

The Senate

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Foreign Affairs, Defence and Trade  
Legislation Committee

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Safety, Rehabilitation and Compensation  
Legislation Amendment (Defence Force) Bill  
2016 [Provisions]

March 2017

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# Table of Contents

<b>Committee Membership</b> .....	<b>iii</b>
<b>Chapter 1</b> .....	<b>1</b>
<b>Introduction</b> .....	<b>1</b>
Referral .....	1
Context to the inquiry .....	1
Other inquiries .....	2
Conduct of inquiry.....	2
Structure of the report.....	2
Acknowledgments .....	2
Note on references .....	2
<b>Chapter 2</b> .....	<b>3</b>
<b>Overview of the bill</b> .....	<b>3</b>
The proposed legislation.....	3
Structure and key provisions of the bill.....	3
<b>Chapter 3</b> .....	<b>5</b>
<b>Key issues</b> .....	<b>5</b>
Introduction .....	5
Unique nature of military service .....	5
Policy responsibility and future reform.....	7
Policy changes .....	8
Henry VIII clause .....	10
Complexity of current arrangements .....	13
Consultation issues .....	14
<b>Chapter 4</b> .....	<b>17</b>

<b>Conclusion and recommendations .....</b>	<b>17</b>
Introduction .....	17
A move in the right direction.....	17
Protections for veterans .....	18
Improving consultation practices .....	19
<b>Labor senators' additional comments.....</b>	<b>21</b>
Introduction .....	21
Lacking detail .....	21
Proposed new section 121B.....	21
Consultation.....	22
<b>Senator Jacqui Lambie's additional comments concurring in part and dissenting in part from the committee's report .....</b>	<b>25</b>
<b>Appendix 1 .....</b>	<b>29</b>
Submissions .....	29
<b>Appendix 2.....</b>	<b>31</b>
Tabled documents and answers to questions on notice.....	31
<b>Appendix 3 .....</b>	<b>33</b>
Public hearing and witnesses .....	33

# Chapter 1

## Introduction

### Referral

1.1 On 9 November 2016, the Minister for Veterans' Affairs, the Hon Dan Tehan MP, introduced the Safety, Rehabilitation and Compensation Legislation Amendment (Defence Force) Bill 2016 (the bill) into the House of Representatives.<sup>1</sup>

1.2 On 9 February 2017, the Senate, on the recommendation of the Selection of Bills Committee, referred the provisions of the bill to the Foreign Affairs, Defence and Trade Legislation Committee for inquiry and report by 20 March 2017.<sup>2</sup>

### Context to the inquiry

1.3 Arrangements for pensions, compensation, rehabilitation and other benefits for current and former members of the Australian Defence Force (ADF) and their dependents have changed incrementally over time. This has resulted in some ADF members and veterans being covered under different and multiple schemes. In particular, the *Veterans Entitlement Act 1987* (VEA) and the *Safety, Rehabilitation and Compensation Act 1988* (SRCA) may apply to those with service before 1 July 2004.

1.4 SRCA currently provides compensation coverage to all Commonwealth employees and is administered by Comcare on behalf of the Department of Employment. SRCA is also administered by the Department of Veterans' Affairs (DVA), with Part XI extending coverage to ADF members and former members for injuries and illnesses linked to service between 1 December 1988 and 1 July 2004.<sup>3</sup>

1.5 Following the Tanzer Review into military compensation, the *Military, Rehabilitation and Compensation Act 2004* (MRCA) was enacted to provide rehabilitation and compensation for a range of persons who served on or after 1 July 2004.

1.6 At the public hearing, DVA officers described the bill as originating from earlier attempts at legislative reform including the Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015 (Comcare bill).<sup>4</sup> These included amendments to the Comcare scheme to make it 'more sustainable over time'. Key changes were intended to reduce the types of injuries that were compensable, reduce the costs of the scheme and create a sanctions regime through a concept of 'obligations of mutuality'.

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1 House of Representatives, *Votes and Proceedings*, 9 November 2016, pp 319-320.

2 *Journals of Senate*, 9 February 2017, p. 880.

3 *House of Representatives Hansard*, 9 November 2016, p. 3279.

4 Ms Lisa Foreman, DVA, *Committee Hansard*, 15 March 2017, p. 21.

1.7 However, in recognition of the unique nature of military service, ADF members and veterans were to be made exempt from most of the changes.<sup>5</sup> The Comcare bill lapsed at the prorogation of the 44<sup>th</sup> Parliament.

### **Other inquiries**

1.8 The Senate Foreign Affairs, Defence and Trade References Committee is currently conducting an inquiry into suicide by veterans and ex-service personnel, including examining DVA administration of claims. Many submitters and witnesses referred to evidence received for that inquiry in their commentary on the bill.

### **Conduct of inquiry**

1.9 The committee advertised the inquiry on its website and wrote to individuals and organisations likely to have an interest in the inquiry and invited them to make written submissions. The committee requested that submissions to the inquiry be received by 24 February 2017.

1.10 The committee received 10 submissions for the inquiry which are listed at [Appendix 1](#). The committee held a public hearing in Canberra on 15 March 2017. Witnesses who appeared at the public hearing are listed at [Appendix 3](#). Published submissions and the *Hansard* transcript of the public hearing are available from the committee's website: [www.aph.gov.au/senate\\_fadt](http://www.aph.gov.au/senate_fadt).

### **Structure of the report**

1.11 Chapter 2 provides a brief overview of the bill. Chapter 3 discusses the key issues raised during the inquiry. Chapter 4 contains the committee's conclusion and recommendations.

### **Acknowledgments**

1.12 The committee acknowledges the short period of time available to make submissions to the inquiry. In this context, the committee thanks all those who assisted the inquiry by providing submissions and giving evidence at the public hearing.

### **Note on references**

1.13 References to the committee *Hansard* are to the proof transcript. Page numbers may vary between the proof and official *Hansard* transcript.

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5 Minister for Veterans' Affairs, Senator the Hon Michael Ronaldson and Assistant Minister for Defence, the Hon Stuart Robert MP, 'Veterans and ADF members exempt from changes to workers' compensation legislation', *Media release*, 25 March 2015.



# Chapter 2

## Overview of the bill

### The proposed legislation

2.1 In his second reading speech, Minister Tehan stated '[t]he bill will duplicate the existing *Safety, Rehabilitation and Compensation Act 1988* (SRCA) as a standalone act, with appropriate amendments to give full control of the act to the Minister for Veterans' Affairs'. The Minister emphasised:

[E]ligibility and benefits under the standalone act will be the same as those currently available to serving and former ADF members under the existing SRCA...It will not apply to (or impact on) veterans with eligibility under the *Veterans' Entitlements Act 1986* (VEA) or the *Military Rehabilitation and Compensation Act 2004* (MRCA).<sup>1</sup>

2.2 The standalone act created by the bill will be titled the Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988 (DRCA).

### Structure and key provisions of the bill

2.3 The key provisions of the bill are contained in the three schedules.

2.4 Schedule 1 has three parts. Part 1 of Schedule 1 deals with the enactment of the DRCA. The explanatory memorandum (EM) indicates that the DRCA will maintain existing entitlements which currently exist in the SRCA for current and former ADF members and their dependents.<sup>2</sup>

2.5 Part 2 of Schedule 1 amends the DRCA make amendments to the DRCA created in Part 1, including repealing redundant definitions, references to the SRCA and provisions not relevant to administration of the DRCA by the Military Rehabilitation and Compensation Commission (MRCC).

