



**Australian Commando Association Response
(Ver2) to:
The Productivity Commission Inquiry into Veteran Support Services
Draft Report**

1. Introduction

The Productivity Commission has recently returned the draft results of its inquiry into Veteran Support Services. The purpose of this Productivity Commission's inquiry was to investigate the effectiveness and efficiency with which compensation and rehabilitation services are delivered by the Department of Veterans' Affairs (DVA) to current and ex-serving veterans of the Australian Defence Force. The draft report: "*A Better Way to Support Veterans*" was released on the 14th of December 2018.

The Australian Commando Association (ACA) supports the submission lodged by the Alliance of Defence Services Organisation (ADSO) to this Inquiry.

The ACA acknowledges that DVA has worked hard in the past two years to fix the Veteran Support System with initiative such as the Veteran Centric Reform (VCR), "Transformation", and PROJECT LIGHTHOUSE. Significant ICT restructuring is understood to be being remedied. The ACA Supports these improvements of DVA to make the system "end-user" friendly and simplified to enable easier navigation of what is a complicated Legislative system.

The functions of the ACA are broadly described as follows:

- a. To foster and develop the Association's Welfare Patriotic Funds to support *its eligible members to its Objectives (Veterans Compensation and Welfare Entitlements under Commonwealth Law)*.
- b. Provide welfare and advocacy to sick, helpless, wounded, vulnerable, aged, destitute and needy Commandos and their dependents of: World War 2 Independent Companies/Commando Squadrons; members of post-World War 2 Australian Commando and Special Forces Units;
- c. Current serving members who have been/or are on the posted strength of a current or former units, which have been, or are now part of Special Operations Command (SOCOMD) and their dependents;

To encourage a spirit of loyalty to Australia and to encourage former Commandos to take an active part in matters of national importance; particularly defence.

- d. Promote the interests of members through activities of a ceremonial, commemorative, memorial, sporting or social character for the benefit of current serving members, former members and their families;
- e. Foster and develop the Association's support of the Commando Welfare Trust in support of its eligible members.
- f. Form and support relationships with other national and/or international special forces, military and kindred associations for mutual benefit.

2. Brief History of Australian Commandos.

In 1941, Australia raised Independent Commando Squadrons that were tasked to conduct raiding, sabotage and subversion. Initially these Squadrons were to be the early warning of a Japanese occupation of various islands throughout S.E. Asia and South Western Pacific. They also conducted Guerrilla Warfare against the occupying Japanese forces in S.E. Asia.

The M & Z Special Units were raised in 1942, as part of the Allied Intelligence Bureau (AID) and later the Australian Services Reconnaissance Division (SRD), to conduct clandestine warfare and intelligence gathering behind enemy lines. The Commando Squadrons, along with M& Z Special Units were demobilised following the cessation of World War 2.

In 1954, it was decided by Army Command that the Australian Army needed to retain the skills and expertise associated with the Commandos of World War 2. In 1955 the 1st and 2nd Commando Companies were raised in Sydney and Melbourne respectively.

In 1958, the 1st Independent Signal Squadron was raised, later re-named to the 301st Signal Squadron, to provide communications support to clandestine operations. It was later tasked to provide 'special communications' and was particularly unique as it had a Regular Army Special Warfare Field Troop with Army Reserve (then CMF) Field and Base Troops. This unit went on to become 126th Signal Squadron (Special Forces) in 1963, and in 1981 became a sub-unit of the 1st Commando Regiment, and later the unit split to form 126th Commando Signal Squadron a sub-unit of the Regular Army Commando Regiment, and 301st Commando Signal Squadron a sub-unit of 1st Commando Regiment.

In 1981, the 1st Commando Regiment was established, with Headquarters located at Randwick, NSW, with 1 Commando Company in Mosman (Sydney) and 2 Commando Company and 126 Signal Squadron in Melbourne.

On the 1st of February 1997, the Regular Army Commando Regiment was raised as the 4th Battalion, Royal Australian Regiment (Commando) (4RAR (Cdo)). 4 RAR (Cdo) went on to develop the Regular Army Commando capability and was redesignated as the 2nd Commando Regiment on 19th of June 1999.

Since the establishment of Commando units in the Australian Army, Commandos have served in Borneo, South Viet Nam, Cambodia, Somalia, The Sinai, East Timor/Timor Leste, Iraq, Afghanistan, various Peacekeeping Operations, and the Middle East Area of Operations. The Commando units also continue the necessary Counter Terrorism (CT) capability and

have been involved in the MV Pong Su incident, and a range of Major Public Events in Australia such as the 2006 Commonwealth Games.

