

Purpose 1: Compensation and Support

Maintain and enhance the quality of life of clients by improving their financial wellbeing and self-sufficiency.

Purpose 1 is about the way we assist veterans and their families to access payments and services. The success of our work under Purpose 1 is measured by our achievements in two categories: timeliness and quality. Our timeliness and quality targets are set out in our Portfolio Budget Statements and Corporate Plan (see Table 1 below).

Performance criteria and results

Table 1: Purpose 1 performance criteria and results

| No | Performance criterion | Target | 2017–18 Actual result | 2018–19 Actual result | Achieved |
|---|--|----------------------------|-----------------------------|-----------------------------|----------|
| Program 1.1: Deliver income support and allowances | | | | 📖 PBS p 34, CP p 26 | |
| 1.1.1 | Measurement: The number of days within which 50% of cases will be processed (days) | Claims: 30 PIRs: 10 | 4 7 | 8 9 | ✓ ✓ |
| 1.1.2 | Quality: Correctness rate | Claims: >95% PIRs: >95% | 98.1% 98.0% | 98.24% 96.99% | ✓ ✓ |
| Program 1.2: Deliver disability support | | | | 📖 PBS p 35, CP p 27 | |
| 1.2.1 | Measurement: The number of days within which 50% of claims will be finalised (days) | 100 | 54 (63) ¹ | 108 | ✗ |
| 1.2.2 | Quality: Correctness rate | >95% | 89.4% | 93.6% | ✗ |
| Program 1.3: Deliver assistance to Defence widow/ers and dependants | | | | 📖 PBS p 36, CP p 27 | |
| 1.3.1 | Measurement: The number of days within which 50% of claims will be finalised (days) | 30 | 19 (21) ¹ | 27 | ✓ |
| 1.3.2 | Quality: Correctness rate | >95% | 89.2% | 92.0% | ✗ |
| Program 1.4: Deliver other compensation | | | | 📖 PBS p 37, CP p 27 | |
| Funeral benefits | | | | | |
| 1.4.1 | Measurement: The number of days within which 50% of claims will be processed (days) | 10 | 1 | 1 | ✓ |
| 1.4.2 | Quality: Correctness rate | >95% | 100% | 96.0% | ✓ |
| Defence home loans | | | | | |
| 1.4.3 | Measurement: The number of days within which 50% of claims will be finalised (days) | 18 | 4 | 5 | ✓ |
| 1.4.4 | Quality: Correctness rate | >95% | 100% | 100% | ✓ |
| Program 1.5: Deliver the children's education scheme | | | | 📖 PBS p 38, CP p 28 | |
| 1.5.1 | Measurement: The number of days within which 50% of claims will be finalised (days) | 28 | 10 (10) ¹ | 13 | ✓ |
| 1.5.2 | Quality: Correctness rate | >95% | 100% | 100% | ✓ |

| No | Performance criterion | Target | 2017-18 Actual result | 2018-19 Actual result | Achieved |
|--|--|----------------------|--|--|-------------|
| 1.5.3 | Quality (Client satisfaction): Percentage of responses to the annual Education Schemes Satisfaction Survey indicating that clients thought the support provided helped the student reach their academic potential | >75% | 82.6% | 85.1% | ✓ |
| 1.5.4 | Quality (Achieving the schemes' outcomes): Percentage of the education schemes' clients progressing through each level of their education or career training | >85% | 90.1% | 95.0% | ✓ |
| <i>Program 1.6: Deliver income support and compensation under MRCA and DRCA</i> | | | | 📖 PBS p 39, CP p 28 | |
| 1.6.1 | Measurement: The number of days within which 50% of claims determined under DRCA will be finalised (days) – DRCA liability claims – DRCA permanent impairment claims – DRCA incapacity claims | 100 100 50 | 77 (94) ¹ 71 (73) ¹ 36 (38) ¹ | 130 79 42 | ✗ ✓ ✓ |
| 1.6.2 | Quality: Correctness rate of DRCA claims – DRCA liability claims – DRCA permanent impairment claims – DRCA incapacity claims | >95% >95% >95% | 93.9% 95.9% 91.2% | 94.3% 95.2% 95.1% | ✗ ✓ ✓ |
| 1.6.3 | Measurement: The number of days within which 50% of claims determined under MRCA will be finalised (days) – MRCA liability claims – MRCA permanent impairment claims – MRCA incapacity claims | 100 100 50 | 72 (85) ¹ 78 (91) ¹ 34 (36) ¹ | 63 83 42 | ✓ ✓ ✓ |
| 1.6.4 | Quality: Correctness rate of MRCA claims – MRCA liability claims – MRCA permanent impairment claims – MRCA incapacity claims | >95% >95% >95% | 92.7% 90.4% 92.0% | 93.0% 87.5% 91.1% | ✗ ✗ ✗ |
| ✓ Achieved ✗ Not achieved 📖 Performance criteria source: PBS = DVA Portfolio Budget Statements 2018-19 | | | | | |

CP = Corporate Plan 2018-2022; DRCA = *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*;

MRCA = *Military Rehabilitation and Compensation Act 2004*; PIR = pensioner-initiated review

¹ 2017-18 Time Taken to Process measures results based on the 2018-19 calculation methodology.

Change in the calculation methodology for timeliness measures

In 2018–19 we changed the calculation methodology for timeliness measures.

In previous years we measured the median time taken to process claims using number of claims finalised—this included claims that had been determined as well as those that had been merged or withdrawn.

In 2018–19 we made changes to DVA’s digital platform so that, when multiple claims are lodged by a client on the same day, they are bundled into one claim to streamline the investigation and finalisation of the claim. As a result of this bundling process, a significant number of claims appear to have been withdrawn, when in fact they have been bundled with other claims. This potentially affects the accuracy of our reporting of timeliness.

