



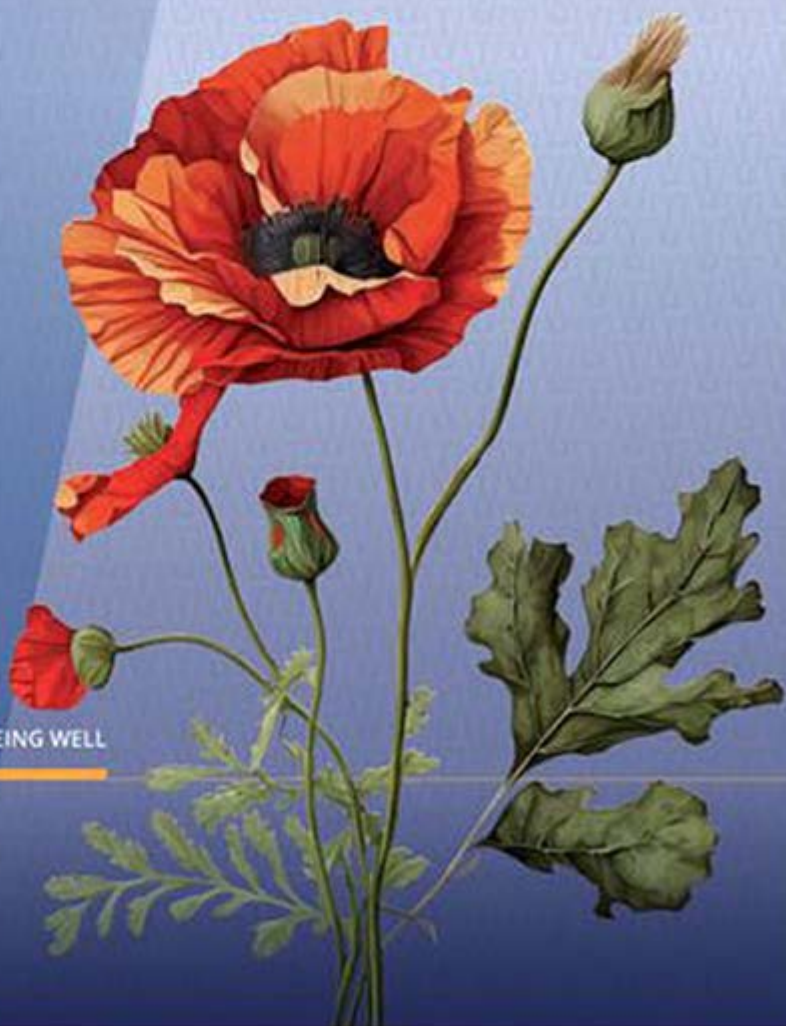
Australian Government  
Department of Veterans' Affairs

# Annual Reports **2023–24**

Repatriation Commission

Military Rehabilitation and  
Compensation Commission

Department of Veterans' Affairs



SERVING WELL >> LIVING WELL >> AGEING WELL



## AUSTRALIAN DEFENCE VETERANS' COVENANT

*We, the people of Australia, respect and give thanks  
to all who have served in our defence force and their families.*

*We acknowledge the unique nature of military service and the sacrifice  
demanded of all who commit to defend our nation.*

*We undertake to preserve the memory and deeds of all who have served  
and promise to welcome, embrace, and support  
all military veterans as respected and valued members of our community.*

*For what they have done, this we will do.*

# DVA fast facts 2023–24

As at 30 June 2024, for the reporting period 1 July 2023 to 30 June 2024



**276,314**  
veterans<sup>1</sup>



**75,763**  
dependants<sup>1</sup>

## Enhance wellbeing

**\$4.3 billion**  
spend on health and wellbeing



**292,344**

DVA Health Cards

**103,737**

Gold Cards

**188,607**

White Cards



**197,133**

clients received health services

**122,451**

service providers delivered health services



**1,014,290**

instances of travel for treatment<sup>2</sup>



**246,576**

MyService users<sup>3</sup>

**29,334**

initial liability<sup>4</sup> claims lodged through MyService<sup>5</sup>



**99,732**

eligible veterans or dependants received income support

**200,200**



primary compensation determinations<sup>6</sup>

**159,764**

compensation clients supported



**46,086**

homes protected under DSH Insurance

**\$8.3 billion**

spend on compensation and support

**OPEN ARMS**

Veterans & Families Counselling

**337,477**

Open Arms services provided

**42,445**

veterans & their family members accessed Open Arms services

**521,654**

visits to the Open Arms website

## Recognition and respect



**1,861**

new commemorations provided for eligible veterans in the reporting period

**354,215**

official commemorations maintained in Australia, Papua New Guinea and Solomon Islands



**More than 17,500**

community stakeholders received educational resources



**15,862**

veterans received the Veterans' Recognition Package



**\$41 million**

spend on commemorations

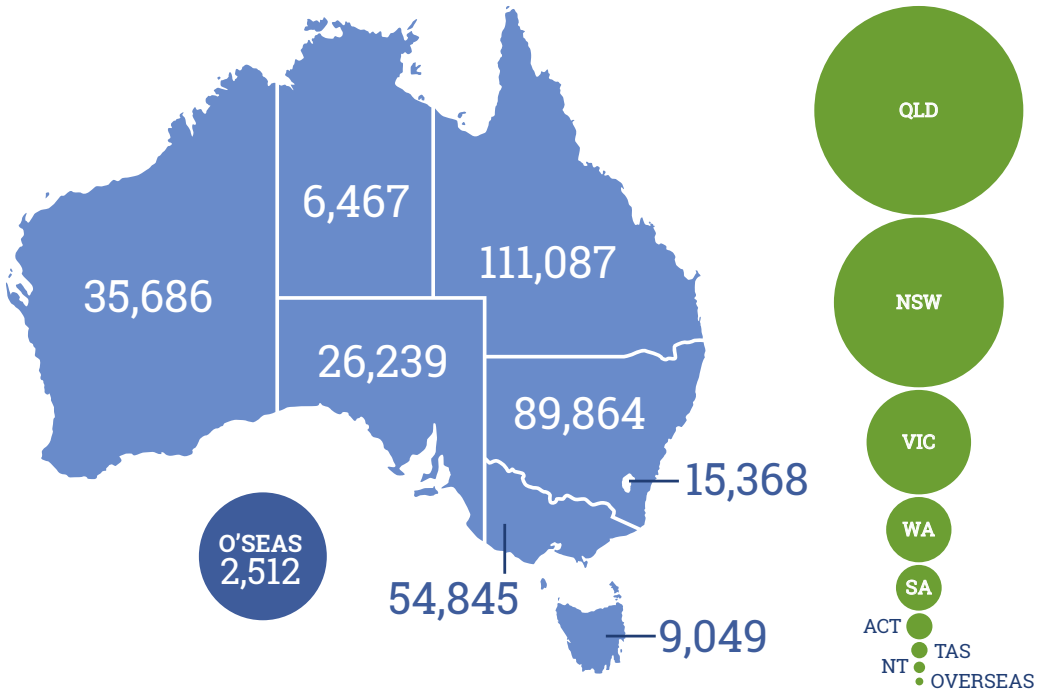
**3,658 employees<sup>7</sup>**

**\$13.5 billion** 2023–24 actual

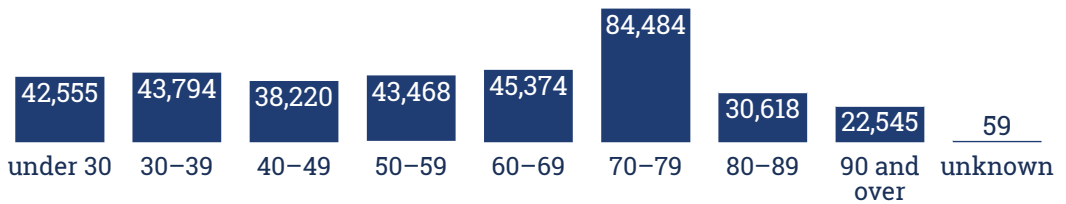
# Who we support

As at 30 June 2024

## Veterans and their family members by location



## Veterans and their family members by age



## Veterans by gender



- 1 Some clients are eligible as both a veteran and a dependant.
- 2 Includes arranged transport trips, ambulance trips and automated claims for reimbursement. Manually processed claims are not included in this figure due to system limitations.
- 3 Overall total, not limited to 2023–24 financial year.
- 4 Initial liability is gross claims and includes *Military Rehabilitation and Compensation Act 2004* (MRCA) and *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) initial liability, and *Veterans' Entitlements Act 1986* (VEA) disability compensation payment claims but excludes VEA application for increase, and claims for compensation following death (under MRCA and DRCA).
- 5 Other types of claims can also be lodged through MyService.
- 6 The number of conditions determined at the initial liability stage and the number of other compensation claims processed.
- 7 Does not include non Australian Public Service (APS) labour hire and contractors.

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## Department of Veterans' Affairs letter of transmittal



Australian Government  
Department of Veterans' Affairs  
OFFICE OF THE SECRETARY  
PRESIDENT REPARATION COMMISSION

The Hon. Matt Keogh MP  
Minister for Veterans' Affairs  
Minister for Defence Personnel  
Parliament House  
CANBERRA ACT 2600

Dear Minister

I am pleased to present the annual report of the Department of Veterans' Affairs for the 2023-24 financial year. This report has been prepared in accordance with all applicable obligations of the *Public Governance, Performance and Accountability Act 2013* including section 46, which requires that you table the report in Parliament.

As required by section 10 of the *Public Governance, Performance and Accountability Rule 2014*, I certify that:

- fraud and corruption risk assessments and control plans have been prepared for the department
- appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and reporting and recording fraud and corruption are in place for the department
- all reasonable measures have been taken to appropriately deal with fraud and corruption relating to the department.

The report also contains material on the operations of the Defence Service Homes Insurance Scheme, as required under section 50B of the *Defence Service Homes Act 1978*, and the Office of Australian War Graves, as required under section 13(1) of the *War Graves Act 1990*. Annual reports on the operation of other entities that fall within your portfolio will be submitted to you by the relevant accountable authority.

The report also includes information on the data-integrity program in the department, in accordance with section 12 of the *Data-integrity Program Assistance and Tools Act 1999*. The department works closely with the Office of the Australian Information Commissioner to ensure that the program strictly adheres to privacy safeguards and principles.

Yours sincerely

Alison Frame  
Secretary

17 October 2024

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*Alison Frame Secretary*

# Secretary's review

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Australians who stand up to serve our nation make a solemn vow to defend our shores and uphold the values we hold dear. It is an act of bravery and self-sacrifice, but it also comes with considerable personal risks and burdens, which families share. In taking on these risks, our service personnel accept a promissory note from the nation – that their service and dedication will be repaid in kind. The Department of Veterans' Affairs (DVA) was established to fulfil the nation's obligation to support the wellbeing of Australia's veterans and families.



It is a privilege to lead the department as we undertake this important work. The Department of Veterans' Affairs Annual Report 2023–24 sets out the outcomes achieved during the reporting period.