2.6 In particular, Item 45, Part 2 of Schedule 1 inserts new section 121B 'Regulations modifying the operation of this Act'. Subsection 121B(1) provides the Minister to make regulations modifying the operation of the legislation, but this limited by subsection 121B(2) which provides that before regulations are made the Minister must be satisfied 'that is necessary or desirable to make the regulations to ensure that no person (except the Commonwealth) is disadvantaged by the enactment of this Act'.

2.7 Part 3 of Schedule contains pension age amendments flowing from the increase in the pension age as defined under the *Social Security Act*. The EM states:

The amendments would ensure that incapacity payments under the DRCA will continue for those former Defence Force members who are the subject

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1 *House of Representatives Hansard*, 9 November 2016, p. 3279.

2 EM, p. 2.

of an increase in their age pension age while in receipt of incapacity payments.

These amendments will align with the changes made to the MRCA by the *Veterans' Affairs Legislation Amendment (Budget and Other Measures) Act 2016*. The Minister for Employment has introduced similar measures to amend the SRCA, which are contained in the Seafarers and Other Legislation Amendment Bill 2016 (Seafarers Bill.)

The Seafarers Bill is currently before the Parliament and may be debated in the 2017 Autumn sittings. If the Seafarers Bill commences before 1 July 2017, then the amendments in Part 3 of Schedule 1 will not take effect. However, in case the Seafarers' Bill is not passed ahead of the DRCA, identical amendments have been included in the DRCA to ensure Defence Force members, who are the subject of an increase in their age pension age while in receipt of incapacity payments, continue to receive incapacity payments.<sup>3</sup>

2.8 Schedule 2 contains amendments to the SRCA and application and transitional provisions.

2.9 Schedule 3 contains amendments to existing references to the SRCA in other Commonwealth legislation.

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3 *Submission 5*, p. 6.

# Chapter 3

## Key issues

### Introduction

3.1 Submitters raised a number of key issues in relation to the provisions of the bill. These included:

- recognition of the unique nature of military service;
- policy responsibility and future reform;
- policy changes;
- the Henry VIII clause;
- the complexity of current arrangements; and
- consultation issues.

### Unique nature of military service

3.2 DVA stated the DRCA was being created by the bill to 'enable the Minister for Veterans' Affairs to solely administer all legislation relating to veterans' entitlements [allowing] the recognition of the unique nature of military service that may not be appropriate for civilians under the SRCA'.<sup>1</sup> It stated:

Separating ADF coverage from the SRCA will provide ADF members with access to a "military specific" compensation and rehabilitation scheme and the Minister with policy responsibility for all three compensation Acts that cover ADF members. It would also enable the Minister and the MRCC to consider changes to the DRCA which recognise the unique nature of military service that may not be appropriate for civilians under the SRCA.<sup>2</sup>

3.3 The Hervey Bay Veterans Advice and Social Centre (HBVSC) highlighted the disadvantages of the current SRCA for veterans:

...SRCA was never designed to recognise the unique nature of military service – It was designed to cover those who work in the public service and that alone. The government at the time decided to revoke coverage under the VEA for 'eligible defence service' to anyone who joined on or after 7 April 1994 and the SRCA was put in place, thus disadvantaging the veteran community astronomically.<sup>3</sup>

3.4 The HBVSC argued that if the DCRA bill will only replicate the SRCA, it will not recognise 'the unique nature of military service when compared to other Commonwealth Employees covered under the current [SRCA]. It proposed that "eligible defence service" be extended to those with service under the current SRCA

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1 *Submission 5*, p. 1.

2 *Submission 5*, p. 2.

3 *Submission 1*, p. 1.

until 1 July 2004, in order to recognise the unique nature of military service, and to bring entitlements and benefits to similarity, if not in line, with the VEA and MRCA'.<sup>4</sup>

3.5 However, Mr Brian Briggs, Slater and Gordon Lawyers, questioned the benefits of an entirely separate military compensation system. He argued that moving SRCA under DVA through the DRCA could compound existing problems with the administration of veterans' entitlements. Mr Briggs described DVA as 'currently benefitted by the oversight and assistance of Comcare when dealing with the SRCA. He considered that the removal of this oversight would undermine DVA's ability to efficiently and effectively serve veterans.'<sup>5</sup> He stated:

The prospect that the new defence specific DRCA created by the Bill will be aligned with the MRCA is counter-intuitive to the principle that veterans deserve the best standard of access to rehabilitation and compensation the Commonwealth can offer. The Bill opens a pathway to a statutory scheme whereby a veteran will face a longer and more onerous process of proving liability and will ultimately receive less compensation than a Commonwealth public servant with the exact same injuries.<sup>6</sup>

3.6 In particular, he noted the potential impact on case law:

A number of helpful cases have been fought and won in favour of veterans' rights and entitlements under the SRCA. Several of these precedents have rectified unfair and unfavourable DVA decisions regarding veterans' entitlements. As a result, the ability to refer to these important decisions by the courts has given greater certainty to veterans and has improved their access to justice... The threat posed by the DRCA is that these authoritative rulings may no longer apply, especially if the existing SRCA guidelines and policy advices are repealed, amended or revoked...<sup>7</sup>

3.7 DVA confirmed that all the case law and precedents that currently applies to the consideration of claims under the SRCA will continue to apply to DRCA if it comes into force. It stated:

[T]he enactment provisions of the DRCA make it clear that in retrospectively applying the DRCA to the determination of a claim, it will be the version of the SRCA that was applicable at the time the injury or illness was sustained that will be used in the determination of that claim. As such, any case law (whether related to military or civilian employees), which was applicable to the interpretation and determination of the relevant provisions of the SRCA, will continue to apply for the purposes of the same relevant provisions of the DRCA.<sup>8</sup>

3.8 Ms Carolyn Spiers, Principal Legal Advisor for DVA told the committee:

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4 *Submission 1*, p. 4.

5 *Submission 4*, p. 9.

6 *Submission 4*, p. 18.

7 *Submission 4*, p. 17.

8 DVA, responses to questions on notice, p. 7.

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[O]ver time the civilian legislation and AAT or Federal Court cases might go in a different direction. But from day one everything is aligned, as it should be, and we will be applying Canute, Fellowes and Robson as we do today. We will do that post the implementation of DRCA. All policies and procedures that applied in a point in time—as I have said before, all of our policies have been underpinned by the work we have from Comcare—that is the alignment issue for SRCA.<sup>9</sup>

3.9 Correspondence was also provided from Ms Liz Cosson AM CSC, in her capacity as the Acting Chair of the Military Rehabilitation and Compensation Commission, which included an assurance that 'when the DRCA commences, all of the relevant case law developed with respect to the [SRCA] will continue to apply to the equivalent DRCA provisions, until a body of DRCA specific case law is developed'. She stated '[t]he DRCA is not an attempt to circumvent existing SRCA case law'.<sup>10</sup>

### **Policy responsibility and future reform**

3.10 The Minister described the changes as 'a foundational step towards broader reform being undertaken by [DVA] to significantly improve services for veterans and their families by re-engineering DVA business processes'. He stated '[t]o enable this veteran-centric reform to occur, it is essential that policy responsibility for relevant legislation sits with the Minister for Veterans' Affairs'.<sup>11</sup>

3.11 Similarly, DVA stated the DRCA was being created by the bill to 'enable the Minister for Veterans' Affairs to solely administer all legislation relating to veterans' entitlements [allowing] the recognition of the unique nature of military service that may not be appropriate for civilians under the SRCA'.<sup>12</sup> Ms Spiers stated:

[T]he benefit of this is that once the minister has policy control of the three compensation pieces of legislation— because SRCA will no longer apply; it will be DRCA, VEA and MRCA in the new regime—that will give him opportunities to start examining streamlining, simplification and alignment of legislation.<sup>13</sup>

3.12 Some witnesses at the public hearing expressed anxiety regarding the transparency and direction of future legislative reform the bill was intended to facilitate. For example, Mr Thornton questioned why proposed measures to harmonise arrangements were not available for consideration simultaneously with the bill.<sup>14</sup> Colonel David Jamison from the Alliance of Defence Service Organisations (ADSO) stated:

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9 Ms Carolyn Spiers, *Committee Hansard*, 15 March 2017, p. 30.

