

# Chapter 3

## Committee view and recommendation

### Committee view

3.1 In the view of the committee, the bill achieves its purpose in implementing aspects of the Government's response to the recommendations of the Review of Military Compensation Arrangements and these amendments will result in positive changes for those who benefit from military compensation arrangements. Nonetheless, the committee acknowledges the concerns raised by submissions to the inquiry regarding other aspects of Australia's military compensation arrangements and recognises that the amendments made by the bill will not mean that these arrangements are 'free of defect'.<sup>1</sup>

3.2 A large number of amendments and several other issues relating to military compensation arrangements were raised with the committee. The committee wishes to comment on some specific issues—in particular:

- consultation processes and Review membership;
- offsetting of Commonwealth superannuation;
- privacy issues;
- the definition of 'financial advisor'; and
- time frames for processing and reviewing applications.

### *Consultation and Review membership*

3.3 Concerns were raised by submitters in relation to the independence of the Review of Military Compensation Arrangements. The committee does not question the high quality of the work completed by the Review committee, which is evident in the two volumes of the Review's report. However, in the view of the committee, the appointment of only one member who was not a member of the public service to the Review committee unnecessarily opened the findings of the Review to question.

3.4 The committee considers that a high level of consultation has been undertaken by DVA in relation to the development of the bill, particularly with ex-service organisations and veteran communities. In the committee's view, the Australian Government should in future include representatives of ex-service organisations, or other appropriately qualified persons from outside of the public service, in any review or inquiry into military compensation arrangements. Further, DVA should continue to consult closely with these organisations in the development of any legislation amending military compensation arrangements.

### *Offsetting of Commonwealth superannuation*

3.5 The committee recognises the ongoing concerns of some members of the veteran community and others in relation to offsetting Commonwealth superannuation

---

1 Defence Force Welfare Association, *Submission 4*, p. 4.

in relation to some compensation. This issue received significant consideration as part of the Review's report. The committee notes that it reflects a long-standing policy that 'the Australian Government should not pay two income sources to the same person'.<sup>2</sup> In the view of the committee the case has not been made for a change in policy at this time.

### ***Privacy issues***

3.6 Respecting the privacy of serving members of the ADF and veterans should be an important consideration in the framework of military compensation arrangements. The committee notes that DVA complies with the *Privacy Act 1988* in the collection, storage, use and disclosure of personal information in its possession. The committee encourages DVA to continue its ongoing discussions with OIAC to ensure that veterans and others are fully informed concerning the ways their personal information will be used by government agencies.

### ***Definition of 'financial advisor'***

3.7 The committee notes that on 15 May 2013 the Parliamentary Joint Committee on Corporations and Financial Services tabled its report into the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2013 (Corporations Amendment Bill). The Joint Committee recommended the proposed legislation be passed.<sup>3</sup>

3.8 In answers to questions on notice, DVA noted that if the Corporations Amendment Bill were passed 'a consequent amendment to the MRCA could also be considered at that time'.<sup>4</sup> The view of the committee is that, should the Corporations Amendment Bill be passed and receive Royal Assent, the Australian Government should move quickly to introduce consequential amendments to the MRCA to ensure there is legislative consistency in relation to the use of the terms 'financial advisor' and 'financial planner'.

### ***Time frames***

3.9 The committee notes the Review's consideration of the delays in the processing and review of applications by DVA. It is clear to the committee that long delays in the processing of applications can be detrimental to claimants—resulting in periods of stress and uncertainty. Potentially, the inclusion of legislative time frames for the assessment of applications could result in more timely outcomes for veterans and others entitled to seek assistance. However, this is not the only measure which could achieve this outcome.

3.10 The committee notes that the Minister recently released a statement which addressed concerns raised regarding the processing of claims by DVA:

---

2 DVA, answers to written questions on notice, p. 3.

3 Parliamentary Joint Committee on Corporations and Financial Services, *Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2013*, 15 May 2013, p. 54.

4 DVA, answers to written questions on notice, p. 3.

---

The 2013-14 Budget contains funding of \$1.7m over four years to improve processing for compensation claims, with a particular focus on the timeliness of claims for mental health conditions.

This additional funding to improve processing times will mitigate the risk of the claims process exacerbating a client's mental health condition. It will also help to provide access to financial support as soon as possible.

DVA is addressing the times taken to process claims through a range of measures, including:

- applying streamlining processes;
- further training and guidance for staff;
- the redistribution of claims across locations;
- the prioritisation of cases;
- the redevelopment of Information, Communication and Technology tools; and
- improved access to information from the Department of Defence.<sup>5</sup>

3.11 During the inquiry, DVA demonstrated the difficulties and complexity involved in assessing some applications for compensation. Nonetheless, in the view of the committee, there is further scope for DVA to engage with ex-service organisations and veteran communities to identify areas where delays could be mitigated in the processing and review of applications. Performance measures for DVA's processing and review of applications should also continue to be closely monitored by the Australian Government. If no improvement is evident in the times for processing and reviewing applications, further consideration should be given to legislative change.

### **Recommendation 1**

**The committee recommends that the Senate pass the Veterans' Affairs Legislation Amendment (Military Compensation Review and Other Measures) Bill 2013.**

Senator the Hon Ursula Stephens  
Chair

---

5 The Hon Warren Snowdon MP, Minister for Veterans' Affairs, 'Statement on ABC 7.30 Report mental health story', *Media Release*, 6 June 2013, [http://minister.dva.gov.au/media\\_releases/2013/jun/va052.htm](http://minister.dva.gov.au/media_releases/2013/jun/va052.htm) (accessed on 7 June 2013).