Most significantly, DVA has cleared the backlog of unallocated compensations claims, and has undertaken extensive consultation with the veteran community in the development of the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024 to simplify and harmonise the veterans' legislative framework. Subject to passage, this Bill will remove complexity and reduce frustration for veterans and dependants seeking support from the department.

Over the reporting period, DVA has responded to information requests from the Royal Commission into Defence and Veteran Suicide, and considered and acted on the insights and recommendations outlined in the Royal Commission into Defence and Veteran Suicide: Interim Report (the Interim Report). DVA has also reviewed and positioned the organisation to respond to the government's consideration of the Royal Commission's Final Report to ensure this once-in-a-generation opportunity to reimagine and reshape the way we support the veteran community is maximised.

## Royal Commission into Defence and Veteran Suicide

DVA has continued to support the important work of the Royal Commission by responding to its inquiries. As at 30 June 2024, the department provided over 445,000 pages of information, and 22 DVA officials appeared as witnesses across 12 public hearing blocks from 2021 to 2024.

During the reporting period, DVA has continued to act quickly to implement the recommendations in the Royal Commission's Interim Report. The backlog of unallocated initial liability, incapacity, and permanent impairment claims was cleared ahead of schedule, and legislation creating the single-Act system to simplify and harmonise the veterans' legislation framework was introduced into parliament on 3 July 2024. The government has made significant and ongoing investment in DVA's staff and systems. Additional ongoing funding for staff provided by the government is supporting DVA's efforts to finalise older cases which are still on hand and meet claims processing targets.

The department has undertaken significant preparation for the release of the Royal Commission's Final Report to ensure we are well placed to support the government's response and deliver change to make a real difference to the lives of veterans and families.

## Veterans' legislation reform

The Royal Commission's first recommendation in its Interim Report was for the government to implement legislation to simplify and harmonise the veteran entitlement system.

Following an extensive consultation process with the veteran community, legislation to simplify and harmonise the veterans' legislation framework will be introduced into parliament on 3 July 2024.



The Bill would move all claims for compensation and rehabilitation into the *Military Rehabilitation and Compensation Act 2004* (MRCA) from 1 July 2026. This means the *Veterans' Entitlements Act 1986* (VEA) and the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) would be closed to new compensation and rehabilitation claims. An underlying principle of the Bill is that there would be no reduction in payments that veterans or families previously received or are currently receiving.

These changes would make the claims system easier to navigate and would help veterans and families receive the support and services to which they are entitled. They would also ease the administrative burden for the department, making determinations less complex, and reducing training and system maintenance overheads.

This is another important step the government has taken to respond to the Royal Commission's Interim Report.

## Transition

Transitioning to predominantly civilian life can be challenging for some Australian Defence Force (ADF) members and families. Supporting positive transition outcomes is a shared responsibility between individuals, the community, providers and government. DVA works with the Department of Defence (Defence) with a focus on rehabilitation, income support, employment, physical health and mental wellbeing to support a positive transition.

DVA has introduced a number of initiatives to improve and better support the transition journey an individual or family may take. The Transition Medical Assessment Pilot Project and Enhanced Veteran Support Officer Pilot provide important targeted support to medically separating veterans. The establishment of the Transition Branch in DVA (with a mix of service, policy and program areas), the DVA Transition Synchronisation Committee and the Joint Transition Oversight Panel with Defence and other Commonwealth agencies has helped to focus and coordinate efforts both within DVA and across agencies.

DVA delivers the Australian Government's \$24 million Veteran Employment Program (VEP), which supports Australian organisations to improve employment outcomes for veterans. A key initiative is the Veteran Employment Commitment (VEC), which was relaunched in April 2024. Organisations can join the VEC to be recognised for their demonstrated veteran recruitment, support and retention initiatives as well as their leadership and public commitment to veteran employment.

The program provides guidance and practical resources to help organisations implement and improve their veteran employment initiatives, some of these developed via the Recruitment Advisory Service for Employers of Veterans Grant Program. The VEP also funds tertiary sector institutions to establish or enhance recognition of prior learning frameworks to better reflect the skills and knowledge veterans gain during their service, via the Veteran Recognition of Prior Learning – Tertiary Support Grant Program.

To highlight successes in veteran employment, the Prime Minister's National Veteran Employment Awards recognise the achievements of Australian organisations that make significant contributions to the employment of veterans and their partners, as well as celebrating the achievements of individual veteran and partner employees and entrepreneurs. To further promote the value of veterans in the civilian workforce, a national veteran employment campaign was launched in April 2024.

## Service delivery

### Claims processing

The backlog of unallocated claims identified by the Royal Commission was cleared at the end of February 2024, ahead of the Royal Commission's recommended deadline of 31 March 2024.

In addition, as at 30 June 2024, over 93% of the 41,800 claims originally identified in the initial liability backlog had been finalised.

DVA has now moved to a new business-as-usual model where all new liability claims are allocated to an officer for assessment within 2 weeks of lodgement.

Now that the allocations backlog has been eliminated, DVA is shifting focus to reducing the time it takes to process claims. As at 30 June, over 50% of claims on hand were less than 200 days old, and the department continues to strive to reduce time taken to process to meet legislative guidelines.

The 2024–25 Budget provided an additional \$186 million to increase our ongoing service delivery workforce by 141 staff. This is intended to reduce the time taken to process claims to within performance benchmarks of a 90-day average for:

- MRCA initial liability claims by 30 June 2025
- permanent impairment claims by 30 June 2026.

### **Placing wellbeing at the centre of design and delivery**

DVA has moved to embed a wellbeing approach, which places whole-of-person considerations at the centre of decision-making, into its service design and delivery arrangements.

For instance, veterans with complex service-related hearing needs are now able to more easily receive hearing devices to support their social connectedness and employment through the development of the Veteran Hearing Services Framework. This framework provides a streamlined pathway to fair and consistent funding decisions on the most appropriate hearing devices for veterans with complex service-related hearing needs.

Communication approaches and flexibility arrangements to support eligible veterans requiring assistance to travel for approved health treatments have been streamlined and simplified. These changes place the individual circumstances and needs of veterans at the forefront of transport assistance service provision and have been made to ensure tailored support is provided to clients receiving health treatment.

### **Provider engagement**

DVA acknowledges that healthcare providers play a critical role in supporting lifelong wellness for veterans. Feedback through various forums, such as the Royal Commission, has identified the need for DVA to provide training to healthcare providers. This is especially relevant for general practitioners (GPs) who are at the forefront of health care in Australia. It is recognised that DVA healthcare funding and compensation arrangements are unique, complex and sometimes challenging to navigate.

DVA has undertaken an integrated approach to improving engagement and awareness of its services and programs with GPs. There has been greater engagement with the Royal Australian College of General Practitioners (RACGP) with the implementation of veteran health content on the RACGP Fellowship curriculum and on the GP learning program (the *check* Program). The RACGP is Australia's largest professional general practice organisation, representing more than 43,000 members, including more than 24,000 Fellows who have completed specialist training (<https://www.racgp.org.au/racgp-membership>).

Providing training to the broadest GP audience is challenging and has necessitated the use of a platform familiar to GPs. DVA has collaborated with Medcast Pty Ltd, a health professional education provider, to implement the dedicated Veterans Healthcare eLearning Platform (VETS HeLP). The platform provides health professionals with easy access to a range of evidence-based educational resources central to delivering health care to veterans and their families. It offers accredited continuing professional development opportunities, including interactive webinars,

online case scenarios and podcasts. While the training is primarily aimed at GPs, some of the training resources will also be applicable to a broader range of healthcare providers. VETs HeLP was launched on 1 July 2024.

DVA recognises the general practice landscape continues to evolve and it needs to be better positioned to understand the needs of providers. The aim is to support GP awareness of veteran health issues and improve healthcare services to veterans and their families. To support this, a General Practitioner Advisory Group was established in June 2023, with representation from all key primary healthcare colleges and associations.

### **Expansion of mental health supports for veterans and families in Tasmania**

Open Arms – Veterans & Families Counselling (Open Arms) undertook a review of access and availability of mental health services for veterans in Tasmania, identifying that there were no specific services for veterans other than those provided by Open Arms. There were also no treatment and recovery programs for posttraumatic stress disorder (PTSD) being offered in Tasmania, which meant that veterans had to travel interstate to access necessary support. To address this, Open Arms developed a 2-phase PTSD program:

- The first phase focuses on stress, resilience and functioning and is delivered after hours, once a week for 8 weeks, so veterans can maintain their employment.
- The second is an intensive 4-week program specifically focused on trauma for those requiring additional treatment.

The program began on 30 April 2024 in Hobart and is being rolled out to other locations across the state, including Burnie and Launceston, so veterans do not need to travel to receive treatment.

Open Arms is also developing a complementary program to support families (partners for the first program) while the veteran is undertaking treatment. This is scheduled to begin in Hobart on 22 July 2024.

To further support access, Open Arms has developed a partnership with the Tasmanian state mental health sector and primary health network. Referral pathways, including warm transfers for veterans, families and GPs using the Central Intake and Referral Service through the Mental Health and Alcohol Directorate, Tasmanian Department of Health, began on 22 April 2024. A veteran identifier question is asked to provide access to veterans and families who may not have had contact with Open Arms or DVA previously.

Through this pathway, veterans are able to access free mental health care from Open Arms and also access their entitlements across DVA through case management support.

This initiative has been supported through the provision of training and education programs for GPs through the primary health network.

Open Arms will be expanding this approach to other regions in Australia in partnership with the primary health networks and state and territory mental health sectors to better support the mental health needs of veterans and families.

### **Aged and Community Care Taskforce**

DVA established the Aged and Community Care Taskforce to leverage partnerships with other Australian Government agencies, seeking to increase our engagement with the sector and ensure sustainability of services so that the wellbeing needs of veterans are met. This is part of DVA's commitment to ensure the veteran community has access to information and supports to transition into residential aged care, or sustainable in-home services for those wishing to and able to live independently at home. Starting with an Ageing Well Strategy, the taskforce will uphold the department's focus on delivering a structured and sustainable approach to activities, which is aligned with the government's care and support economy reforms and aged care reforms.

## Veterans' and Families' Hubs

The Veterans' and Families' Hubs program provides a unique service, with hubs designed to deliver services determined by the local veteran community. They are established and operated by independent lead organisations, supported by a DVA grant. Hub services can include mental and physical health services; wellbeing support; advocacy; employment and housing advice; and social connection. Some hub locations house DVA services such as Open Arms, veteran support officers and veterans' chaplains.

DVA is also looking at other ways to partner with hubs to improve veteran wellbeing, such as piloting new digital communication facilities in selected hubs to help veterans and families access a range of health and wellbeing services. Hubs provide important services and community connection for veterans and families, both locally and in the surrounding regions.

In 2023–24, new hubs opened in Caboolture (Qld) and Burnie (Tas), joining the other established hubs supporting veterans and families in Perth, Townsville, Adelaide, Darwin, Wodonga and Nowra. Work is also underway to establish an additional Tasmanian hub and spoke model.