10 DVA, response to question on notice, 'Correspondence from Ms Liz Cosson AM CSC, Acting Secretary, DVA, dated 17 March 2017', p. 1.

11 *House of Representatives Hansard*, 9 November 2016, p. 3280.

12 *Submission 5*, p. 1.

13 Ms Carolyn Spiers, *Committee Hansard*, 15 March 2017, pp 25-26.

14 *Committee Hansard*, 15 March 2015, p. 3.

When you have three distinct acts, all with their own little wrinkles and components, it is only natural that the department will try to harmonise its processes and the provisions made to veterans...There is great potential—more than great potential, and I believe it will probably happen—that in the harmonisation of the provisions of support available to veterans, the lowest common denominator will become the standard.<sup>15</sup>

3.13 In its submission DVA indicated that '[t]here will be appropriate consultation with the veteran and Defence communities on any areas of potential alignment between the DRCA and the MRCA'.<sup>16</sup> It confirmed that '[t]here has been no formal discussion about changes that might be made to the DRCA after commencement'.<sup>17</sup> At the public hearing, DVA officials outlined that departmental consideration of 'harmonisation, streamlining and simplification' options if the bill was passed was still embryonic. Ms Spiers commented:

We have put together some ideas. They are obviously not conclusive, but the first step in any potential changes to legislation is to look at the range of issues that could be covered off—issues of cost and equity...Because we cannot have one act, what we are aiming to do is, where appropriate and possible, to look at options of streamlining and alignment. So it really is early days.<sup>18</sup>

### **Policy changes**

3.14 DVA described preserving the current entitlements for veterans as 'the first priority of the Bill'. It stated that '[w]here there are changes to definitions or amendments to clauses, these have been done to eliminate any doubt as to whom the Bill applies or clarify the means by which the Bill operates'.<sup>19</sup> DVA stated that the 'DRCA will be a replica of the SRCA as exists at the point in time at which the DRCA provisions commence, which is expected to be 1 July 2017'. This is affirmed by the EM which indicated the bill is 'expected to have no financial impact'.

3.15 However, the Office of Parliamentary Counsel (OPC) noted that '[t]here are amendments in Schedule 1 that cannot be described as merely consequential and that change the policy in the SRCA'. These included:

- item 23 which applies to ailments or aggravations of ailments that are contributed to, to a significant (rather than material) degree, by a Defence Force member's employment;
- item 48 which repeals two functions of the Military Rehabilitation and Compensation Commission (MRCC) (the function requiring the MRCC to

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15 *Committee Hansard*, 15 March 2015, p. 8.

16 *Submission 5*, p. 2.

17 DVA, responses to questions on notice, p. 4.

18 *Committee Hansard*, 15 March 2017, pp 27-28.

19 *Submission 5*, p. 3.

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maintain contact with the Safety, Rehabilitation and Compensation Commission (the SRCC) and incidental functions;

- item 49 which removes the prohibition on MRCC taking action in a court or tribunal if Comcare or the SRCC has required that MRCC not take the action;
- item 50 which removes the power of Comcare to make an approved guide under section 28 and gives that power to the MRCC; and
- item 53 which removes the requirement for the MRCC or the Chief of the Defence Force to consult Comcare before nominating a person to provide a rehabilitation program for an employee.<sup>20</sup>

3.16 The ASDO outlined that it has been 'assured by the Government and DVA that the Bill contains no changes which will operate to degrade or de minimis the current beneficial entitlements available under the [SRCA]'. However, despite this assurance it was alert to the possibility that 'even with the best intentions, there could be a gradual eroding of levels of support as DVA seeks to "harmonise" the benefits provided by the three separate rehabilitation schemes (VEA; MRCA and DRCA) and introduce more efficient departmental processes'. ASDO stated that '[t]here is already one specific example where this appears to be the case with the provision of aids for hearing impaired veterans.'<sup>21</sup>

3.17 Mr Briggs noted that section 89B in the SRCA would not be replicated under the DRCA. This section deals with the functions of the Safety, Rehabilitation and Compensation Commission (SRCC). In particular it provides that one of the functions of the SRCC is 'to ensure that, as far as practicable, there is equity of outcomes resulting from administrative practices and procedures used by Comcare and a licensee in the performance of their respective functions'.

3.18 DVA told the committee that the section has not been duplicated into the new version of the DRCA, because it is a specific function of the Safety, Rehabilitation and Compensation Commission. Ms Spiers from DVA noted that 'the reason why we are looking at excising the military from SRCA is that we did not actually want the then Comcare bill that was being proposed to apply to the military'. She noted the Military Rehabilitation and Compensation Commission (MRCC) is to be responsible for the administration purely of the DRCA.<sup>22</sup>

3.19 On notice, DVA stated that there would be no impact on claimants under the DRCA as a consequence of the repeal of the section:

The requirements set out in paragraph 89B(a) of the SRCA which were imposed on the MRCC by way of the reference to that provision in subsection 142(5) were in effect the same requirements for the MRCC that are set out in paragraph 142(2)(a) of the DRCA which requires the MRCC:

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20 *Submission 3*, p. 2.

21 *Submission 2*, p. 2.

22 Ms Carolyn Spiers, DVA, *Committee Hansard*, 15 March 2017, p. 27.

'to be guided by equity, good conscience and the substantial merits of the case'.<sup>23</sup>

3.20 Mr Briggs foresaw a number of negative policy changes in the future arising from the DRCA. In particular:

[T]he Military Rehabilitation and Compensation Commission, were previously constrained by Comcare, with SRCA being governed by that body. MRCC will, therefore, now reign supreme and can make policy decisions—amend, revoke and introduce whatever it sees fit to do...[T]his absolute control will result in a new permanent-impairment guide for DRCA members, more in line with the GARP M guide as opposed to the more beneficial Comcare guide for claims lodged after 28 February 2006.

3.21 Mr Briggs argued that there were advantages for veterans with Comcare controlling administration of the SRCA:

Comcare is a larger scheme. It has far more employees. It also has these checks and balances over MRCC. Those checks and balances make sure that equity of decisions occurs. It has far more employees on its books; there are far more court cases decided. The Comcare guide part 2 is better for the military. Comcare having control is a way of keeping MRCC fettered.<sup>24</sup>

### **Henry VIII clause**

3.22 Item 45 of Schedule 1 creates a new section 121B that gives the regulations the power to modify the Act to ensure that no person (except the Commonwealth) is disadvantaged by the enactment of DRCA. Commonly known as a Henry VIII clause, this refers to a provision in legislation which gives the power for regulations to be made which amend, repeal or are inconsistent with the primary legislation. Henry VIII clauses are frequently considered controversial as they allow the executive government the power to make regulations which can modify the application of legislation without sufficient parliamentary oversight.

