



Australian Government
Department of Veterans' Affairs

Progress Report

Recommendation 3 – Improving the administration of the claims system

June 2023

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The Royal Commission into Defence and Veteran Suicide has recommended urgent action to eliminate the claims backlog and make improvements to the claims administration system. This is detailed in their Interim Report, delivered on 11 August 2022, which can be found on the [Royal Commission into Defence and Veteran Suicide's website](#).

This report outlines progress made towards implementing the improvements to the administration of the Department of Veterans' Affairs (DVA) compensation claims system as recommended in the Interim Report of the Royal Commission into Defence and Veteran Suicide (Recommendation 3).

Recommendation 3

The Australian Government should improve the administration of the Department of Veterans' Affairs (DVA) claims system by 1 July 2024. The changes pursued should aim to improve veterans' experience of the claims system, remove complexity from the system and enhance efficiency in claims processing. To this end:

DVA, having taken account of the advice received from McKinsey & Company and other relevant sources, should advise the Australian Government about potential measures it could include within a program of work aimed at improving the administration of the claims system.

- The Australian Government and DVA should decide upon the improvement measures to be undertaken within the program of work.
- The Australian Government should provide DVA, and any other relevant agencies, with the resources needed to implement the agreed program of work. The allocation of these resources to DVA should not be offset by reductions in other resourcing of DVA.
- The Australian Government should seek passage of any legislative amendments required to implement the agreed program of work.
- DVA, and any other relevant agencies, should implement the program of work by 1 July 2024.
- DVA should publicly report on progress towards implementing the program of work on a quarterly basis.
- DVA should publicly report on the expected benefit of each measure included within the program of work, and, once implemented, report on the degree to which each benefit has been realised.

Australian Government Response

The Government agrees to this recommendation.

The Government recognises that some veterans and families do not have a good experience accessing support they deserve.

The Government will consider ways to improve the veterans' experience of the claims system, remove complexity and enhance efficiency in supporting veterans and families navigating the veteran support system.

Measures to improve the claims system will be considered by Government, along with any necessary legislative amendments.

The Government notes that work is already underway in response to this recommendation, taking into account the recommendations of McKinsey & Company's claims process diagnostic to improve the administration of the claims system.

The overall benefits of the implementation of the work program will be demonstrated in the efficiencies reported as noted in the response to [Recommendation 2](#).

Status: In progress

Improvements progressed under Recommendation 3 will implement a number of the 11 priority initiatives from the diagnostic review of the DVA's claims processing system completed by McKinsey & Company in December 2021.

As at 30 June 2023, two priority initiatives have been completed, seven are progressing and two are not being progressed. The McKinsey report also identified 12 'in train initiatives' which were either being implemented by DVA or underway at the time of the McKinsey Report, and all are now complete.

DVA's program of work for Recommendation 3 is organised into three overarching streams:

- Efficiency improvements such as claims screening teams that will reduce times taken to process claims
- Improvements to the claims experience such as proactive communications with clients to support the transparency of the claims process
- Preparing for the future by undertaking discovery processes for future ICT ecosystem, including ongoing improvements to the MyService portal.

Improving efficiency

DVA is undertaking detailed planning of these projects and the benefits they are expected to provide to veterans, families and DVA staff. The immediate response to Recommendation 3 will seek to increase efficiency and transparency in claims processing by July 2024 while also preparing for the evolving needs and expectations of the future veteran community and preparing for the rapid implementation of legislative reform.

The 2023-24 Budget provided \$254.1 million over four years to maintain DVA's ICT systems and replace legacy systems that deliver payments to veterans, families and the service providers who deliver critical support and services to the veteran community. This investment builds on the \$87.0 million over two years, provided in the October 2022 Budget, to improve the administration of the claims processing system and modernise DVA's ICT environment.

Together these investments will enable DVA to work towards a modern, connected and sustainable ICT ecosystem that will support a simple, seamless and efficient veteran support system.

Improving the veteran experience

The Modernisation program will deliver improvements to the experience for veterans and families interacting with the claims administration system while also improving the efficiency of the claims process.

Modernising DVA's ICT systems will help veterans and families navigate the claims process by:

- Providing greater transparency on the status of claims and services through MyService
- Making it simpler to lodge complete claims through MyService; and
- Streamlining complex medical forms.

The program of work will position the department to deliver further improvements to the claims administration system over time, enabling efficiency and agility to implement legislative change called for by the Royal Commission. Ongoing business changes are progressing in support of ICT and business processes. Additional resources provided to address the claims backlog will be supported with improvements that enable reduced manual processing and help staff to process claims more efficiently.

These improvements form part of DVA's broader approach to ensuring that the ICT ecosystem supports a simple, seamless and efficient veteran support system with the ability to adapt as the needs of veterans, families, providers and staff evolves.

Future focussed

To prepare for the evolving needs and expectations of the future veteran community and preparing for the rapid implementation of legislative reform DVA has commenced co-design with the veteran community about the future capabilities of MyService and the Ex-Service organisation (ESO) Portal which supports veterans, families and advocates to conduct their business with DVA.

In addition, DVA has developed a framework and process to assess the technical and business fitness of ICT applications to support DVA staff and the veteran community now and into the future. This framework is being used to inform the development of the Digital Resilience Roadmap (the Roadmap), which will set out an indicative plan for government consideration to modernise DVA's ICT over the next 10 years. It will provide a visual representation of the strategic approach to modernise our ICT ecosystem, guiding ICT decisions over the short, medium and long term as we transition to a more flexible and digital first organisation.

When finalised, the Roadmap will be periodically reviewed and updated in response to changes to DVA's internal or external environments.

An [update on all the recommendations as at 30 June 2023 is available](#).