A further 8 hubs are being established in locations with significant Defence and veteran communities: Southwest Perth, Northern Adelaide, Ipswich, Queanbeyan, the Hawkesbury region, the Hunter region, the Tweed/North Coast region and the Surf Coast/Geelong region. In 2023–24, grants of \$5 million per location were awarded to the lead organisations establishing these new hubs, which are expected to be open by mid-2026.

In addition to the hubs program, DVA administered the Veteran Wellbeing Grants One-Off Program, which provided almost \$17 million for 21 projects. This included funding for a number of 'mini-hubs', which will provide similar services to the veteran community.

## Veterans' Chaplaincy Pilot Program

The Veterans' Chaplaincy Pilot Program was established in recognition of the vital role that ADF chaplains can play in supporting spiritual wellbeing during ADF service, and the need for an equivalent support service once a person has transitioned to civilian life.

Veterans' chaplains are providing services in Perth, Brisbane and Townsville, and an evaluation of the pilot program is underway. Additionally, in May 2023, the first 2 veterans' chaplaincy seminars were held to upskill the broader faith community in supporting veterans and families.

## Commemorations

DVA acknowledges and commemorates all those who have served Australia in wars, conflicts and peace operations.

During the reporting period, we undertook a wide range of commemorative activities to honour the contribution of our service men and women. These included the delivery of solemn, dignified and respectful commemorative services; the development of school and commemorative resources; and the development and maintenance of overseas memorial sites, as well as interpretive centres and trails.

On Anzac Day 2024, Australians again gathered to honour all those who have served the nation. DVA delivered services in several locations, including those at the Anzac Commemorative Site in Gallipoli, Türkiye, and the Australian National Memorial near Villers-Bretonneux, France, both of which were well attended in 2024.

A national commemorative service was held on 18 August 2023 to mark the 50th anniversary of the end of Australia's involvement in the Vietnam War. The Vietnam War Commemorative Medallion and Certificate of Commemoration were made available to every Australian veteran who served in the Vietnam War, or to their widow or other family member.

## Grants programs

DVA delivers a suite of grants programs that are designed to support a broad range of veteran and community needs. The grants programs and the partnerships they support enable organisations to implement new or better ways to support the veteran community. The programs:

- support health and wellbeing
- support the provision of advocacy services
- assist commemorations.

In 2023–24, DVA began a review of its suite of grants programs to identify emerging issues affecting the veteran community that could be better addressed through grants. Opportunities to collaborate, co-design or enhance grants programs are being explored with representatives from major ex-service organisations.

DVA also started a consultation process with state and territory governments to better understand their jurisdictions' grants programs and processes. In 2024–25, grants programs that specifically target the veteran community will be mapped, areas of duplication will be identified, and opportunities to strengthen coordination between the Australian Government and state and territory governments in delivering grants programs will be considered.

## Informing and supporting service delivery

### Modelling analysis

The veteran community's needs will continue to evolve. To forecast future demand for services, DVA must accurately anticipate what the veteran community will look like.

DVA has upgraded its data and modelling capabilities to improve our ability to forecast future demand and our resourcing requirements. During the reporting period, the department has embedded its demand-driven funding model.

### Modernising information technology

DVA is committed to improving the experience veterans and their families have when they choose to engage with DVA through digital channels. This includes investigating emerging technologies and their applicability in the DVA information and communications technology (ICT) ecosystem. Artificial intelligence (AI) has the potential to be a powerful tool in streamlining processes and increasing efficiencies through automation. DVA is following the lead of the Digital Transformation Agency in the development of an AI framework and supporting policy to ensure any implementation of AI tools is in keeping with whole-of-government standards and aligns with ethical principles. Where appropriate, DVA may deploy AI tools to improve the veteran experience. DVA will always be transparent about any use of AI across its ICT ecosystem.

Demand for DVA's services is affected by a wide range of factors such as the size of the ADF, the timing and nature of deployments, shifting demographic profiles, the nature of service and injury, and various policy and operational settings. DVA is utilising machine learning to assist its client and claims forecasting, with a thorough validation process to ensure transparency and reliability.

In particular, the department has developed and deployed its demand projection models to robustly estimate future demand for selected DVA services based on the evolving characteristics of current and former ADF members. By improving data and modelling capabilities, the department will be able to more accurately estimate demand for services and resourcing needs into the future. The demand projection modelling has supported the department to respond to the Royal Commission's Interim Report findings, including clearing the backlog of unallocated claims and regularly informing assessments of our funding needs.

## Research and evaluation strategic partnership

DVA has a long-term commitment to research and evaluation that results in ongoing benefits to the health and wellbeing of veterans and families. To strengthen this commitment, DVA has worked closely with the Australian Centre for Evaluation to take a whole-of-government approach to enhancing evaluation capability and to put evaluation evidence at the heart of policy design and decision-making.

DVA has also progressed a new research and evaluation model. Under this model, DVA will develop a 5-year partnership with one or more suppliers (or consortiums) to procure the bulk of our research and evaluation services. The objective of the model is to increase the production, use and sharing of evidence to support decision-making and policy, program and service design.

A request for tender for the establishment and operation of a Veteran and Family – Learning and Innovation Network of Knowledge was released to the market on 28 June 2024.

This initiative builds on and complements existing relationships with key research partners such as the Australian Institute of Health and Welfare, the Australian Institute of Family Studies, Defence, the international Five Eyes Veteran Research Committee, and existing funded partnerships with research institutions.

## The future

DVA has followed the Royal Commission closely and has reviewed and analysed information provided through Royal Commission notices, hearings, roundtables and publications to identify critical areas of focus. DVA has also considered outstanding recommendations from historical reviews and inquiries. This has highlighted several critical areas for consideration as we prepare for the Royal Commission's Final Report.

These areas include continuing to focus on veteran wellbeing, employing a veteran-centric approach to supporting veterans and veteran families, addressing data-sharing and privacy challenges, facilitating transition from the ADF to a predominantly civilian life, and further integrating and supporting the wider veteran support sector. The department anticipates that these considerations will drive significant improvements in its capability, interactions with veterans and families, and service delivery.

## Acknowledgements

I continue to be impressed by the dedication and passion of DVA's staff, the Repatriation Commission, the Military Rehabilitation and Compensation Commission and all other agencies and groups who provide services for the veteran community. I thank them for the work they do each and every day to support the veteran community.



**Alison Frame**

Secretary, Department of Veterans' Affairs



# 01

## Overview



# About us

## Purpose

The purpose of the Department of Veterans' Affairs (DVA) is to support the wellbeing of those who serve or have served in the defence of our nation, and their families, by:

- partnering with organisations and individuals to help design, implement and deliver effective programs and benefits, which enhance wellbeing of veterans and families
- providing and maintaining war graves and delivering meaningful commemorative activities to promote community recognition and understanding of the service and sacrifice of veterans.

## Outcomes and programs

In 2023–24, DVA administered the following outcomes and programs:

Outcome	Program
1. Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons and their dependants through access to income support, compensation and other support services, including advice and information about entitlements.	1.1: Deliver veterans' income support and allowances
	1.2: Deliver veterans' disability support
	1.3: Deliver assistance to Defence widow/ers and their dependants
	1.4: Deliver assistance and other compensation for veterans and dependants
	1.5: Deliver the Veterans' Children Education Scheme and the Military Rehabilitation and Compensation Act Education and Training Scheme
	1.6: Deliver income support and compensation under DRCA and MRCA
2. Maintain and enhance the physical and mental wellbeing and quality of life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health service entitlements.	2.1: Provide general medical consultations and services
	2.2: Provide access to veterans' hospital services
	2.3: Provide access to veterans' pharmaceutical benefits
	2.4: Provide access to veterans' community care and support
	2.5: Provide veterans' counselling and other health services
	2.6: Provide access to health, rehabilitation and other care services under DRCA and MRCA
3. Acknowledgement and commemoration of those who served Australia and its allies in wars, conflicts and peace operations through promoting recognition of service and sacrifice, preservation of Australia's wartime heritage, and official commemorations.	3.1: Provide and maintain war graves
	3.2: Deliver commemorative activities

# Portfolio

## Portfolio overview

The Veterans' Affairs Portfolio is responsible for carrying out Australian Government policy and implementing programs to fulfil Australia's obligations to veterans, war widows and widowers, families, serving and former members of the Australian Defence Force (ADF), certain Australian Federal Police officers with overseas service, and Australian participants in British nuclear tests in Australia and their families.

DVA, the Australian War Memorial (AWM) and several other statutory bodies administered by the Minister for Veterans' Affairs are formally part of the Defence portfolio. The schedule to the annual Appropriation Acts lists both DVA and the AWM as receiving moneys appropriated from the Consolidated Revenue Fund. The other statutory commissions and boards in the Veterans' Affairs Portfolio receive their funding under arrangements with DVA, and their administrative staff are employees of the department.

## Portfolio ministers

During 2023–24, the portfolio was administered by the Minister for Veterans' Affairs and the Assistant Minister for Veterans' Affairs.

On 1 June 2022, the Hon Matt Keogh MP (Member for Burt) was sworn in as Minister for Veterans' Affairs and Minister for Defence Personnel, and the Hon Matt Thistlethwaite MP (Member for Kingsford Smith) was sworn in as Assistant Minister for Veterans' Affairs. These arrangements remained in place throughout the 2023–24 reporting period.

## Accountable authority

The Secretary of the Department of Veterans' Affairs is the department's accountable authority.

Ms Alison Frame was appointed as Secretary of the Department of Veterans' Affairs on 23 January 2023.

## Department and statutory commissions

This annual report covers the work of 3 bodies in the Veterans' Affairs Portfolio:

1. Department of Veterans' Affairs – the primary agency responsible for policies and programs that provide support, services and information for veterans and families. The department also conducts commemorative programs to acknowledge the service and sacrifice of Australian service men and women. Programs are developed and delivered in accordance with the *Veterans' Entitlements Act 1986* (VEA), the *Military Rehabilitation and Compensation Act 2004* (MRCA), the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA), the *Defence Service Homes Act 1918* and the *War Graves Act 1980*.
2. Repatriation Commission – responsible for the administration of the VEA and its range of compensation and income support pensions, allowances and other healthcare services.
3. Military Rehabilitation and Compensation Commission – responsible for the administration of the MRCA and the DRCA (as they relate to current and future ADF members and their families). The assistance provided under these Acts includes permanent impairment payments, incapacity payments, and healthcare and rehabilitation programs.

## Other portfolio bodies

The Veterans' Affairs Portfolio is made up of 2 agencies – DVA and the AWM – and several other organisations including the Office of Australian War Graves, the Repatriation Medical Authority, the Specialist Medical Review Council and the Veterans' Review Board. More information on these separate bodies, including annual reports on performance, is available from their websites.