3.23 The EM provides:

The regulations to be made under new section 121B may require a retrospective application and are intended to operate in a purely beneficial way to deal with any anomalies that may arise where there is a retrospective application of the [DRCA] which will need to refer to the earlier version of the [SRCA] that applied at the time for which eligibility is being determined.

That limitation is expressed in subsection 121B(2). The Minister must seek only to make the regulations to protect the entitlements of those covered by the [DRCA] and to ensure that 'no person is disadvantaged by the enactment of this Act'. This clause is expressly for the benefit of those

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23 DVA, responses to questions on notice, p. 15.

24 *Committee Hansard*, 15 March 2017, p. 15.



persons covered by the [DRCA] and is not to be read to provide any advantage to the Commonwealth.

The inclusion of this provision provides the flexibility required to deal with any disadvantage that may otherwise occur to a Defence Force member in the application (for the purposes of the [DRCA]) of an earlier version of the [SRCA] and any application, saving or transitional provisions which were applicable to that earlier version of the [SRCA].<sup>25</sup>

3.24 DVA stated that the Henry VIII clause will 'provide the Minister for Veterans' Affairs with the ability to ensure that individual clients are not disadvantaged by the enactment of the DRCA in the application (for the purposes of the DRCA) of an earlier version of the SRCA and any application, saving or transitional provisions which were applicable to that earlier version of the SRCA'.<sup>26</sup> Ms Spiers noted:

[F]rom day one after royal assent to DRCA it would be business as usual for any clients that have SRCA coverage. They would then have DRCA coverage. And if by virtue of looking at any aspects of that administration there is an adverse impact on an individual, or a cohort or all of them then that is when the minister would be advised to exercise the Henry VIII clause to correct whatever that adverse impact is.<sup>27</sup>

3.25 DVA explained that 'in applying the DRCA to a claim for compensation, it is the version of the SRCA, and any relevant legislative instrument, that applied at the time of the injury which is used in determining liability for compensation':

Since its introduction, the SRCA has been amended by 68 Acts with 33 having made amendments which would have impacted upon ADF members. Included in some of those amending Acts were application, transitional and saving provisions which will also continue to be applicable for the purposes of the DRCA.

In recognition of the complexity of retrospectively administering an Act with so many iterations, the Australian Government Solicitor (AGS) advised that the inclusion of a "Henry VIII clause" would provide a remedy for any adverse consequences that may arise from the unique manner in which the DRCA was enacted.

AGS recommended that regulations to modify the operation of the DRCA could only be made under the clause "if the Minister certified to the Governor-General that he or she is satisfied that such a modification is necessary or desirable to ensure the re-enactment of the DRC Act does not place any person other than the Commonwealth at a disadvantage".

The additional benefit of including such a clause is that it would avoid the need to go back to the Parliament for any amendments to the DRCA.<sup>28</sup>

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25 EM, p. 14.

26 *Submission 5*, p. 1.

27 *Committee Hansard*, 15 March 2017, p. 29.

28 DVA, responses to questions on notice, p. 1.

3.26 DVA noted that 'policy changes that require legislation to implement them would be subject to the standard legislative parliamentary process as exists for changes to any other Act'.<sup>29</sup>

3.27 However, Mr Briggs characterised the bill as conferring 'unfettered power onto the Department of Veterans' Affairs and the Military Rehabilitation and Compensation Commission ('MRCC')'. He noted:

In the previous Senate Inquiry into veteran suicide, many submissions noted the defective administrative process in claiming entitlements. I do not consider that allowing the DVA to have complete and total control of military compensation to be a wise move. Medical claims have been challenged by the DVA in many cases, and with the monopoly the Department has over veterans' health this creates a power imbalance

3.28 Further, Mr Briggs observed that '[i]f the DRCA is meant to be a simple duplication of the SRCA it begs the question as to why this specific clause, which is not present in the SRCA, was inserted into this Bill':

This clause...is a substantive alteration to existing law. The granting of legislative power to the Minister to modify the operation of the Act is an unacceptable instance of unrestrained power being placed in the hands of a single department or individual.<sup>30</sup>

3.29 Some witnesses told the committee they had mixed views on the Henry VIII clause. While the intention to assist veterans who are disadvantaged by legislative changes was supported, there continued to be misgivings regarding the broad power granted to the Minister and the potential lessening of parliamentary oversight.<sup>31</sup> For example, Colonel Jamison stated:

We agree this provision has been included to potentially benefit veterans, but it is a double-edged sword and has the distinct potential to allow regulations that have the opposite effect. Bearing this in mind, there is also a distinct lack of checks and balances in this aspect of the act, as parliament will not have oversight of these regulations.<sup>32</sup>

3.30 DVA officers at the public hearing noted that the regulation under proposed new section 121B would be 'disallowable and must be brought before both houses of parliament and sit for 15 sitting days of parliament before they come into operation'. Ms Spiers from DVA believed this was 'more than adequate time' for any discussion about the effect of the regulations.<sup>33</sup>

3.31 The appropriateness of Henry VIII provisions in proposed legislation is often the focus of the Senate Standing Committee for Scrutiny of Bills (Scrutiny

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29 DVA responses to questions on notice, p. 2.

30 *Submission 4*, p. 9.

31 For example, Mr Peter Thornton, *Committee Hansard*, 15 March 2017, p. 4.

32 *Committee Hansard*, 15 March 2017, p. 7.

33 *Committee Hansard*, 15 March 2017, p. 22.

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Committee). The Scrutiny Committee has a number of roles in assessing proposed legislation including whether bills contain any inappropriate delegation of legislative powers and whether the exercise of legislative powers is subject to sufficient parliamentary scrutiny.<sup>34</sup> On 23 November 2016, the Scrutiny Committee stated that it had no comment on the bill.<sup>35</sup>

### **Complexity of current arrangements**

3.32 The complexity of the current veteran compensation and rehabilitation arrangements was highlighted by a number of submitters and witnesses. Several pointed to the content of submissions received by the committee's inquiry into suicide by veterans and ex-service personnel. For example, Ms Andrea Josephs considered that another piece of legislation will 'only complicate and confuse an already difficult system to navigate'. She highlighted the challenges for veterans and delegates to apply the impacts of these multi-faceted legislative Acts and the difficulty involved in payments to veterans. Ms Josephs commented:

Human Services does not have the same system as DVA or [Commonwealth Superannuation Corporation] and they struggle to understand where to allot the various different payments to their own system in Centrelink and you can on any given day ring to discuss your payments and the Centrelink Officers have no idea what a Veteran is talking about as their system does not reflect the same definitions of Military Payments.<sup>36</sup>

3.33 Mr Peter Thornton asked the committee to appreciate 'the considerable mishmash of complex parameters and interleaving of periods of eligibility (or not) that Veterans, ESOs and the DVA have had to contend with over time in the framing, assessing and satisfying of compensation claims under any number of schemes'. He emphasised 'the proposed DRCA does nothing to reduce this complexity or introduce beneficial legislation'.<sup>37</sup> He proposed two measures to address these issues:

1. Amend SRCA/DRCA and VEA legislation so as to extend dual eligibility, as was originally intended from 1973, to the effective date of MRCA, that being 1 July 2004...
2. Provide immediate and reciprocal eligibility rights (without application of the veteran or their representative(s)) to SRCA/DRCA/VEA gold card holders under the VEA and the equivalent threshold classification under the current SRCA.<sup>38</sup>

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34 Senate Standing Order 24.