Therefore, the calculation methodology for median time taken to process compensation claims is now based on determined claims only and does not include withdrawn claims.

Performance criterion categories and further information

Table 2: Purpose 1 performance criterion categories and further information

| Performance criterion category | Performance criterion No | Further information in the annual report |
|--------------------------------|--|--|
| Timeliness | 1.1.1, 1.2.1, 1.3.1, 1.4.1, 1.4.3, 1.5.1, 1.6.1, 1.6.3 | Performance: Compensation and support Appendix C: Claims, services and liability provision statistics |
| Quality | 1.1.2, 1.2.2, 1.3.2, 1.4.2, 1.4.4, 1.5.2, 1.5.3, 1.5.4, 1.6.2, 1.6.4 | Performance: Compensation and support |

Analysis of performance against Purpose 1

Timeliness

DVA’s transformation agenda has had a positive impact on compensation claims lodgement by veterans, with a particularly strong focus on:

- utilising MyService
- early intervention supports
- completing comprehensive Needs Assessments for clients
- providing access to mental health treatment (particularly via expanded Non-Liability Health Care provisions).

In 2018–19, as a result of our work on promoting our services to veterans and streamlining claiming processes, we received an increased number of compensation claims. In some instances, because of those increases in claim numbers (under programs 1.2 and 1.6), the time taken to process claims also increased. In particular, timeliness targets were not met for liability claims that fall under performance criterion 1.2.1 (disability support under the *Veterans’ Entitlements Act 1986* (VEA)); and performance criterion 1.6.1 (claims under the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA)).

We achieved our timeliness target for new income support claims (under program 1.1) in 2018–19. A critical factor in this success was the electronic link with Department of Defence records, which allows us to almost instantaneously confirm qualifying service. In the past this has been a barrier to achieving timeliness targets for new claims. Work is underway to develop new pension processing systems which, once fully implemented, should provide further processing and client service improvements.

We also achieved our timeliness target for processing pensioner-initiated reviews (PIRs) in 2018–19. This is especially notable given the increasing complexity of clients' personal circumstances and sophistication of their financial affairs, as well as the fluctuating economic climate, all contributing to a need for a greater level of investigation for PIRs. Additional time taken during the investigation process helps to ensure clients continue to receive their correct entitlements.

We processed all Defence Service Homes loan subsidies (program 1.4) well within our target of 18 days. Defence Service Homes clients continue to receive an excellent level of service, reflected in the fact that we received no complaints about timeliness of processing. Half of the requests we received were finalised within five days—this greatly assisted veterans and their families to meet their housing needs.

We processed Veterans' Children Education Scheme claims (program 1.5) well within our target of 28 days.

Currently, DVA reports on timeliness performance by reporting the median number of days it takes to process claims within a target time frame. To simplify timeliness reporting from 2019–20, reporting will move to the percentage of claims processed within the target time frame.

Table 3: Percentage of claims completed within target days, 2018–19

| Claim type | Target (days) | % of claims processed within the target |
|-------------------------------|---------------|---|
| VEA income support new claims | 30 | 71.7 |
| VEA income support PIRs | 10 | 53.2 |
| VEA disability pensions | 100 | 43.9 |
| VEA war widow/ers | 30 | 53.2 |
| VEA funeral benefits | 10 | 86.4 |
| MRCA initial liability | 100 | 67.0 |
| DRCA initial liability | 100 | 37.4 |
| MRCA permanent impairment | 100 | 62.0 |
| DRCA permanent impairment | 100 | 63.7 |
| MRCA incapacity | 50 | 57.0 |
| DRCA incapacity | 50 | 60.6 |

DRCA = *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*; MRCA = *Military Rehabilitation and Compensation Act 2004*; VEA = *Veterans' Entitlements Act 1986*

Quality

In 2018–19 we continued to achieve our quality targets for new income support claims and PIRs (program 1.1) as well as for funeral benefits (program 1.4).

We achieved a 100 per cent correctness rate for the Defence Service Homes loans scheme (program 1.4), maintaining its reputation as a well-administered scheme and ensuring that clients receive the highest standard of service. Clients can be confident they are receiving their correct entitlements under the Defence Service Homes loan scheme.

DVA continues to improve the quality of work across all programs under Purpose 1 by using issues and trends identified in the quality assurance program to manage resource allocation, improve training and development packages, target policy and procedural support, improve information technology support, and engage in performance management. As a result, we have improved the quality of decision-making under programs 1.2, 1.3 and 1.6, and we intend to continue to focus on quality into future years.

Under the Veterans' Children Education Scheme and the Military Rehabilitation and Compensation Act Education and Training Scheme, education allowances are paid to eligible children of Australian Defence Force (ADF) members who have died or been severely injured as a result of service. The schemes also provide for special assistance, student support services, and guidance and counselling for eligible students undertaking primary, secondary and tertiary full-time study within Australia.

The Veterans' Children Education Scheme claims (program 1.5) achieved 100 per cent correctness rates.

The results from the 2019 Education Schemes Satisfaction Survey demonstrate that a very high percentage of recipients believe that the support they received under the schemes was effective or very effective in helping them to reach their academic potential.

Summary

The increased number of compensation claims this year had a significant impact on our timeliness targets for liability claims under the VEA and DRCA. To address this, we are adjusting our staffing to better align with demand.

We are introducing combined benefits processing to further streamline assessment and determination of claims to reduce time taken to process and improve overall productivity. We are also making information and communications technology improvements that will result in more efficient processing. Our continued focus on quality improvement will ensure that clients are receiving the benefits and entitlements to which they are entitled.