### Australian War Memorial

The AWM combines a shrine, a world-class museum and an extensive archive. Its purpose is to commemorate the sacrifice of those Australians who have died in war or on operational service and those who have served our nation in times of conflict. Its mission is leading remembrance and understanding of Australia's wartime experience. The AWM is committed to leading historical research, museum practices and community engagement. More information on the AWM can be found at [www.awm.gov.au](http://www.awm.gov.au).

### Defence Service Homes Insurance Scheme

The Defence Service Homes Insurance Scheme (DSH Insurance) has existed for over 100 years and operates pursuant to the *Defence Service Homes Act 1918*. DSH Insurance provides affordable home building insurance and claims support tailored to eligible members, including all veterans, veterans' widows or widowers, and serving ADF members with at least one day of active service (including reservists). DSH Insurance is self-funded through premiums paid by policyholders, commissions and investment income. All funds generated by DSH Insurance are invested into operating the scheme and providing support to policyholders in times of need. More information about DSH Insurance can be found at [www.dsh.gov.au/insurance](http://www.dsh.gov.au/insurance).

### Office of Australian War Graves

Established under the *War Graves Act 1980*, the Office of Australian War Graves (OAWG) is responsible for the delivery of the government's program of official commemoration. The OAWG has commemorated 1,861 veterans during the reporting period and now cares for the formal commemorations of over 350,000 eligible veterans and war dead of the wars, conflicts, peace operations and other operations to which Australia has been committed. There are more than 2,400 commemorative sites around Australia.

The OAWG is also the agent of the Commonwealth War Graves Commission (CWGC) in the region. On the CWGC's behalf, the government has established and cares for the resting places in Australia, Papua New Guinea and Solomon Islands of 21,000 Australian and 734 Commonwealth war dead of other nations. More information about the OAWG can be found at [www.dva.gov.au/wargraves](http://www.dva.gov.au/wargraves).

### Repatriation Medical Authority

The Repatriation Medical Authority (RMA) is an independent statutory authority. Its role is to determine statements of principles (SOPs) for any disease, injury or death that could be related to military service, based on sound medical-scientific evidence. SOPs are binding on decision-makers and review bodies determining liability for compensation under the VEA or MRCA. More information about the RMA and the SOPs can be found at [www.rma.gov.au](http://www.rma.gov.au).

## Specialist Medical Review Council

The Specialist Medical Review Council (SMRC) is an independent statutory body that reviews the RMA's decisions on SOPs and directs or recommends that the RMA amend the SOPs. The SMRC consists of eminent medical practitioners and medical scientists appointed as councillors by the Minister for Veterans' Affairs. The convener of the SMRC selects these specialists based on their expertise in the injury, disease or death relevant to the SOPs being reviewed. More information about the SMRC can be found at [www.smrc.gov.au](http://www.smrc.gov.au).

On 1 July 2024, following a merit selection process completed in June 2024, the Minister for Veterans' Affairs appointed 14 new councillors to the SMRC on 5-year terms. After the expiry of the period of appointment of Professor Charles Guest, who served as councillor and convener of the SMRC for 27 years, Professor Christian Gericke was appointed as the new SMRC convener. Professor Gericke is a consultant neurologist and public health physician. He is the Director of Research and Neurologist at Calvary Mater Newcastle, Clinical Dean and Conjoint Professor of Medicine at the University of Newcastle, and Professor of Public Health at the University of Queensland. He also serves as Squadron Leader and Neurologist in the Royal Australian Air Force. The SMRC now has 16 members and is continuing to prepare its review of Hashimoto thyroiditis.

## Veterans' Review Board

The Veterans' Review Board (VRB) is an independent body that reviews certain decisions made by the Repatriation Commission under the VEA and determinations under the MRCA. More information about the VRB can be found at [www.vrb.gov.au](http://www.vrb.gov.au).

## Legislation

In accordance with the Administrative Arrangements Order ([www.pmc.gov.au/government/administration/administrative-arrangements-orders](http://www.pmc.gov.au/government/administration/administrative-arrangements-orders)), the Minister for Veterans' Affairs is responsible for administering the below list of legislation, under the Veterans' Affairs Portfolio. Functions and duties under these laws are carried out by DVA and the various bodies under the Veterans' Affairs Portfolio. The Acts, related regulations and other legislative instruments are available on the Federal Register of Legislation, administered by the Office of Parliamentary Counsel, at [www.legislation.gov.au](http://www.legislation.gov.au).

- *Anzac Day Act 1995*
- *Australian Participants in British Nuclear Tests and British Commonwealth Occupation Force (Treatment) Act 2006*
- *Australian Veterans' Recognition (Putting Veterans and Their Families First) Act 2019*
- *Australian War Memorial Act 1980*
- *Compensation (Japanese Internment) Act 2001*
- *Defence Act 1903*, in relation to paragraph 124(1)(qba)
- *Defence Service Homes Act 1918*
- *Families, Community Services and Indigenous Affairs and Other Legislation (2006 Budget and Other Measures) Act 2006*, item 33 of Schedule 7
- *Families, Community Services and Indigenous Affairs and Veterans' Affairs Legislation Amendment (2006 Budget Measures) Act 2006*, items 44 and 45 of Schedule 1
- *Household Stimulus Package Act (No. 2) 2009*, Schedule 4 insofar as it relates to legislation administered by the minister for veterans' affairs

- *Military Memorials of National Significance Act 2008*
- *Military Rehabilitation and Compensation Act 2004*, except to the extent administered by the minister for defence
- *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Act 2004*
- *Papua New Guinea (Members of the Forces Benefits) Act 1957*
- *Protection of Word “Anzac” Act 1920*
- *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*
- *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*, Schedule 4 insofar as it relates to legislation administered by the minister for veterans’ affairs
- *Social Services and Other Legislation Amendment (Supporting Retirement Incomes) Act 2019*, Schedules 1, 2 and 3 insofar as they relate to legislation administered by the minister
- *Social Services Legislation Amendment (Energy Assistance Payment) Act 2019*, Part 2 of Schedule 1
- *Treatment Benefits (Special Access) Act 2019*
- *Treatment Benefits (Special Access) (Consequential Amendments and Transitional Provisions) Act 2019*
- *Veterans’ Entitlements Act 1986*
- *Veterans’ Entitlements (Clarke Review) Act 2004*
- *Veterans’ Entitlements (Rewrite) Transition Act 1991*
- *War Graves Act 1980*.

# Organisation

FIGURE 1: DVA ORGANISATIONAL CHART AS AT 30 JUNE 2024 (continued on pages 16 and 17)



**Australian Government**  
**Department of Veterans' Affairs**

## Organisation Structure | effective 30 June 2024

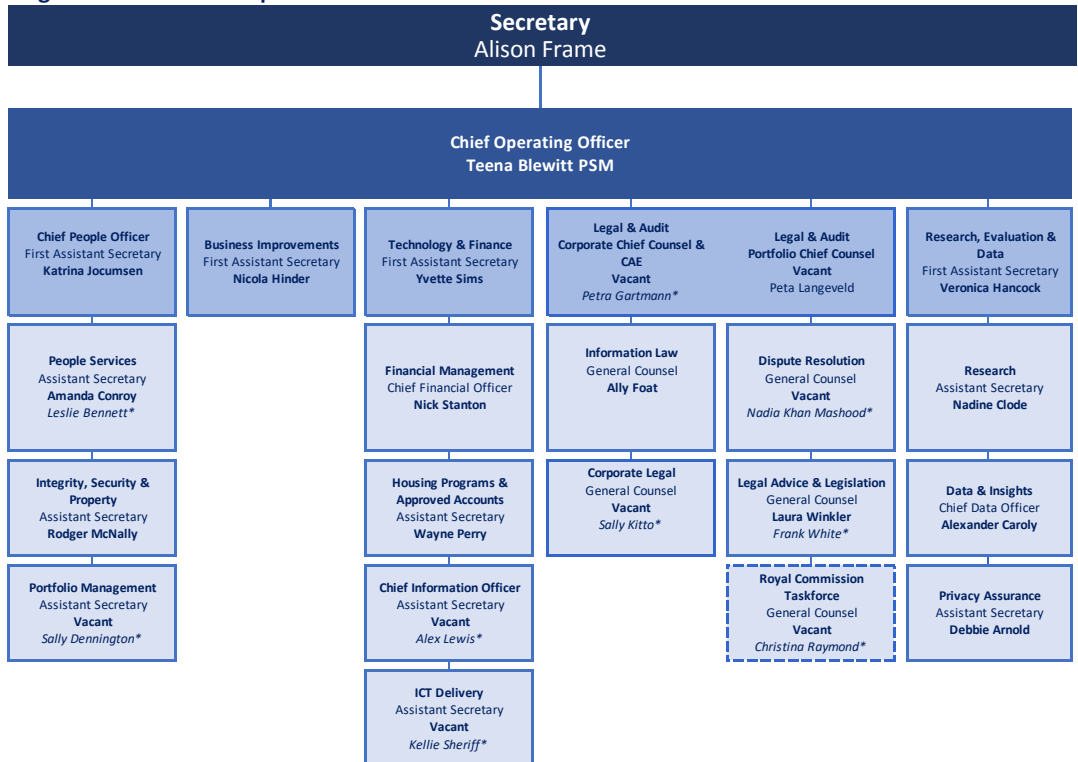


FIGURE 1: DVA ORGANISATIONAL CHART AS AT 30 JUNE 2024 (continued)