Commandos are part of the front line and the strategic defence for Australia. During the Afghanistan conflict, Commandos had the highest number of soldiers killed and wounded in action than any other Australian unit deployed to the conflict (2001-2014).

Serving as a Commando is high intensity in nature, within a high-risk environment, with the expectation to readily deploy at very short notice. Service within the Special Forces is typically extreme and represents the highest degree of endeavour, endurance and military capability asked of ADF Members.

Hence, the skill-sets, physical and mental toughness, and individual experience of Commandos is expected to be at the highest levels. Unfortunately, 17 Commandos have died in service since 1955 up to 2017. 13 Commandos were Killed in Action whilst fighting in the Afghanistan conflict from 2007 to 2014. Countless others have been wounded, injured and ill; causing premature medical discharge of these Commandos from the ADF, as a result of their service rendered.

3. Summary of Draft Report Recommendations

The following numbered list provides a very brief summary of the recommendations of the Productivity Commission's draft report. Recommendations are interpreted as follows: -

1. Dismantle DVA and have Defence manage Compensation for Veterans in 2023.
2. Introduce a new Veteran Services Commissioner (in place of the Secretary and other Senior Executives within the DVA Structure).
3. A Minister for Defence Personnel and Veterans' Affairs (The incumbent Minister holds both portfolios).
4. Cease the DRCA eligibility (post Dec 1988 to 30 June 2004) and replace with a scheme similar to MRCA in 2025 (Scheme 2).
5. Abolish the Special Rate Disability Pension (SRDP).
6. Maintain the VEA (Scheme 1), for older veterans at or above the age of 55 on the date of the proposed cut-over to Scheme 2.
7. Include Superannuation (CSC) into the Veterans' Compensation system by access to a 'single door'.
8. Not to increase TPI Rate of Pension.
9. Transfer responsibility of Commemorations over to the AWM.
10. Remove the Gold Card.

11. Remove the other younger persons and/or orphan payments under VEA, DRCA and MRCA
12. War Widows Pensions only eligible for the partner of a veteran who dies as a result of service caused conditions.
13. Remove the Veterans' Children Education Scheme (VCES) and the Military Rehabilitation Children's Assistance for Education and Training Scheme (MRCAETS). The PC's view is to place children on Aus Study and New Start with Centrelink.
14. Remove the Defence Force Income Support Allowance (DFISA) and the DFISA Bonus.
15. Place Veterans and their families into the DHS arena or Welfare (Centrelink) for Income Support and other DHS Allowances.
16. Veterans to utilise a Private Health Insurance, rather than the White (Specific Treatment Entitlement Card) or Gold (All Conditions within Australia); Card system.
17. Veterans to be only treated for the conditions that they have had accepted. This is the view of the PC, as the Gold Card provides for All Health Conditions within Australia, this is in their view too generous.
18. Scrutiny of Veteran Mental Health to make comparisons of the performance and outcomes of Open Arms with external Counselling Services.
19. Removal of Allowances such as Victoria Cross Allowance and Decoration Allowance.

4. Response to Draft Report Recommendations

Point 1, Dismantle DVA.

The ACA rejects any dismantling of DVA, with the view to handover the responsibility of Veteran Compensation and Rehabilitation to the Department of Defence, under a Transition Support Command. The ADF is involved in the development of the capability of warfighting, with commitments to overseas operational deployments and the protection of Australia. It has no present infrastructure to undertake the significant task of managing Veteran Compensation and Rehabilitation.

The retention of DVA is vital to the ongoing relationships and managing of client's needs. The ACA strongly supports the Strategic initiatives of DVA through the Veteran Centric Reform (VCR) Program and the Transformation Program.

Point 2, Veteran Services Commissioner.

The ACA rejects the proposition of a Veteran Services Commissioner (VSC), as it relates to the dismantling of the DVA model recommended by the PC Inquiry Panel.

Point 3, A Minister for Defence Personnel and Veterans' Affairs.

The ACA supports this recommendation and notes that the current Minister for Defence Personnel and the Minister for Veterans' Affairs is Mr Darren Chester, MP, who holds both portfolios.

Point 4, Cease DRCA eligibility and replace with Scheme 2 (MRCA).

The ACA supports this recommendation, however care is highlighted that veterans and their families will not be worse off at the cut-over of Schemes.

Point 5, Abolish the SRDP.