35 Senate Standing Committee on the Scrutiny of Bills, *Alert Digest* 9/16, 23 November 2016, p. 10.

36 *Submission* 7, p. 2.

37 *Submission* 9, p. 3.

38 *Submission* 9, p. 3.

3.34 Mr Thornton considered that a reduction in complexity would be 'a very positive outcome'. He observed that the current arrangements also impose a burden on the DVA staff responsible for assessing claims:

They have to sit there and try and pinpoint whether the fellow is eligible under that, whether that date is consistent. Then they have to work out whether it is operational service, peacetime service or hazardous service. I can go on and on and on, but the reality is that the whole thing has just become so complex, and it is overlaid with significant changes.<sup>39</sup>

3.35 Commenting more broadly, the ADSO noted that '[t]he complexity of the military rehabilitation and compensation structure is such that the [ADSO] will continue to advocate vigorously for the creation of a single purpose veteran-specific legislation for veterans and families to eliminate the current complexity and the inherent adversarial processes that are deeply ingrained in the VEA 1986 and MRCA 2004'.<sup>40</sup>

3.36 The Department of Defence also described the current legislative arrangements for rehabilitation and compensation for current and former ADF members as 'complex'. It stated:

Coverage is provided under three separate acts and the administration of these acts is split between two ministerial portfolios which adds complexity and complicates efforts to reform the way in which care and support is accessed and delivered.

Creating a standalone version of the [SRCA] for Australian Defence Force members, and the [DRCA] is seen as a positive step in reducing this complexity...<sup>41</sup>

3.37 In particular, it noted that reducing complexity would 'allow the Minister to pursue future amendments aimed at bringing the [DRCA] into closer alignment with the [MRCA], reducing complexity in the legislation itself and in the way the Acts are administered'.<sup>42</sup>

### **Consultation issues**

3.38 In his second reading speech, Minister Tehan highlighted that the development of a standalone SRCA for ADF members and veterans 'was announced by government nearly two years ago, during which time DVA has been consulting with Defence and ex-service representatives (both of which have been supportive of a standalone act)'.<sup>43</sup>

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39 *Committee Hansard*, 15 March 2017, p. 2.

40 *Submission 2*, p. 2.

41 *Submission 6*, p. 1.

42 *Submission 6*, p. 1.

43 *House of Representatives Hansard*, 9 November 2016, p. 3279.

3.39 DVA outlined its consultation processes regarding the change to a 'standalone act' including with the ex-service organisation round table (ESORT). DVA officials conducted briefings on 24 March 2015 and 12 May 2015 with ESORT members and an information sheet concerning the planned excision of Part IX of the SRCA was provided.<sup>44</sup> However, the federal election caused an interruption to consultations and led to a change in the legislative proposals.

3.40 Proposed changes were also discussed in an article in *Vetaffairs*, a DVA publication for veterans mentioned the creation of the standalone act.<sup>45</sup> There was also a series of meetings after the bill was introduced on 10 November 2016, 24 November 2016, 2 December 2016, and 3 March 2017. However, DVA officials conceded that ESORT members did not have access to the provisions of the bill until 9 November 2016, the day it was introduced into the Parliament.<sup>46</sup>

3.41 Ms Pat McCabe, President of the TPI Federation and a member of ESORT, considered that the bill was not really brought to ESORT's notice as being a piece of legislation that was due to be passed'.<sup>47</sup> Representatives from the ADSO highlighted the lack of resources available to ex-service organisations to assess and analyse proposed legislation. Colonel David Jamison (Rtd) observed:

DFWA and its partners are voluntary associations dependent on contributions from members and donations from the general public. As such, we have limited access to personnel and financial resources and are no match for the considerable expertise and taxpayer funds available to government departments and instrumentalities...In relation to DRCA, this situation has impacted the way we have approached this bill.

3.42 The HBVSC also suggested the transparency of consultation processes was inadequate, noting that the minutes of the ESORT meetings are confidential and not distributed.<sup>48</sup>

3.43 Mr Briggs observed that lawyers representing claimants were generally unrepresented in DVA consultation processes on legislative changes. He observed that he had 'lost faith' in the consultation process.<sup>49</sup> Mr Briggs argued that 'restricting of consultation to organisations that are higher up in the chain of command such as ESORT and Defence does not paint a holistic picture of the effects of these reforms [and] excludes the opinions of those who are at the heart of the system and those who will be most deeply affected'. Further:

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44 DVA responses to questions on notice, 'DRCA Bill: Ex-Service Organisation Round Table (ESORT) Consultation' and 'Information sheet: Proposed Amendments to the *Safety, Rehabilitation and Compensation Act 1988* (SCRA)'.

45 Ms Lisa Foreman, DVA, *Committee Hansard*, 15 March 2017, p. 21; DVA, *Vetaffairs*, Vol. 31, Autumn, 2015, p. 4.

46 Ms Carolyn Spiers, DVA, *Committee Hansard*, 15 March 2017, p. 25.

47 *Committee Hansard*, 15 March 2017, p. 3.

48 *Submission 1*, p. 3.

49 *Committee Hansard*, 15 March 2017, p. 17.

Consultation would normally [include] some involvement in the process where you have the ability to influence the decision or the outcome. In this instance, consultation says, 'We've already drafted this legislation.' And they go to some of these ex-service organisations. They are volunteers; they are not lawyers. They are not trained to take legislation apart. They just sit back and accept what the minister says in the explanatory memorandum. But when you start delving in and peeling off the layers of the onion, all of a sudden you are in tears.<sup>50</sup>

3.44 Mr Briggs also questioned the pace of the bill's development:

This apparent urgency surrounding the enactment of the DRCA appears ill advised and erring on the side of recklessness. There is little reason for legislation such as the DRCA to be of an urgent nature. On the contrary, due to its far reaching effects and the nature of the communities affected by its enactment, any attempts at varying legislation dealing with military compensation and the operation of the scheme should be approached with caution and care. Furthermore, such changes should only be made subsequent to comprehensive consultations with the Defence community and advocates.<sup>51</sup>

3.45 DVA officers told the committee they had viewed the bill as a 'non-controversial piece of legislation' and indicated they did 'not expect to see the level of concern and anxiety' in the veteran community. However, DVA acknowledged that 'people have some uncertainty' and committed to examine 'what further consultation [DVA] need to have with the veteran community to assure them'.<sup>52</sup>

3.46 In terms of future consultation on the changes, DVA stated that the 'transition to the DRCA will be accompanied by the provision of information to all of the various parties which may be impacted by the change'. In particular, the veteran community would be provided with information about the process to inform DVA of any areas where it is considered that the application of DRCA operates to the detriment of the claimant in comparison to the operation of SRCA prior to the commencement of DRCA. Further, information on the transition to the DRCA will also be provided to DVA staff, with a focus on claims, frontline and phone staff. The representatives of ex-service organisations and advocates will be able to raise any concerns about the application of the DRCA with DVA staff.<sup>53</sup>

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50 *Committee Hansard*, 15 March 2017, p. 18

51 *Submission 4*, p. 4.