Minister for Veterans' Affairs  
The Hon Matt Keogh MP

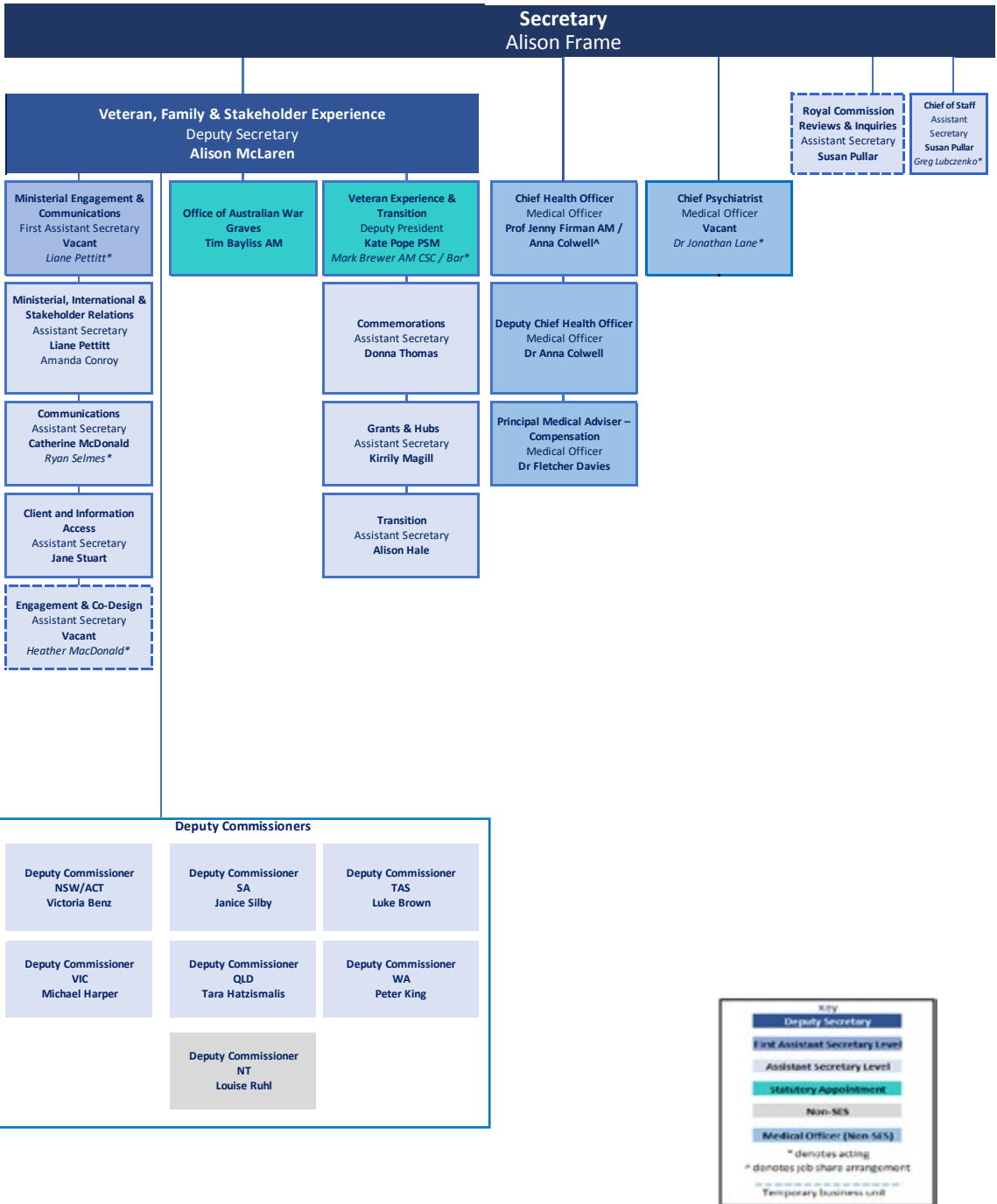
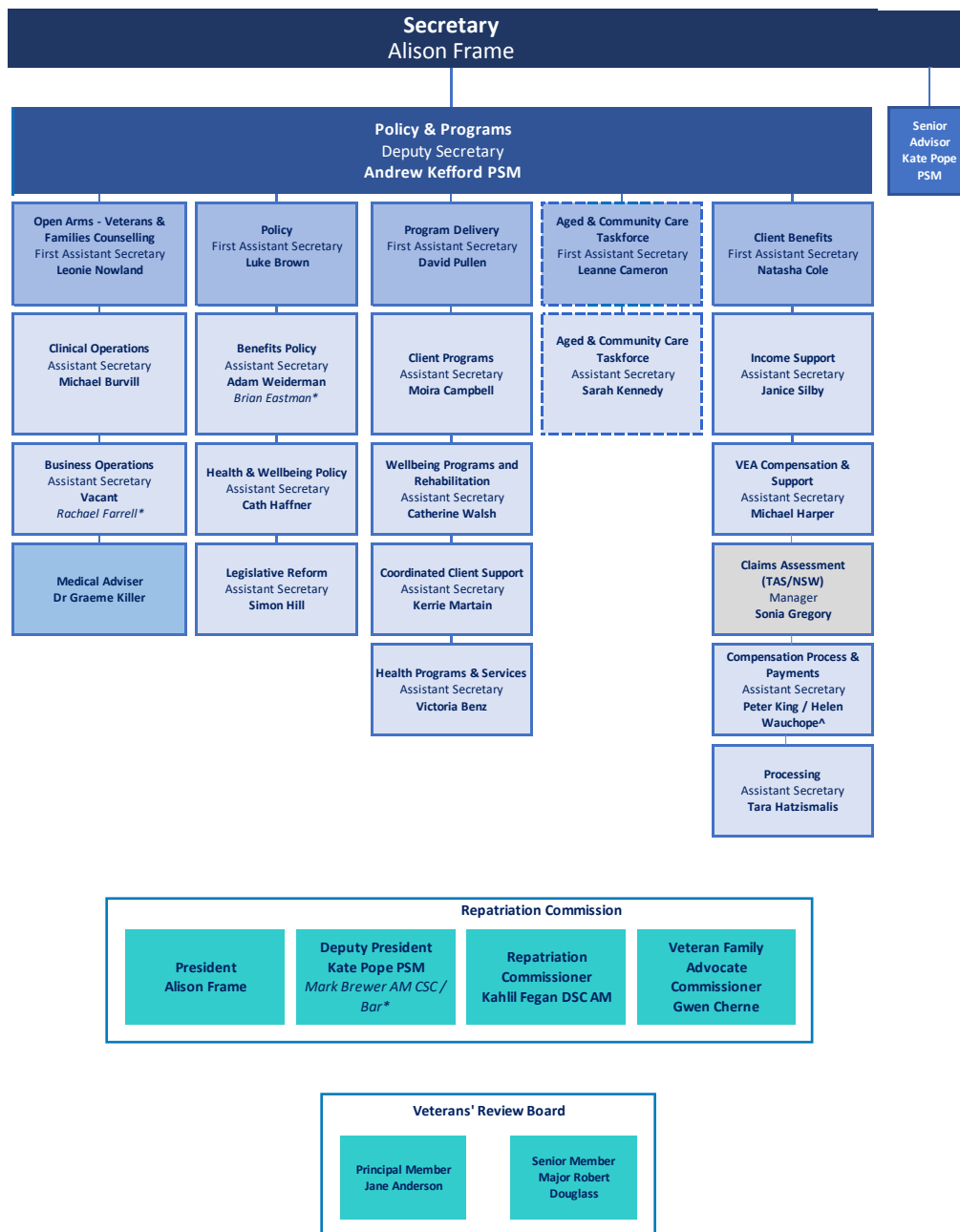


FIGURE 1: DVA ORGANISATIONAL CHART AS AT 30 JUNE 2024 (continued)

Assistant Minister for Veterans' Affairs  
The Hon Matt Thistlethwaite MP







# 02

## Repatriation Commission Annual Report

## Repatriation Commission letter of transmittal



Australian Government  
The Repatriation Commission

1 August 2024

The Hon Matt Keogh MP  
Minister for Veterans' Affairs  
Minister for Defence Personnel  
Parliament House  
CANBERRA ACT 2600

Dear Minister

The Repatriation Commission submits its report for the year ended 30 June 2024, as required under Section 215 of the *Veterans' Entitlements Act 1986*.

Handwritten signature of Alison Frame in black ink.

Alison Frame  
Chair

Handwritten signature of Mark Brewer in black ink.

Mark Brewer AM CSC and Bar  
Acting Deputy President

Handwritten signature of Kahlil Fegan in black ink.

Kahlil Fegan DSC AM  
Member

Handwritten signature of Gwen Cherne in black ink.

Gwen Cherne  
Member

---

GPO BOX 9998 BRISBANE QLD 4001

## Overview

### Functions and powers

The Repatriation Commission provides benefits and services under the *Veterans' Entitlements Act 1986* (VEA) to veterans and members of the Australian Defence Force (ADF) as well as their partners, widows, widowers, children and other eligible persons.

The general functions of the Repatriation Commission are to:

- grant pensions and other benefits and provide treatment for veterans, their dependants and other eligible persons
- advise the Minister for Veterans' Affairs on the operation of the VEA
- administer the VEA, subject to the control of the minister.

The Repatriation Commission was initially established on 1 July 1920 by proclamation of the *Australian Soldiers' Repatriation Act 1920*. When the *Australian Soldiers' Repatriation Act 1920* and several other related Acts were replaced in 1986 by the VEA, the Repatriation Commission was retained. The Repatriation Commission is a body corporate responsible for the general administration of the VEA (see sections 179 and 180 of the VEA). The Commission has the power to do all things necessary or convenient to be done for or in connection with the performance of its functions, duties and powers (VEA, section 181).

### Structure

The Repatriation Commission has no fewer than 4 and not more than 5 full-time members appointed by the Governor-General. As at 30 June 2024, there were 4 members: the President, the Deputy President, a person nominated by organisations representing veterans (known as the Services Member or Repatriation Commissioner) and a person who the Minister for Veterans' Affairs is satisfied will represent families (known as the Veteran Family Advocate Commissioner). The position of Defence Engagement Commissioner remains vacant; however, associated responsibilities are being filled by the Repatriation Commissioner, and there has been no change in the level of support provided during this period.

The President is the Secretary of the Department of Veterans' Affairs (DVA). The Deputy President and other commissioners assist the Secretary in the management of the department.

The Secretary is also the part-time Chair of the Military Rehabilitation and Compensation Commission (MRCC), ensuring consistency between the 2 commissions and the department. The Repatriation Commission commissioners are also part-time members of the MRCC.

### Relationship with DVA

The Repatriation Commission is responsible for the general administration of the VEA. It receives administrative support from DVA. The Repatriation Commission has no staff of its own, but it is able to delegate most of its powers to DVA staff in accordance with section 213 of the VEA.

DVA provides the machinery through which the Repatriation Commission operates. Therefore, the responsibilities of DVA and the Repatriation Commission are inextricably linked. The Repatriation Commission has a vital interest in overseeing DVA activities that occur under the VEA and in the assessment of the appropriateness, effectiveness and efficiency of relevant departmental programs.

The importance of the interdependent relationship between the Repatriation Commission and DVA, as well as its historical significance, was highlighted by Justice Logan in the Federal Court decision of *Shafran v Repatriation Commission* [2019] FCA 1833. In this decision, Justice Logan explained that:

a feature of Australian legislative provision for veterans' pensions and other entitlements ever since 1920 has been that Parliament has always intended that, subject to Ministerial responsibility, the general administration of the relevant legislation be by a statutory corporation, not directly by a department of State.

Given the primacy of the Repatriation Commission's role, DVA reports to the Repatriation Commission on the administration of major programs as well as the progress and outcomes of all major reviews, including Australian National Audit Office performance audits that relate to the VEA and relevant subordinate legislation.

## Activity in 2023–24

In 2023–24, the Repatriation Commission held 7 formal meetings to consider 35 submissions, compared with 11 formal meetings and 48 submissions in 2022–23. As DVA continued to embrace significant change, the Repatriation Commission considered a range of policy and legislative improvements.

Matters the Repatriation Commission considered in 2023–24 included:

- provision of support for individual cases and circumstances
- high-level policy and procedures relating to the VEA and advice on new policy proposals
- delegation of Repatriation Commission powers and amendments to treatment principles
- updates on the legislative reform process and its future implications
- updates on matters related to the Royal Commission into Defence and Veteran Suicide Interim Report recommendations including suicide prevention and monitoring of times taken to process compensation claims
- the off-market sale of the former Australian Red Cross Centre at Greenslopes Hospital to Brisbane City Council and the proposal to onsell part of the property to the Legacy Club of Brisbane.