The ACA supports only partially with the abolishment of SRDP, but only the Offsetting arrangements within *s204 of MRCA*. The choice to receive SRDP, regardless of the compensation received for those with 50 Impairment Points or higher and who are unable to work 10 hours or more per week, should remain. The reason for this condition is so the *VEA* determination of Totally and Permanently Incapacitated (TPI) (*s24 VEA*), holds a similar concessional value under MRCA.

The ACA wishes to retain the Gold Card stamped TPI for those under MRCA SRDP, or MRCA with 50 Impairment Points for a veteran who is unable to work more than 10 hours as a result of their service or war caused condition(s). TPI is given special consideration by Australian States and Territories for a range of beneficial concessions, as recognition of the severity of the Veteran's conditions, resulting from their service to Australia.

Point 6, Maintain Scheme 1 (VEA) for veterans aged 55 and above at a cut-over to Scheme 2 (MRCA).

The ACA supports this recommendation.

Point 7, CSC access through a "Single Door".

The ACA submits that COMSUPER (CSC) is specifically Legislated to provide Retirement, Invalidity and Death Benefits. Therefore, the Invalidity Benefits within CSC, have a specific criterion that needs to be satisfied. The criterion for Compensation differs from Invalidity Benefits, as compensation must be proven to be service-related and/or clinically onset; clinically worsened; or materially contributed arising from the person's service.

Invalidity Benefits are not within the realms of compensation. Invalidity Benefits have the criterion that the medical condition either inhibits or prevents the individual from working, based on their qualifications, skills and previous and recent employment.

A mis-understanding of many within the ADF and Veteran community is the belief that

Invalidity Benefits is compensation. This is not correct. Superannuation is contributed by the member, with the employer also contributing to the member's superannuation fund. If the person is incapacitated or disabled, not necessarily arising from their work, the member is then assessed for Invalidity. In the Private Sector and in some Public Sectors, this is known

as Totally and Permanently Disabled (TPD).

The other differences of compensation and Invalidity Benefits is that there is no demonstrated or legal linkage of Superannuation to Workers Compensation in Australia. This is because of the *Law of Superannuation in Australia*. The Australian Taxation Office (ATO) has various regulations relating to Superannuation, as does the Australian Securities and Investment Commission (ASIC). Superannuation is governed by *The Superannuation Act 2005 (Cth)*.

The creation of the PC recommendation of a “Single Door”, whilst understandable for a single point access of both Compensation and Superannuation for exiting ADF Members, may not be practicable in its application, as a result of the differing Legislative and Criterion requirements of both compensation and superannuation.

Point 8, No increase to TPI pension under VEA.

The ACA believes that the issue of parity of TPI pension and that of Average Weekly Ordinary Time Earnings (AWOTE), has been a long-standing matter and hasn't been reviewed since the Independent Tanzer (1999) and Clarke (2003) Reviews. The Campbell Review of 2009 did not address this matter.

Point 9, Transfer Commemorations to the AWM.

This recommendation is rejected by the ACA. The AWM has a specific purpose and is not practically equipped to take on the role of Commemorations. The DVA Commemorations Branch has been functioning reasonably well over many decades. The Office of Australian War Graves (OAWG), has also been managing very well by DVA.

Commemorations are not only a National approach for the continued remembrance of Australia's service, courage and sacrifice; but they are also of an International interest to the Nation. Many of Australia's war dead are buried in numerous locations around the world. The respect and sanctity of Commemorations and the OAWG must be maintained with a well-equipped and functioning body, as the DVA Commemorations Branch so performs on behalf of the Government.

Point 10, Remove the Gold Card.

The ACA rejects this Recommendation. The Gold Card is recognition for the holder's sacrifice to Australia. The sacrifice for eligibility of the Gold Card is not a “prize” as has been touted by ill-informed commentators. The Gold Card recognises the significant impact of a single or multiple condition as a result of that holder's service to Australia.

The Gold Card is also recognised by various State and Territory Governments who also recognises the significance of the sacrifice made by the holder, of which Concessions are provided. Veterans and their families are most grateful to receive the Gold Card, as it not only provides treatment for all conditions within Australia, it is recognition of their sacrifice to Australia.

Point 11, Remove the other younger persons and/or orphan payments under VEA, DRCA and MRCA.

The ACA rejects this recommendation. Australian Workers' Compensation Schemes compensate families of those who die as a result of their work. In the same context, younger persons and/or orphans are also compensated within Veteran Entitlement Law.

Point 12, War Widow(er) Pensions only made available, if a service person dies from service caused conditions.

