scale workforce
- Complexity makes it hard to be accurate in every circumstance
- Agree delayed claims can cause stress to veterans
- Agree any stressor can contribute to suicide
- 4 ticket items:
 - Agree one way to remediate complexity is to change legislation
 - Agree one way to cope is hire more staff and more training
 - Agree another way would be to simplify admin
 - Agree to remediate consequences would be support for veteran during claims - something DVA already does
- The above four points are not mutually exclusive and all could be achieved
- Problem is they are not all equally effective nor easy to achieve
- Haven't conversed on which is best solution
- Obvious remedy is to simplify legislation but this is most difficult to achieve so focus has been on other three options
- DVA has proposed to elective government how legislation might be amended
- Last budget process made recommendations
- Not aware of any significant legislation being passed in last 12 months
- Aside from work with McKinsey, continue to review and simplify admin process
- Introduction of My Service - legislation for electronic over paper - automated questionnaire processes

Staffing

- Those who make determinations on claims are delegates
- Other staff includes management structure, teams leaders, senior delegates, training team, quality assurance and income support
- Registration, screening, then claim goes to delegate
- Claim support officers - or trainee delegates - do the 'leg work' associated with claim
- Ratio between delegates being assessed - currently more delegates
- Assign training coordinate to each office
- Case coordinators - communication point between DVA and veteran - cases by case for more complex claims
- Have consolidated different claims to be with one delegate - including type and different times new claims submitted
- Believe single delegate is beneficial
- Combined processing started in 2019 - prior different delegates handled different legislation and claims
- Required delegates to be trained in other areas
- Logical to say delegates are now more experienced but do not have higher APS classification - it is 5
- Turnover is common in any gov agency - DVA has been consistent past few years
- Overall turnover sits at 11 percent for those employed under public service - last FY was 9 percent
- Specifically for claims workforce. YTD 9 percent, previous FY 7 percent
- Above for APS staff. Turnover higher for contractors

- Delegates become proficient after 6 months. Between 50 percent and 75 productivity in first year
- Try to look for permanent employment for contractors - 2/10 move to permanent
- Cant answer on numbers of others leaving, but 50 percent over estimate

Funding

- 13.5 million supplementary funding sought and granted 17/18 fed budget one year
- 18/19 12.1 million sought and granted one year
- Used on temp staff because had one year of funding
- Agrees the problem was unlikely thought to be temporary
- Objection to asking about more permanent funding
- Las federal budget got two years funding
- Objection to if DVA asked for more permanent funding - cabinet confidence
- Receive ongoing ASL as well as supplementary funding
- Form advice to assist government for funding decision
- Can go through a number of channels to be considered by gov
- DVA did seek additional funding in 2018 2019
- Fund received for additional resources - 447 staff across dept - 390 for client roles
- 360 of 447 filled and still recruiting
- Division total 910 for all roles - around 700 in compensation stream - mix of APS and contractor
- 700 - base funding and sup funding - 274 from sup funding
- 190 of 447 delegates
- Approx 750 staff in compensation - 60 percent delegates
- No unfilled positions for delegates - maximum allocation at time
- Some delegates trainee and move to APS positions
- Employ on temp basis - train for 6 months - accredited - move to APS in non ongoing position - encouraged to apply for perm roles as they come up
- Contractors required to abide by APS conditions
- Not common or traditional to use labour hire company - do also recruit through traditional means
- Agree candidates would be better from traditional recruitment

Productivity Commission Report

- Productivity Commission made three recommendations for simplification, harmonisation and two track model
- Being considered by DVA
- Government responded in Oct 2020 and May 2021
- One road map o be developed
- Ongoing consultations with veteran community on how to simplify - DVA has also applied own mind
- Significant practical challenges - bringing the three legislative acts together creates winners and losers
- DVA view is MRCA should go forward
- VEA has long tail of claims of 50 years
- Could be other discussions but it is controversial - many people affected
- Simplification is very complicated - multiple stakeholder and views - hard to do without adverse outcomes
- Will go to cabinet - cabinet approve policy in principle then to parliamentary draft
- Can't answer if have principle yet - cant answer if anything has been drafted - cabinet confidence
- Agreed could do the work and costing and consult now
- Haven't drafted any instructions to parliament
- Have developed indicative costings on recommendations
- Ongoing looking at drafting road map - began in advance of 2021 - long term and need to get best outcome

- Wasn't new to DVA legislation was complicated nor desire to simplify - consulting and actioning always underway
- Need to be done in a way that isn't winners and losers and acceptable to veteran community
- Can't give any timing when roadmap will be completed

Commissioner questions

Peggy Brown

- Why is defence housing assistance under DVA?
 - o Tender for it a number of years ago as had experience and aligned to workforce at the time
- Would it be desirable to have permanent positions for delegates?
 - o Yes. To address incoming claims and back log. Temp staff to address demand and backlog.
- Do permanent positions now address demand?
 - o Depends on demand in future years. View is that not sufficient.
- Clarify - additional fund for two years for claims?
 - o Earmarked for claims processing
- With four years funding for ASL to appoint permanent people - can you do permanent for your years?
 - o Have to calculate margin for risk - complication
- What percent age of additional staff have secured permanent positions
 - o Difficult to say
 - o Can provide break down of perm vs temp
- On roadmap - how do we balance any new consequences against what is happening now?
 - o Ongoing move to simpler system
 - o Mask complexities from veterans until simplified legislation occurs
 - o Consensus hasn't been reached
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- Not ever going to get consensus - other pieces of legislation complex - changes need to be made - winners and losers - decisions get made - taxation - not everyone is happy - seems like particular area struggle for decision
- Final comment - sitting here wondering how member in the gallery and public - what they are thinking as they listen to discussion - a lot of discussion - a lot of discussion - is bureaucratic process - impacting change needed to reduce deaths by suicide - comment

James Douglas

- Does anyone have experience drafting policy?
 - o None drafting lawyers
 - o Consult lawyers who work with parliamentary drafting
- Policy recommendations go to cabinet then to parliament.
 - o Isn't always the case - usual process - minister puts forward - goes to cabinet - back to department - work continues from there
 - o Difficult decisions to be made
- Can you consult xx counsels
 - o Lawyers would work with office of parliamentary drafting to prepare legislation
- A policy recommendation go to cabinet and then to parliament
 - o Isn't always the case - usual process - minister puts forwards - go to cabinet - back to dept - work continues from there and can include legislative drafting - some aren't leg some are policy
- Significant decisions are likely?
 - o Yes - under VEA - some small amount of money - difficulty is if balance - get it the same? Small money? Financial implications of raising everyone across all acts'

Nick Kaldas?

- What do you see happening that may cause the DVA to ask for more staff?

- Have discussions as part of budget process
- Have secured more funding as discussed