The Repatriation Commission's activities under the VEA are focused on meeting the needs of eligible veterans and families. Activity under the VEA is reported in the annual performance statements of DVA's annual report.

## Membership



### **Alison Frame, President**

Alison Frame was appointed Secretary of the Department of Veterans' Affairs, President of the Repatriation Commission and Chair of the Military Rehabilitation and Compensation Commission (MRCC) from 23 January 2023. She was initially appointed as President of the Repatriation Commission and Chair of the MRCC for an interim acting period until her substantive appointments commenced on 13 April 2023.

Prior to this, Alison was Deputy Secretary, Social Policy in the Department of the Prime Minister and Cabinet from August 2020. This work included leading the partnerships between the Commonwealth and state and territory jurisdictions on delivering social policy and services outcomes for all Australians. A key priority was providing sustained leadership and coordination across government to manage Australia's response to the COVID-19 pandemic.

Alison has led social policy initiatives and reform across both the Commonwealth and the New South Wales governments as a senior executive for over 16 years.

Alison holds a Bachelor of Speech–Language Pathology and a Bachelor of Arts in Political Science from the University of Queensland and a Master of Public Administration from the London School of Economics and Political Science.



### **Kate Pope PSM, Deputy President**

Kate Pope was appointed as the Deputy President of the Repatriation Commission and as a member of the MRCC on 6 August 2020, for a period of 5 years. Kate joined DVA in 2016 to lead the Transformation and Organisation Performance division and as at 30 June 2023 managed the Veteran and Family Policy Group.

Kate has an honours degree in Asian Studies from the Australian National University and a Master of International Development Policy from Duke University in the United States.



## **Mark Brewer AM CSC and Bar, Acting Deputy President**

Mark Brewer was appointed to act as a Commission member when Commissioner Gwen Cherne was absent during any period between 1 January 2024 and 31 March 2024. He was also appointed to act in both the offices of Commissioner of the Repatriation Commission and Deputy President of the Repatriation Commission on 9 May 2024, for any period or periods not totalling more than 3 months to 30 September 2025.

Mark Brewer entered the Royal Military College Duntroon in January 1984, graduating in December 1987 to the Royal Australian Armoured Corps. He held command appointments at troop, squadron and unit levels in the 2nd Cavalry Regiment and 2nd/14th Light Horse Regiment.

He was appointed to a number of senior Defence staff appointments, including Chief of Staff Headquarters 1st Division, Director-General South-East Asia International Policy Division, Director-General Training – Army, Commandant Royal Military College Australia, and Director-General United States Force Posture Initiatives / Australia–Singapore Military Training Initiative.

In March 2022, Mark left the Army as a Brigadier after 38 years of service. He joined the Department of Veterans' Affairs in August 2022.

After leading the Veterans' and Families' Hubs program network expansion, Mark has now been appointed as Acting Deputy President of the Repatriation Commission and leads the Veteran Experience and Transition Division.

As Acting Deputy President, Mark brings a deep understanding of the veteran and veteran family experience, a genuine care for people and a commitment to building stronger connections between the ex-service community and government.



### **Kahlil Fegan DSC AM, Commissioner**

Kahlil Fegan was appointed as Repatriation Commissioner (also known as the Services Commissioner) on 14 September 2023 to align with reforms to legislation governing compensation and rehabilitation for veterans and their families.

Kahlil is the son of a Vietnam War veteran and his mother is a war widow supported by DVA. He followed his father into the Australian Army and served for almost 34 years, leading and managing people and supporting families. Kahlil's Australian honours include the Distinguished Service Cross (DSC) for his command and leadership in warlike operations in Afghanistan in 2012; a Commendation for Distinguished Service for his command of a combat team security detachment in Iraq in 2004; and a second Commendation for Distinguished Service for his time as Director of the Divisional Coalition Plans team, also in Iraq. In 2023, Kahlil was appointed a Member of the Order of Australia (AM) for exceptional service in the Australian Army.

Kahlil has a Bachelor of Arts from the University of Newcastle, a Master of Management Studies from the University of New South Wales, and a Master of International Public Policy from Johns Hopkins University in Washington DC.



### **Gwen Cherne, Commissioner**

Gwen Cherne was appointed as a Commissioner of the Repatriation Commission, to the inaugural position of Veteran Family Advocate Commissioner, on 6 August 2020 for a period of 5 years. On 2 March 2021, following legislative reform, Gwen was also appointed as a member of the MRCC.

As the Veteran Family Advocate Commissioner, Gwen engages with veterans' families to build an understanding of risks and protective factors relating to the wellbeing of veterans and families, particularly as they transition from the ADF to civilian life.

Gwen spent 3 years in and out of Afghanistan doing stabilisation and reconstruction work. She is an Australian war widow from suicide, the mother of a currently serving member of the ADF, and a daughter of a Vietnam veteran who suffered PTSD and moral injury. She has lived experience of military family life, mental health issues and recovery, family and domestic violence and intimate partner violence. She is dedicated to promoting hope and healing through co-designed and co-implemented solutions.

Gwen has a Bachelor of Psychology with a minor in Women's Studies and a Master of Public Administration with a focus on international policy from New York University's Robert F Wagner School of Public Service.





# 03

## **Military Rehabilitation and Compensation Commission Annual Report**

# Military Rehabilitation and Compensation Commission

## letter of transmittal



Australian Government  
Military Rehabilitation and  
Compensation Commission

1 August 2024

The Hon Matt Keogh MP  
Minister for Veterans' Affairs  
Minister for Defence Personnel  
Parliament House  
CANBERRA ACT 2600

Dear Minister,

The Military Rehabilitation and Compensation Commission submits its report for the year ended 30 June 2024, as required under Section 385 of the *Military Rehabilitation and Compensation Act 2004* and Subsection 161(1) of the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*.

Alison Frame  
Chair

Mark Brewer AM CSC and Bar  
Acting Member

Kahlil Fegan DSC AM  
Member

Gwen Cherne  
Member

Sonya Bennett AM RAN  
Rear Admiral  
Member

Wade Stothart DSC AM CSC  
Major General  
Member

Gregory (Greg) Vines  
Member

GPO BOX 9998 BRISBANE QLD 4001

## Overview

### Functions and powers

The Military Rehabilitation and Compensation Commission (MRCC) provides rehabilitation, compensation and other benefits for current and former members of the Australian Defence Force (ADF), including reservists and cadets, who have an injury or disease due to service on or after 1 July 2004. It also includes dependants of members whose deaths were the result of an injury or disease due to service on or after 1 July 2004.

The MRCC was established under section 361 of the *Military Rehabilitation and Compensation Act 2004* (MRCA) in 2004. The specific functions of the MRCC, set out in section 362(1) of the MRCA, are to:

- make determinations on the acceptance of liability for service-related conditions, the payment of compensation and the provision of treatment and rehabilitation
- minimise the duration and severity of service-related conditions and promote the return to suitable civilian work
- promote research on the health of members and former members, the prevention of injury and disease, and rehabilitation
- provide advice and information on the operation of the MRCA to ministers and departmental secretaries of the Department of Veterans' Affairs (DVA) and the Department of Defence (Defence), the Chief of the Defence Force and the Services chiefs, either on request or on its own initiative
- undertake other functions that may be conferred on it.

Schedule 2 to the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Act 2004* gives the MRCC similar functions and powers to determine and manage claims under the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) that relate to relevant defence service before 1 July 2004.

### Structure

The MRCC has 7 members:

- the President of the Repatriation Commission
- the Deputy President of the Repatriation Commission
- 2 commissioners of the Repatriation Commission (other than the President or Deputy President), nominated by the Minister for Veterans' Affairs
- a person who is nominated by the Safety, Rehabilitation and Compensation (SRC) Minister and is the Chief Executive Officer of Comcare, a person described in subsection 89E(1) of the *Safety, Rehabilitation and Compensation Act 1988* or a person engaged under the *Public Service Act 1999* and performing duties in the department of state administered by the SRC Minister
- 2 persons, nominated by the Minister for Defence, who are either permanent members of the ADF or public servants working in the Department of Defence.

The MRCC subcommittee, comprising 4 members of the Repatriation Commission, considers routine administrative matters, but its decisions must be ratified by the full MRCC.

## Relationship with DVA

The MRCC is vested with broad powers to enable it to carry out its functions. Like the Repatriation Commission, the MRCC has an interdependent relationship with DVA. DVA provides the machinery through which the MRCC operates under the relevant legislation. The MRCC has no staff of its own – the Secretary of DVA allocates employees to support the MRCC under the *Public Service Act 1999*, and the MRCC also uses the services of other specified persons, including consultants if required. Under section 384 of the MRCA, the MRCC is able to delegate its powers to DVA staff.

The Chair of the MRCC is also President of the Repatriation Commission and Secretary of DVA. The 3 other members of the MRCC are also full-time members of the Repatriation Commission. This close working relationship between the 2 commissions enables them to work collaboratively.

To maintain appropriate levels of oversight and direction, DVA reports to the MRCC on the administration of major programs and on the progress and outcomes of all major reviews that are relevant to the MRCA, DRCA and relevant subordinate legislation.

## Activity in 2023–24

In 2023–24, the MRCC held 8 formal meetings and considered 33 submissions, compared with 6 formal meetings and 34 submissions in 2022–23. The MRCC subcommittee did not meet during this financial year.

Matters considered during 2023–24 included:

- provision of support for individual cases and circumstances
- high-level policy and procedures relating to the MRCA and advice on new policy proposals
- delegation of MRCC powers and amendments to treatment principles
- provision of support for individual cases and circumstances
- updates on the legislative reform process and its future implications
- updates on matters related to the Royal Commission into Defence and Veteran Suicide Interim Report recommendations including suicide prevention updates and monitoring of times taken to process compensation claims.

## Membership

The membership of the MRCC includes the Repatriation Commission members in addition to the following members.



### Rear Admiral Sonya Bennett AM

Rear Admiral Bennett commenced as Commander Joint Health and Surgeon General Australian Defence Force on 1 December 2023. RADM Bennett is a practising public health physician and is a Fellow of the Royal Australian College of General Practitioners and the Australasian Faculty of Public Health Medicine.



### Major General Wade Stothart DSC AM CSC

Major General Wade Stothart commenced a 5-year term on 13 December 2021. He is currently the Head of Military Personnel in the Department of Defence. As such, he is responsible for Australian Defence Force recruitment, career management and transition.



### Gregory (Greg) Vines

Greg Vines commenced his appointment to the MRCC on 23 June 2023. Greg is Comcare's Chief Executive Officer. Comcare is the federal work health and safety and workers' compensation authority.



# 04

## Annual performance statements



## Statement by the accountable authority

I, as the accountable authority of the Department of Veterans' Affairs, present the 2023–24 Annual Performance Statements of the department, as required under Section 39(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these Annual Performance Statements accurately reflect the performance of the department and comply with Section 39(2) of the PGPA Act.