52 Ms Carolyn Spiers, DVA, *Committee Hansard*, 15 March 2017, p. 25.

53 DVA, responses to questions on notice, p. 3.

# Chapter 4

## Conclusion and recommendations

### Introduction

4.1 The committee considers that the bill is a positive change to ensure that all three of the main legislative compensation and rehabilitation schemes for ADF members, veterans and their dependents can be responsive to the unique nature of military service. In particular, there are clear advantages if benefits intended for this group are kept separate from reforms to the SRCA which is mainly intended to support Commonwealth public servants.

4.2 Providing the Minister for Veterans' Affairs with full responsibility will facilitate future reform to address issues of legislative complexity and claims processing by DVA. The committee notes that veterans' entitlements and eligibility will not be changed under the DRCA and provision has been made to allow the Minister to make beneficial changes through regulation if any veterans are disadvantaged. However, the evidence received during the inquiry has indicated that there is room for improvement in the way in which DVA consults on changes to legislation and engages with the veteran community.

### A move in the right direction

4.3 The creation of the DRCA will ensure that entitlements for ADF members, veterans and their dependents are excluded from reforms to compensation arrangements for other Commonwealth employees covered by the SRCA. This will recognise the unique nature of military service and the distinctive needs of those who have undertaken military service.

4.4 Many submitters and witnesses mentioned the evidence received by the Senate Foreign Affairs, Defence and Trade References Committee's inquiry into suicide by veterans and ex-service personnel. The evidence to that inquiry highlighted the complexity of veterans' entitlements and problems with processes for veterans making claims through DVA, including the operation of the Statements of Principle.

4.5 In the view of the committee, the bill is a positive step to commence addressing several of these long-standing issues in the veterans' affairs portfolio. This is a step to facilitate reform to simplify and harmonise the legislative schemes, departmental practices and the claims processes for ADF members and veterans. In particular, the bill will enable the Minister for Veterans' Affairs to make beneficial changes for veterans which may not be appropriate for Commonwealth employees.

4.6 Centralising policy authority for veterans' compensation and rehabilitation is also likely to assist the implementation of existing measures to address continuing matters of concern such as the out-of-date and disparate information systems used by DVA and the consequent problems with the processing of claims. For example, some key 2016-17 budget initiatives included \$24.8 million to develop a business case for transforming DVA's business operations and technology systems to be client focused, responsive and connected. There was also \$23.9 million provided over two years to

undertake urgent technical work to ensure critical compensation and rehabilitation processing systems operate effectively while the broader, detailed business case for the transformation program is developed.

### **Protections for veterans**

4.7 It is important to emphasise that the bill includes protections to ensure that the eligibility and benefits under DRCA will be the same as those currently available to serving and former ADF members under the existing SRCA. There is an inherent tension in compensation claims processes between establishing clear rules for clients while at the same time allowing decision-makers the discretion to exercise judgement. In this context, it is appropriate that the bill includes a broad capacity for the Minister to modify the operation of the DRCA through making regulations for the benefit of veterans. The power is limited in that it can only be utilised when the Minister is 'satisfied that is necessary or desirable to make regulations to ensure that no person (except the Commonwealth) is disadvantaged by the enactment' of the DRCA. This safeguard ensures that any changes will be beneficial for veterans.

4.8 Some submitters and witnesses raised concerns regarding the level of parliamentary scrutiny for amendments to legislation enabled by this Henry VIII clause. Some of these concerns may result from a misunderstanding of parliamentary scrutiny processes. As the EM to the bill notes 'any regulation made under this provision may be subject to disallowance'.

4.9 The *Legislation Act 2003* provides the framework for the standard disallowance regime. In particular, it requires that legislative instruments must be registered and tabled in each House within 6 sitting days of being registered. Within 15 sitting days after tabling a senator or member of the House of Representatives may give notice of a motion to disallow the instrument (in whole or in part). If the motion is agreed to the instrument is disallowed and it then ceases to have effect. If a notice of motion to disallow the instrument has not been resolved or withdrawn within 15 sitting days after having been given, the instrument is deemed to have been disallowed and it ceases to have effect.

4.10 Further scrutiny of regulations and legislative instruments is also regularly undertaken through the Senate Standing Committee on Regulations and Ordinances (R&O Committee). All legislative instruments stand referred to the R&O Committee for scrutiny and recommendation as to any further parliamentary action, including disallowance. Established under the Senate's Standing Orders, this long-standing parliamentary committee, assisted by independent legal advice, scrutinises each legislative instrument to ensure:

- (a) that it is in accordance with the statute;
- (b) that it does not trespass unduly on personal rights and liberties;
- (c) that it does not unduly make the rights and liberties of citizens
- (d) dependent upon administrative decisions which are not subject to review of their merits by a judicial or other independent tribunal; and



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(e) that it does not contain matter more appropriate for parliamentary enactment.<sup>1</sup>

4.11 The committee agrees that, in most cases, proposed amendments to law should be introduced to the Parliament as primary legislation in order to maximise appropriate parliamentary scrutiny. However, in limited circumstances the uses of Henry VIII clauses are justified.<sup>2</sup> In this case, the committee considers that proposed new section 121B falls within these limited circumstances and is justified in facilitating the Minister to swiftly rectify compensation and rehabilitation issues for veterans arising from the transitional arrangements for the DRCA.

### **Improving consultation practices**

4.12 The committee welcomes the commitment of DVA to undertake appropriate consultation with the veteran and Defence communities on any areas of potential alignment between the DRCA and the MCRA.<sup>3</sup> However, the committee is concerned with DVA's current consultation and engagement practices in relation to proposed legislative changes. Partly, this appears to be an issue with the limited resources available to ex-service organisations to assess legislative proposals and provide informed feedback. While representatives from ADSO noted this was a shared responsibility between all stakeholders in the area of veterans' affairs, in practical terms, it is DVA who is best positioned to effect improvements to this relationship.

4.13 There is a perception that DVA has an adversarial relationship with some veterans' advocates, veterans' advocacy groups and lawyers acting on behalf of veterans. In the view of the committee, DVA should be seeking out and actively engaging with those persons who are best informed and capable of providing analysis of proposed legislation. Critical feedback on proposed legislative reforms should be encouraged at an early stage and utilised to identify areas where communications strategies may be required to answer questions raised in the veteran community. If DVA does not adequately consult and respond to issues raised, it can create environments where misinformation or unwarranted fears regarding legislative reform can flourish.

### **Recommendation 1**

**4.14 The committee recommends that the Department of Veterans' Affairs conduct a review of its consultation and engagement practices in order to:**

- **receive informed critical feedback on proposed legislative amendments;**
- **rapidly respond to concerns raised in the veteran community; and**

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1 Senate Standing Order 23(3).

2 For example, see Scrutiny of Legislation Committee (Queensland), *The use of "Henry VIII Clauses" in Queensland Legislation*, January 1997, pp 38-56, available at <http://www.parliament.qld.gov.au/documents/committees/SLC/1997/Report003.pdf> (accessed 16 March 2017)

3 *Submission 5*, p. 2.