This will extinguish the long-time entitlement for partners of veterans who have had to care for a TPI Veteran. This is an unfair recommendation, of which the PC Inquiry Panel consistently fails to recognise the effects of a Veteran's war or service-caused conditions has on his/her family. The family carry the burden of caring for these most disabled veterans for many decades. It is a burden that is currently recognised by the Australian Government, with the automatic eligibility of the War Widow(er).

Point 13, Remove the Veterans' Children Education Scheme (VCES) and the Military Rehabilitation Children's Assistance for Education and Training Scheme (MRCAETS). The PC's view is to place children on Aus Study and New Start with Centrelink.

The ACA rejects this recommendation and notes that the PC Inquiry Panel has not considered the lives of Veterans' Children, who are also affected by the service and disabilities of our most incapacitated veterans.

Point 14, Remove the Defence Force Income Support Allowance (DFISA) and the DFISA Bonus.

The recommendation is rejected by the ACA. The PC has not made any recommendations toward an alternative Economic Loss compensation stream for those veterans in receipt of TPI (Special Rate of Pension) under the VEA. The DFISA arose as a result of the level of poverty that eligible peacetime, or non-warlike, or Hazardous, or Peacekeeping, or Defence Service Veterans will be living on if they are not eligible for Qualifying Service (QS).

QS provides eligible TPI and certain other Veterans with a Gold Card (100% of the General Rate [GR]), with the War Service Pension (WSP). The WSP is a partnered pension for both the veteran and their partner.

The removal of DFISA will also penalise partners of TPI Veterans, as they will no longer receive the Support Payment, hence no longer eligible for the Pensioner Concession Card under the DFISA scheme

DFISA is not as beneficial as WSP, however in both instances, the Pensioner Concession.

Card (PCC) is issued to both recipients. For Coupled WSP recipients the PCC is received also by the partner.

Without any Income Support for TPI Veterans who do not have QS, this will mean a significant and detrimental effect to their lifestyle.

Point 15, Place Veterans and their families into the DHS arena or Welfare (Centrelink) for Income Support and other DHS Allowances. The ACA rejects this recommendation, as it fails to recognise the unique nature of service rendered by the veteran. It goes against a beneficial Government approach toward supporting veterans who have put their country before themselves and their families. No other occupation in Australia demands this of their employees.

The Government recognises this dedication and sacrifice. Veterans are treated with dignity, with special attention to caring for the needs of Veterans and their families. Hence, it is a duty bound by the Government to provide a better service for Australia's Veterans and their families.

The recommendation to place Veterans into the Welfare spectrum not only lacks respect to the veterans of Australia, but it is impracticable, as it dissolves any care the Government has toward Veterans and their families.

Point 16, 17: Down grading of Gold & White Card Medical Cover This goes against the DVA strategic plan to provide Cards to exiting ADF Members. The ACA rejects this recommendation. The Gold and White Card Medical Cover, whilst it has had some difficulties, is a system that has worked for many decades.

The system has evolved to an end-user friendly approach and billing does not appear to be too much of a problem. However, there have been limitations in treatment for veterans and various specialists during the freezing of Scheduled Fees introduced in 2013.

A point to note is that most DVA clients are placed on the same Medical Schedules and Scales as with Welfare and Aged people of the Public. There is some concessional acceptance toward specialists, only after approval has been made by the Department (DVA).

Point 18, Scrutinisation of Veteran Mental Health to make comparisons of the performance and outcomes of Open Arms with external Counselling Services.

The ACA supports any performance measurement; however, we caution of the apparent recommended approach to scrutinise Open Arms Counselling Services. Open Arms has a dedicated Committee (National Advisory Committee [NAC]), of which they visit Open Arms centres around Australia three times per annum, consult widely with the Veteran constituency, consults with Outreach Providers, and clients of Open Arms.

The NAC oversees the delivery of services of Open Arms to Veterans, their families and current service members and their families of the ADF. A report of each visit is raised by the Chairperson of the NAC, which is briefed to the Minister for Veterans' Affairs. This practise has been ongoing since 1982 to the present day. The NAC has been instrumental in the development of eligibility for a wide range of veterans.

Point 19, Remove Allowances such as the Victoria Cross Allowance and Decoration Allowance. The ACA rejects the recommendation to remove Allowances such as the Victoria Cross Allowance and Decoration Allowances. Such allowances have been provided to members such as Warrant Officer Ray Simpson, VC, DCM, who was a former Training

Warrant Officer of the 2nd Commando Company, having been awarded the VC for his actions in South Viet Nam in 1969, along many other Officers and Soldiers from Commando units who have also been awarded Decorations.