**Alison Frame**

*Secretary*

Department of Veterans' Affairs

23 September 2024

## Introduction

The DVA Annual Performance Statements 2023–24 present achievements against DVA's purpose, outcomes, key activities, programs, performance measures and targets as set out in the DVA Portfolio Budget Statements 2023–24 (PBS) and DVA Corporate Plan 2023–24 (CP).

## Changes to DVA's performance measures

The performance measures reported on in the DVA 2023–24 Annual Performance Statements are the same as those published in the 2023–24 CP, with the exception of measure 3.1-1. For this measure there has been a change in methodology – ashes placements placed by crematorium authorities and plaques placed in gardens of remembrance by staff are now excluded from the reported results. The change has been made due to limited information being provided by some cemetery and crematorium authorities.

### Changes since 2022–23 reporting

To improve DVA's performance reporting, the 2 war graves measures from 2022–23 (measure 3.1-1 – *95% of official commemorations are inspected at least once annually to ensure they continue to meet the CWGC standards* and measure 3.1-2 – *Percentage of official commemorations that meet the CWGC standard compared to the previous year*) were removed and replaced with new measures related to the timeliness of new commemorations (measure 3.1-1 – *Quality of Service: New official commemorations are completed within published timeframes*) and the public accessibility to 3 memorial sites (measure 3.1-2 – *Quality of Service: Maintain public access to memorial sites in Thailand, Malaysia and France*). These were introduced and published in the 2023–24 PBS and the 2023–24 CP. A measure related to the inspection of commemorative assets was also reintroduced (measure 3.1-3 – *Official commemorations are inspected to ensure they continue to meet the CWGC standard*) after the publication of the 2023–24 PBS to ensure performance information was complete by including a measure related to the inspection of the war graves program. The wording for measures 2.1-1 to 2.5-1 changed slightly from *Quality of Service: The proportion of clients accessing services against the total number of clients who have registered a complaint in relation to unmet access and/or quality*, to *Quality of Service: The proportion of clients who have registered a complaint in relation to unmet access and/or quality compared to the total number of clients accessing services*. No other changes were made to the performance reporting suite.

### Performance measures changes in the future – post 2023–24

DVA is in a period of substantial change, with more resourcing than it has had in the past. DVA is looking to engage more meaningfully with clients, partners and other providers to create stronger connections so that DVA can work more efficiently to provide veterans and families the supports they need. Also, the Royal Commission into Defence and Veteran Suicide is scheduled to release its Final Report on 9 September 2024. Taken together, DVA has a rare opportunity to marshal this convergence of collective will and resources to reimagine how it supports the veteran community and drive meaningful improvement in supporting veterans and families, which in turn will influence future performance measures. In this context, as part of its annual review, DVA will simplify the performance measures and make them more meaningful.

**FIGURE 2: PERFORMANCE REPORTING ALIGNMENT ACROSS THE PORTFOLIO BUDGET STATEMENTS, CORPORATE PLAN AND ANNUAL PERFORMANCE STATEMENTS**

<b>CORPORATE PLAN PURPOSE</b>	<b>Our Purpose</b>		
	The purpose of the Department of Veterans' Affairs is to support the wellbeing of those who serve or have served in the defence of our nation, and families, by:		
<b>PORTFOLIO BUDGET STATEMENTS</b>	<b>ENHANCE WELLBEING</b>		<b>RECOGNITION AND RESPECT</b>
	<b>Outcomes</b>	<p><b>Outcome 1:</b> Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons and their dependants through access to income support, compensation and other support services, including advice and information about entitlements.</p>	<p><b>Outcome 2:</b> Maintain and enhance the physical and mental wellbeing and quality of life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health entitlements.</p>
<b>Budget programs</b>	<p>1.1 Veterans' Income Support and Allowances</p> <p>1.2 Veterans' Disability Support</p> <p>1.3 Assistance to Defence Widow/ers and Dependants</p> <p>1.4 Assistance and Other Compensation for Veterans and Dependants</p> <p>1.5 Veterans' Children Education Scheme</p> <p>1.6 Military Rehabilitation and Compensation Acts Payments – Income Support and Compensation</p>	<p>2.1 General Medical Consultations and Services</p> <p>2.2 Veterans' Hospital Services</p> <p>2.3 Veterans' Pharmaceutical Benefits</p> <p>2.4 Veterans' Community Care and Support</p> <p>2.5 Veterans' Counselling and Other Health Services</p> <p>2.6 Military Rehabilitation and Compensation Acts – Health and Other Care Services</p>	<p>3.1 War Graves</p> <p>3.2 Commemorative Activities</p>
<b>ANNUAL PERFORMANCE STATEMENTS</b>	<b>Report against performance measures</b>		
	<b>Performance information</b>	<p><b>Performance criteria</b></p> <p>Performance measures established to assess that DVA is enhancing the financial wellbeing of eligible persons and their dependants through access to income support, compensation and other support services.</p>	<p><b>Performance criteria</b></p> <p>Performance measures established to assess that DVA is enhancing the physical and mental wellbeing of eligible persons and their dependants by having arrangements in place for all of our clients to have timely access to high-quality health care, counselling and rehabilitation services.</p>

## How we measure performance

The Annual Performance Statements illustrate our achievements against our purpose set out in the 2023–24 CP. This is done through reporting DVA's actual performance for the year against the performance measures and targets in DVA's PBS and CP and providing analysis of the extent to which the department has achieved its purpose, including factors contributing to the performance result. These Annual Performance Statements were developed in accordance with the *Public Governance, Performance and Accountability Act 2013* and relevant Department of Finance guidelines. Refer to page 15–16 of the 2023–24 CP for more information.

For each program, our PBS and CP set out performance measures and targets, which are a mix of qualitative and quantitative measures. For Outcome 1 and Outcome 2, performance is measured by assessing timeliness, quality and client satisfaction. For Outcome 3, performance is measured by assessing war graves and commemorations. This is summarised in the tables below.

**TABLE 1: OUTCOME 1 PERFORMANCE MEASURE CATEGORIES**

Performance category	Performance measure number
Timeliness	1.1-1, 1.1-2, 1.2-1, 1.3-1, 1.4-1, 1.5-1, 1.6-1, 1.6-2, 1.6-3, 1.6-7, 1.6-8, 1.6-9
Quality	1.1-3, 1.1-4, 1.2-2, 1.3-2, 1.4-2, 1.5-2, 1.6-4, 1.6-5, 1.6-6, 1.6-10, 1.6-11, 1.6-12
Client satisfaction	1.1-5, 1.2-3, 1.3-3, 1.4-3, 1.4-4, 1.6-13

**TABLE 2: OUTCOME 2 PERFORMANCE MEASURE CATEGORIES**

Performance category	Performance measure number
Timeliness	2.5-2, 2.5-4, 2.6-1
Quality of service	2.1-1, 2.2-1, 2.3-1, 2.4-1, 2.5-1
Client satisfaction	2.5-5, 2.6-3

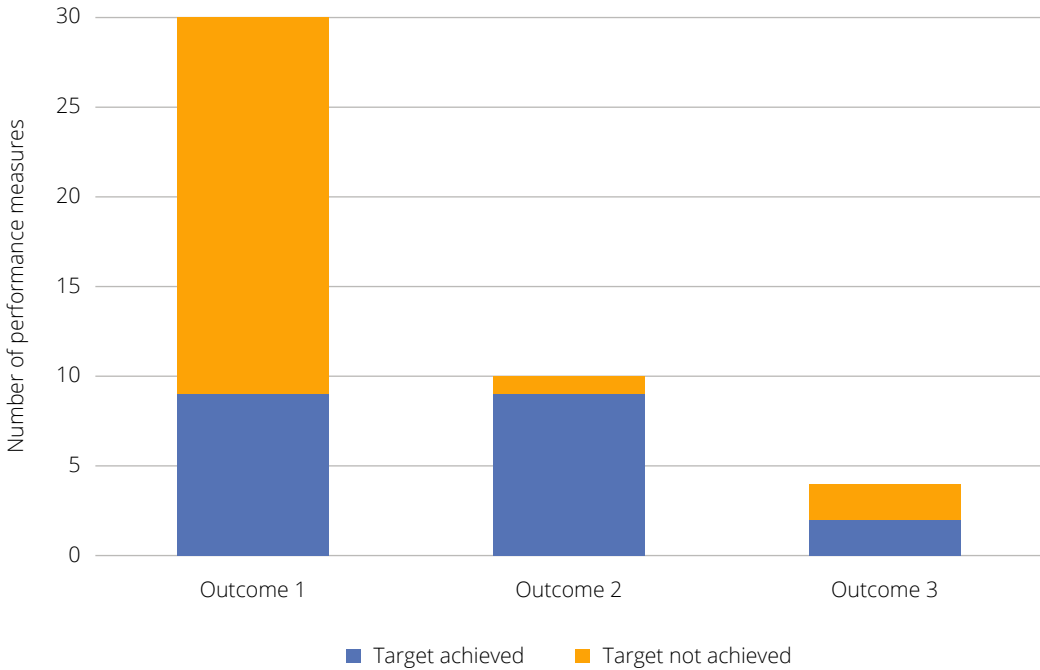
**TABLE 3: OUTCOME 3 PERFORMANCE MEASURE CATEGORIES**

Performance category	Performance measure number
War graves	3.1-1, 3.1-2, 3.1-3
Commemorations	3.2-1

## Overview of performance

Of DVA's 44 performance measures, we achieved the targets for 20 and did not achieve the targets for 24 during the reporting period. Figure 3 provides a snapshot of our overall performance, summarising the number of targets achieved or not achieved across our 3 outcomes.

**FIGURE 3: PERFORMANCE SNAPSHOT, 2023–24**



For Outcome 1, DVA achieved 3 of the 12 timeliness measure targets, 5 of the 12 quality measure targets, and 1 of the 6 client satisfaction targets. Timeliness of claims processing continued to be a top priority for DVA in 2023–24. DVA also experienced a significant increase in the volume of claims received. DVA continued to recruit and train additional frontline staff through ongoing recruitment drives throughout 2023–24, with an additional 398 claims processing staff coming on board through the year. DVA is processing claims at record levels, with significant resourcing being directed towards processing the existing backlog of compensation claims. Improvements in timeliness of claims processing were seen as a consequence of additional resourcing, as well as improvements in training and experience of existing staff and other business improvements.

The recruitment of staff was challenging due to tight labour markets. DVA delivers a comprehensive blended training program (e-learning, classroom, coaching and networking) for claims processing delegates, with an emphasis on on-the-job training. On-the-job training ensures staff members are supported while undertaking different activities, reinforcing their learning and building capability.