- **increase the understanding of proposed legislation changes in the veteran community.**

**Recommendation 2**

**4.15 The committee recommends the Senate pass the Safety, Rehabilitation and Compensation Legislation Amendment (Defence Force) Bill 2016.**

**Senator Chris Back  
Chair**

# Labor senators' additional comments

## Introduction

1.1 Labor senators continue to hold concerns regarding the bill. The main intention of the bill appears to be to change current arrangements for veterans' compensation and rehabilitation to enable future reform to occur. However, the shape of this reform has not been explained. The scope of potential change to veterans' entitlements is highlighted by proposed new section 121B which will give the Minister the capacity to change the DRCA through regulation. The consultation practices undertaken by DVA in relation to the bill do not indicate that the views of veterans, ex-service organisations and others will be adequately taken into account when major legislative reforms to this area are considered.

## Lacking detail

1.2 It is not clear the extent to which the creation of the DRCA will change the consideration of claims for veterans over time. In particular, excluding the influence of decisions made under SRCA in the future and the assessment guides prepared by Comcare for claims could potentially disadvantage veterans. From the evidence received, it did not appear that DVA had conducted an assessment of this specific issue. DVA officers appeared to indicate that, at the present time, no reform options are being excluded.<sup>1</sup> No assurance has been provided that reforms to align the DRCA and the MCRA will not produce worse outcomes for veterans. Labor senators urge the Minister to clarify the detail of proposed reforms to provide certainty to ADF members and veterans.

## Proposed new section 121B

1.3 The regulations made under proposed new section 121B will be disallowable legislative instruments and considered by the Senate Regulations and Ordinances Committee. Nonetheless, long-standing concerns regarding the overuse of Henry VIII clauses are still relevant. Future changes to the DRCA through this process will be subject to less parliamentary oversight and fewer checks and balances. In particular, the process and the criteria the Minister will use to be 'satisfied' that it is 'necessary or desirable' the operation of the DRCA be modified are unclear.

1.4 While the Senate Scrutiny of Bills Committee (Scrutiny Committee) did not comment on the bill, it has recently raised issues with a similar remedial power provision granted to the Tax Commissioner which was enacted in the *Tax and Superannuation Laws Amendment (2016 Measures No. 2) Act 2017*. This provision allows the Tax Commissioner, by legislative instrument, to modify the operation of a taxation law provided he/she has met certain conditions.

1.5 The Scrutiny Committee raised several concerns including the delegation of legislative power, consultation requirements, retrospective application and a

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1 *Committee Hansard*, 15 March 2017, p. 28.

discretionary review of the new power. Despite receiving responses from the relevant Minister, the Scrutiny Committee remained concerned about these matters.<sup>2</sup> Labor senators consider that many of these issues also apply in relation to proposed new section 121B and do not appear to be addressed in the explanatory memorandum. In particular, there is no scheduled review of the new power granted to the Minister mandated in the bill to assess whether it is functioning as intended.

1.6 While section 17 of the *Legislation Act 2003* provides that rule-makers 'should consult' before making legislative instruments, the form and scope of this consultation is largely at their discretion. Failure to consult does not affect validity or enforceability of a legislative instrument. To address this, Labor senators consider that proposed new section 121B should be amended to insert an obligation on the Minister to consult with ex-service organisations and the veteran community before the power granted in section is used. This amendment could be expressed as follows:

**121B Regulations modifying the operation of this Act**

- (1) The regulations may modify the operation of this Act.
- (2) Before the Governor-General makes regulations under subsection 1:
  - (a) the Minister must be satisfied that it is necessary or desirable to make the regulations to ensure that no person (except the Commonwealth) is disadvantaged by the enactment of this Act; and
  - (b) the Minister must conduct appropriate consultation with relevant ex-service organisations and the veteran community, including the public release of the full text of proposed regulations.

**Consultation**

1.7 Labor senators welcome the committee's recommendation that DVA review its consultation and engagement practices. It is concerning that it appears that the first opportunity that ex-service organisations had to view the actual text of the bill was on the same day it was introduced into the Parliament. Given the complexity of the legislative schemes involved and the limited resources of ex-service organisations to undertake legislative analysis, it would have been more appropriate for an exposure draft of the proposed legislation to be made available for a period of public consultation. In the future, Labor senators urge the Minister to use the release of exposure drafts of proposed legislation to enable informed consultation to occur.

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2 Senate Standing Committee for the Scrutiny of Bills, *Eighth report of 2016*, 9 November 2016, pp 504-516.

**Recommendation 1**

**1.8 Labor senators recommend the Senate amend proposed new section 121B to include an obligation on the Minister for Veterans' Affairs to conduct consultation with ex-service organisations and the veteran community before regulations modifying the operation of the Act are made.**

**Senator Alex Gallacher  
Deputy Chair**

**Senator Claire Moore**



## **Senator Jacqui Lambie's additional comments concurring in part and dissenting in part from the committee's report**

1.1 Senator Jacqui Lambie, of the State of Tasmania, for the most part agrees with the Department of Defence, in its submission, that the present legislative arrangements for current and former ADF members is 'complex' and that 'creating a standalone version of the *Safety, Rehabilitation and Compensation Act 1988* (SRCA) for Australian Defence Force members, and the Safety Rehabilitation and Compensation (Defence-related Claims) [Bill 2016] (DRCA) is seen as a positive step in reducing this complexity...'.<sup>1</sup>

1.2 During the hearing the Department of Veterans' Affairs (DVA) conceded that the ex-service organisation round table (ESORT) members<sup>2</sup> did not have access to the provisions of the bill until 9 November 2016, the day it was introduced into Parliament.<sup>3</sup> Senator Lambie concurs with the committee's report on Recommendation 1, that DVA conduct a review of its consultation and engagement practices.<sup>4</sup>

1.3 DRCA has its shortcomings in that the same functions used by Comcare, that were binding upon the Military Rehabilitation and Compensation Commission (MRCC) have been repealed and not been replicated in their entirety within DRCA despite assertions made at the hearing by DVA.<sup>5</sup>

1.4 For example, subsection 69(b) of SRCA, which is 'to minimise the duration and severity of injuries to its employees and employees of exempt authorities by arranging quickly for the rehabilitation of those employees under this Act' is missing in DRCA. Subsection 69(b) of SRCA is contained in Part VII and as such would, on its face, not be applicable to Defence claims per operation of subsection 147(1)(c) of SRCA. Still, the section dealing with the functions of the MRCC found in subsection 142(1)(d) of SRCA notes that the functions of MRCC include 'doing anything the doing of which', under subsection 142(1)(d)(ii) 'would be required of Comcare if

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1 *Submission 6*, p. 1.

2 It should be noted, that the Returned & Services League of Australia (RSL), with a membership of over 240,000 is the largest service and ex-service organisation, and is a member of ESORT, did not make any public submission in reference to the inquiry nor did it appear as a witness at the committee hearing. (See <http://rslnational.org/>) The RSL weighing in on future inquiries such as this may serve to assist lawmakers in understanding important issues and draft legislation affecting the Defence and Veterans communities.

3 Ms Carolyn Spiers, DVA, *Committee Hansard*, 15 March 2017, p. 25

4 It is suggested that the review be independent in nature due to the noted 'perception that DVA has an adversarial relationship with some veterans' advocates groups and lawyers acting on behalf of veterans' noted in the committee's report.