The most recent was Corporal Cameron Baird VC, MG. His legacy being carried by his father Doug Baird, who educates the Australian Public and veterans alike on the honourable service of his son and the ADF. Cameron Baird is among many other soldiers from the Australian Regular and Reserve Army to be recognised for their courage under fire in the most hazardous of circumstances.

The Decoration Allowances have been long held as recognition, for service above and beyond what is required of a service person in combat. Recognition for selfless courage and sacrifice to save other people's lives, and/or to change the advantage of battle by a single, or multiple acts of heroism, either individually or collectively.

5. Other matters.

The ACA has observed the content of the submissions to a range of Inquiries since 2017. Most appear to highlight significant problems with decision-making and the complexity of the Legislative Acts, that a veteran must navigate to ensure success of their Primary Level Claims for Commonwealth Liability. It would perhaps be prudent for the PC Inquiry Panel to recommend an impartial quasi-judicial body to hear of any cases that relate to such decisions by DVA. This would of course be outside of the Reconsideration and Review processes under the various Acts.

The complexities of Multiple Legislation is an area that requires streamlining and simplicity. The ACA acknowledges that the recent enacted Safety, Rehabilitation & Compensation (Defence related Claims) Act 1988 (aka DRCA), has combined the previous Commonwealth Employees Compensation Acts, along with the Safety, Rehabilitation & Compensation Act 1988 (SRCA), into one single Act. DRCA provides for a much easier and fair Compensation Act for the older Commando cohort to claim conditions that have been service related.

In terms of the *Military Rehabilitation & Compensation Act 2004 (MRCA)*, the Act is complicated by a range of variables. The bias toward service type, gender and age is not found in other Australian State or Territory Compensation Acts. The calculation of Permanent Impairment (PI), by using different tables within the *MRCA* Guide to the Assessment of Permanent Rate of Impairment (GARP M), adds complexity to *MRCA*. The ACA recommends that the one table is used, that is similar and not biased, for example GARP V (*VEA*), which does not discriminate toward gender or service, nor reduces the value of the impairment.

Transition.

The ACA is aware of the difficulties faced by Commando veterans during the Transition from the ADF to "Civilian Street". It is a period of difficulty in understanding the full entitlements made available within the ADF Career Transition Assistance Scheme (CTAS), completing ADF Discharge Documentation, lodging Primary Claims for liability, and re-connecting with external services, such as Health.

The Medically Discharged soldier will tend to have high anxiety and potential exacerbation of a currently existing psychological illness. Care and understanding by staff must be taken into consideration when dealing with these Medically Discharged members.

Typically, Commandos who have been at the higher level of training and operational readiness, along with significant experience and skills are too often stereo-typed as “Security Guards”. It is an unfortunate matter, that needs to look at the skill-sets of the individual, rather than “pigeon-holing” such highly qualified and experienced veterans. These Commando Veterans have the potential to be highly valuable to any prospective employer.

The ACA is aware of an initiative of the Special Operations Forces Pilot (SOF-Pilot), which has been conducted with 2nd Commando Regiment at Holsworthy Barracks, Sydney. The concept of the SOF-Pilot is ideal in working toward a seamless transition for a Commando. The ACA understands that more work is continuing with the SOF-Pilot and looks forward to a participative inclusion with this initiative.

6. Conclusion.

In short, there is grave concern as to what the PC Inquiry Report has placed within the Draft Report. We understand that the Government has always provided a beneficial approach toward veterans and it is the strong desire of the ACA to see this approach retained and refined. The concessions that come with being a highly incapacitated veteran at the State and Territory levels are also not taken for granted and are rightfully enjoyed by veterans and their families. These Concessions are a “thank you” for the service rendered by these veterans and recognises these veterans and their families as helping to protect Australia from conflict.

The ACA has seen a change within DVA, that is focussed on veterans, with a number of changes to simplify the complexities of navigating the Veteran Support System. The ACA supports the initiatives that have been underway for over two years and believes that DVA is the best agency to support our veterans and their families, including Commemorations.

The ACA believes that the tax-payer of Australia is more than happy to pay for the current Veteran Support System, with the improvement strategies initiated by DVA, particularly toward Commandos who have been/are actively involved in the defence of Australia against domestic threats, whilst maintaining continuity and capability toward Australia’s interests by neutralising international threats.

“Commando For Life”

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