5 Explanatory memorandum (EM), p. 15.

Comcare had responsibility for the performance of that function'. Despite the operation of subsection 147(1)(c) of SRCA which does not apply Part VII to Defence related claims, subsection 142(1)(d)(ii) of SRCA is contrary to subsection 147(1)(c) and does in fact require MRCC to carry out functions as Comcare would such as those that are found in subsection 69(b). However, subsection 142(1)(d)(ii) and the entirety of section 69 are repealed in the DRCA bill.<sup>6</sup>

1.5 The committee report fails to squarely address the real possibility of future inequities of outcomes raised at the hearing concerning the repeal of section 89B, in DRCA, which is also codified in subsection 142(5) of SRCA – and is also being repealed. Rather, the committee report relies upon the Principal Legal Advisor to DVA conclusory statement that 'the reason why we are looking at excising the military from SRCA is that we did not actually want the then Comcare bill that was being proposed to apply to the military...the MRCC is to be responsible for the administration purely of the DRCA'. The statement by the DVA Principal Legal Advisor, at the hearing, fails to address the core issue – that being the likely result that future claimants under DRCA will not be able to rely upon past function practices afforded to veterans presently under SRCA with respect of the equity of outcomes.

1.6 During the committee hearing it was noted, with respect to decades of case law, that the 'threat posed by DRCA is that these authoritative rulings may no longer apply, especially if the existing SRCA guidelines and policy advices are repealed, amended or revoked...'.<sup>7</sup> Conversely, the DVA through its Principal Legal Advisor, opined that 'all the case law and precedents that currently applies to the consideration of claim under the SRCA will continue to apply to DRCA if it comes into force'.<sup>8</sup> This opinion by a DVA's Principal Legal Advisor, given to the committee, is a straw man fallacy for the reasons outlined in paragraphs 1.4 and 1.5 above.

1.7 The committee report fails to address issues germane to MRCC functions as if it were Comcare outlined in paragraphs 1.4, 1.5 and 1.6 above and instead relies upon the straw man fallacy provided by the DVA Principal Legal Advisor, as noted in paragraph 1.6, as a reason to recommend the Senate pass DRCA.

1.8 It is for the reasons contained in paragraphs 1.4, 1.5 and 1.6 above, Senator Lambie dissents in part as SRCA is not being fully replicated into DRCA. The consequence of which will be that claimants with Defence related injuries or diseases will be disadvantaged as they will no longer be able to rely upon past functional practices and precedence under SRCA, if and when DRCA comes into force. In the committee's haste to report out the DRCA bill it fails in exercising due diligence in examining the underlying issues of the MRCC functions, as it exists today in SRCA, not being fully carried over to DRCA. The committee's reliance upon the DVA's straw man fallacy in which purportedly all case law will continue to apply to DRCA is erroneous as demonstrated above.

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6 EM, p. 15.

7 Mr Brian Briggs, Slater and Gordon Lawyers, *Submission 4*, p. 17.

8 Ms Carolyn Spiers, DVA, *Committee Hansard*, 15 March 2017, p. 30.



1.9 The new section in DRCA, aptly named the Henry VIII clause, confers unfettered power upon the Executive Branch of Government, through DVA, in regulation making which permits modifications to the operation of the act itself. This is unprecedented in the history of Australian veterans' entitlement law. A regulation or any amendment thereto would only be 'disallowable and must be brought before both houses of parliament and sit for 15 sitting days of parliament before they come into operation'.<sup>9</sup> Such a short period of time, 15 days, is insufficient for any key stakeholders or members of the public to raise any initial concerns, to lawmakers for a disallowance motion, in future changes to veterans' entitlements through by regulation.

### **Recommendation 1**

**1.10 That the functions of Comcare noted in section 69 of SRCA be inserted into DRCA, to require MRCC and DVA to carry out such functions which would be consistent with 'doing anything the doing of which', under subsection 142(1)(d)(ii) of SRCA 'would be required of Comcare if Comcare had responsibility for the performance of that function'.**

### **Recommendation 2**

**1.11 Preserve well settled equity of outcomes as recognised by decades of functional practices and precedence presently codified in section 89B of SRCA, which is found in subsection 142(5) of SRCA, by codifying it within DRCA.**

### **Recommendation 3**

**1.12 Delete the Henry VIII clause in DRCA subsection 121B(1); and instead adopt similar language found within section 440 of the *Military Rehabilitation and Compensation Act 2004* concerning regulation creation into DRCA.**

### **Recommendation 4**

**1.13 That the review of the DVA consultation and engagement practices be of an independent nature due to the reasons outlined in the committee report.**

**Senator Jacqui Lambie  
Senator for Tasmania**

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<sup>9</sup> Ms Carolyn Spiers, DVA, *Committee Hansard*, 15 March 2017, p. 22.



# **Appendix 1**

## **Submissions**

- 1 Hervey Bay Veterans Advice & Social Centre
- 2 Alliance of Defence Service Organisations
- 3 Office of Parliamentary Counsel
- 4 Slater and Gordon Lawyers
- 5 Department of Veterans' Affairs
- 6 Department of Defence
- 7 Ms Andrea Josephs
- 8 Ms Kathy Webber
- 9 Mr Peter Thornton
- 9.1 Supplementary Submission
- 10 Mr Allan Thomas



## **Appendix 2**

### **Tabled documents and answers to questions on notice**

#### **Tabled documents**

- 1 Ms Pat McCabe and Mr Peter Thornton, Opening statement, tabled at public hearing on 15 March 2017
- 2 Department of Veterans' Affairs, Opening statement, tabled at public hearing on 15 March 2017

#### **Answers to Questions on Notice**

- 1 Department of Veterans' Affairs, Minister Ronaldson's media release dated 25.3.2015, response to question on notice at public hearing held 15 March 2017
- 2 Department of Veterans' Affairs, DVA's Secretary email, response to question on notice at public hearing held 15 March 2017
- 3 Department of Veterans' Affairs, SRCA Bill Information Sheet for ESOs, response to question on notice at public hearing held 15 March 2017
- 4 Department of Veterans' Affairs, article from 'VetAffairs' Autumn 2015, response to question on notice at public hearing held 15 March 2017
- 5 Department of Veterans' Affairs, Response to questions by Senator Moore, response to question on notice at public hearing held 15 March 2017
- 6 Department of Veterans' Affairs, Acting Chair of the Military Rehabilitation and Compensation Commission, response to question on notice at public hearing held 15 March 2017
- 7 Department of Veterans' Affairs, DRCA Bill as at 1 July 2017, should it be enacted, response to question on notice at public hearing held 15 March 2017
- 8 Department of Veterans' Affairs, DRCA ESCORT Consultation Timeline, response to question on notice at public hearing held 15 March 2017



# **Appendix 3**

## **Public hearing and witnesses**

**Wednesday, 15 March 2017**

**Mr Peter Thornton private capacity**

Ms Pat McCabe OAM, President, Australian Federation of Totally and Permanently Incapacitated Ex-Servicemen and Women

**Alliance of Defence Service Organisations**

Colonel David Jamison AM (Retd), National Spokesman

Mr Noel McLaughlin, Chair, Royal Australian Armoured Corps Corporation

**Slater and Gordon Lawyers**

Mr Brian Briggs, National Military Compensation Expert

**Department of Veterans' Affairs**

Ms Lisa Foreman, First Assistant Secretary, Rehabilitation and Support Division

Mr Luke Brown, Acting Assistant Secretary, Policy Support Branch

Ms Carolyn Spiers, Principal Legal Advisor

Mr Michael Downey, Senior Legislation Officer

Ms Louise Cairns, Legislation Liaison Officer