For Outcome 2, DVA achieved all 5 quality measure targets, all 3 timeliness measure targets, and 1 of the 2 client satisfaction targets. This reflects DVA's successful delivery of programs to maintain and enhance the wellbeing of veterans and families. Throughout 2023–24 veterans and their families were connected to high-quality, evidence-based and responsive services funded through Outcome 2. DVA ensured clients had timely access to high-quality healthcare, counselling and rehabilitation services; and maintained and developed services that supported the holistic wellbeing of veterans and families. DVA continues to review and improve business practices and enabling systems to ensure programs are delivered efficiently and effectively.

For Outcome 3, DVA achieved 1 of the 3 war graves performance measure targets, as well as the 1 commemorations performance measure target. Each year DVA plans and undertakes a regular program of maintenance and inspections which is managed by the Office of Australian War Graves (OAWG) field staff in each state. In 2023–24, DVA's results for performance measures 3.1-1 and 3.1-3 are not supported by sufficient evidence due to limitations in the War Graves System and information provided by cemeteries and crematoriums. Performance for these measures in 2023–24 was impacted by resourcing constraints, adverse weather conditions, reliance on cemetery authorities and contractors and a lack of skilled tradespeople. In 2024–25, DVA intends to report on a customer satisfaction-based measure which will enable DVA to more reliably report on the maintenance of commemorations.

In 2023–24, DVA delivered 8 commemorative events and activities that were well received by the Australian and international communities. The department remains committed to caring for and maintaining official commemorations and memorials to required standards.

## Outcome 1

Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons and their dependants through access to income support, compensation and other support services, including advice and information about entitlements.

DVA's performance under Outcome 1 is measured by our achievements in 3 categories: timeliness, quality and client satisfaction.

### Outcome 1 performance measures and results

#### Program 1.1: Veterans' Income Support and Allowances

This program delivers means-tested income support pensions and other allowances to eligible veterans and dependants under the *Veterans' Entitlements Act 1986* (VEA). Income support provides a regular means-tested payment for eligible veterans and their dependants with limited means.

*Key activities:*

- Provide income and financial support and compensation payments to eligible veterans and families.

**TABLE 4: PROGRAM 1.1 VETERANS' INCOME SUPPORT AND ALLOWANCES – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
1.1-1	Timeliness: The percentage of claims processed within 30 days <sup>1,2</sup>	≥50% <sup>4</sup>	56% <sup>3</sup>	53%	Achieved
1.1-2	Timeliness: The percentage of change of circumstances processed within 10 days <sup>1,5</sup>	≥50% <sup>4</sup>	51% <sup>3</sup>	54%	Achieved
1.1-3	Quality: Correctness rate of processed new claims <sup>2,6</sup>	≥95%	97%	93%	Not achieved
1.1-4	Quality: Correctness rate of processed change of circumstances <sup>5,6</sup>	≥95%	99%	98%	Achieved
1.1-5	Client satisfaction: The percentage of clients satisfied with the level of customer service they received when accessing their entitlement <sup>7,8,9</sup>	≥80%	68%	69%	Not achieved

(PBS pp 33–34, CP p 18)

### Program 1.2: Veterans' Disability Support

This program provides compensation in the form of disability pensions and ancillary benefits to eligible veterans for the tangible effects of war or defence service.

*Key activities:*

- Provide disability support and compensation payments to eligible veterans.

**TABLE 5: PROGRAM 1.2 VETERANS' DISABILITY SUPPORT – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
1.2-1	Timeliness: The percentage of claims processed within 100 days <sup>1,10</sup>	≥50% <sup>4</sup>	16%	14%	Not achieved
1.2-2	Quality: Correctness rate of processed claims <sup>6,10</sup>	≥95%	94%	90%	Not achieved
1.2-3	Client satisfaction: The percentage of clients satisfied with the level of customer service they received when accessing their entitlement <sup>9,10,11</sup>	≥80%	49%	52%	Not achieved

(PBS p 35, CP p 19)

### Program 1.3: Assistance to Defence Widow/ers and Dependants

The war widow/ers pension is part of a compensation package provided in recognition of their special circumstances and to compensate a widowed partner of a veteran, where there was a connection between the veteran's death and their service. Eligible children are also provided with financial support.

*Key activities:*

- Provide income and financial support and compensation payments to eligible dependants.

**TABLE 6: PROGRAM 1.3 ASSISTANCE TO DEFENCE WIDOW/ERS AND DEPENDANTS – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
1.3-1	Timeliness: The percentage of claims processed within 30 days <sup>1,12</sup>	≥50% <sup>4</sup>	40%	31%	Not achieved
1.3-2	Quality: Correctness rate of processed claims <sup>6,13</sup>	≥95%	98%	95%	Achieved
1.3-3	Client satisfaction: The percentage of clients satisfied with the level of customer service they received when accessing their entitlements <sup>9,14</sup>	≥80%	93%	67%	Not achieved

(PBS p 36, CP p 19)

### Program 1.4: Assistance and Other Compensation for Veterans and Dependants

This program delivers other allowances and assistance to eligible veterans and dependants under the VEA and related legislation, including home insurance, funeral benefits, prisoner-of-war ex gratia payments, and payments on behalf of Commonwealth and allied countries. Assistance is also provided to the ex-service community through funding of the Building Excellence in Support and Training grants and the Advocacy Training and Development Program.

*Key activities:*

- Provide income and financial support and compensation payments to eligible veterans and families.
- Enable veterans and families to access housing-related support via the Defence Home Ownership Assistance Scheme and Defence Service Homes Insurance.



**TABLE 7: PROGRAM 1.4 ASSISTANCE AND OTHER COMPENSATION FOR VETERANS AND DEPENDANTS – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
<b>Funeral benefits</b>					
1.4-1	Timeliness: The percentage of claims processed within 10 days <sup>1, 15</sup>	≥50% <sup>4</sup>	89%	94%	Achieved
1.4-2	Quality: Correctness rate of processed claims <sup>6, 15</sup>	≥95%	100%	98%	Achieved
1.4-3	Client satisfaction: The percentage of clients satisfied with the level of customer service they received when accessing their entitlements <sup>9, 15, 16</sup>	≥80%	90%	86%	Achieved
<b>Defence Service Homes Insurance</b>					
1.4-4	Policyholder satisfaction: The percentage of policyholders satisfied with the service provided when their claim for damage to their home has been finalised <sup>17</sup>	≥90%	88%	86%	Not achieved

(PBS p 37, CP p 20)

### **Program 1.5: Veterans' Children Education Scheme**

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 provide financial assistance, student support services, guidance and counselling for eligible students undertaking primary, secondary and tertiary full-time study within Australia.

*Key activities:*

- Provide eligible children of veterans and families with financial assistance and support to access education and skills development.

**TABLE 8: PROGRAM 1.5 VETERANS' CHILDREN EDUCATION SCHEME – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
1.5-1	Timeliness: The percentage of claims processed within 28 days <sup>1</sup>	≥50% <sup>4</sup>	17%	22%	Not achieved
1.5-2	Quality: Correctness rate of processed claims <sup>6</sup>	≥95%	100%	99%	Achieved

(PBS p 38, CP p 21)

## Program 1.6: Military Rehabilitation and Compensation Acts Payments – Income Support and Compensation

This program provides compensation to eligible veterans and dependants under the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA), the *Military Rehabilitation and Compensation Act 2004* (MRCA) and related legislation. The DRCA (and MRCA for injuries since 1 July 2004) provides coverage for injured ADF members to support their return to health, work and independence. There is also compensation for eligible dependants and MRCA health care and other ancillary benefits.

Key activities:

- Provide income and financial support and compensation payments to eligible veterans and families.

**TABLE 9: PROGRAM 1.6 MILITARY REHABILITATION AND COMPENSATION ACTS PAYMENTS – INCOME SUPPORT AND COMPENSATION – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
1.6-1	Timeliness: The percentage of DRCA liability claims processed (determined) within 100 days <sup>1</sup>	≥50% <sup>4</sup>	10%	10%	Not achieved
1.6-2	Timeliness: The percentage of DRCA permanent impairment claims processed (determined) within 100 days <sup>1</sup>	≥50% <sup>4</sup>	18%	14%	Not achieved
1.6-3	Timeliness: The percentage of DRCA incapacity claims processed (determined) within 50 days <sup>1</sup>	≥50% <sup>4</sup>	38%	46%	Not achieved
1.6-4	Quality: Correctness rate of processed DRCA liability claims <sup>6</sup>	≥95%	90%	93%	Not achieved
1.6-5	Quality: Correctness rate of processed DRCA permanent impairment claims <sup>6</sup>	≥95%	96%	96%	Achieved
1.6-6	Quality: Correctness rate of processed DRCA incapacity claims <sup>6</sup>	≥95%	90%	87%	Not achieved
1.6-7	Timeliness: The percentage of MRCA liability claims processed (determined) within 90 days <sup>1, 18</sup>	≥50% <sup>4</sup>	20%	19%	Not achieved
1.6-8	Timeliness: The percentage of MRCA permanent impairment claims processed (determined) within 90 days <sup>1, 18</sup>	≥50% <sup>4</sup>	13%	14%	Not achieved
1.6-9	Timeliness: The percentage of MRCA incapacity claims processed (determined) within 50 days <sup>1, 18</sup>	≥50% <sup>4</sup>	33%	47%	Not achieved
1.6-10	Quality: Correctness rate of processed MRCA liability claims <sup>6</sup>	≥95%	89%	84%	Not achieved
1.6-11	Quality: Correctness rate of processed MRCA permanent impairment claims <sup>6</sup>	≥95%	90%	85%	Not achieved
1.6-12	Quality: Correctness rate of processed MRCA incapacity claims <sup>6</sup>	≥95%	94%	94%	Not achieved
1.6-13	Client satisfaction: The percentage of clients satisfied with the level of customer service they received when accessing their entitlements <sup>9, 19</sup>	≥80%	47%	54%	Not achieved

(PBS pp 39–40, CP p 22)

## Notes on Outcome 1 tables

CP = DVA Corporate Plan 2023–24; DRCA = *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*;

MRCA = *Military Rehabilitation and Compensation Act 2004*; PBS = DVA Portfolio Budget Statements 2023–24;

VEA = *Veterans' Entitlements Act 1986*

- 1 DVA uses timeliness measures as proxy tools to assess its efficiency. These timeliness measures can give an indication of efficiency over time.
- 2 This measure considers the following claim types under the VEA and the *Social Security Act 1991*: Service Pension, Income Support Supplement, Veteran Payment, Age Pension, Qualifying Service, Gold Card, Orange Card, Commonwealth Seniors Health Card, and Home Equity Assurance Scheme (formerly Pension Loan Scheme).
- 3 Withdrawn, cancelled claims, internally generated transactions and automated transactions such as claims to reinstate payments were incorrectly included in the previously published 2022–23 DVA Annual Report results for measures 1.1-1 and 1.1-2. These transactions are excluded for 2023–24. Clients selected for a pension review were incorrectly excluded from the previously published 2022–23 DVA Annual Report results and are included in the results for 2023–24. Receipts dates were also recorded incorrectly for a small number of transactions due to a system issue. Outstanding reviews, previously not included, are included in the results for 2023–24. The 2022–23 results have been amended so that the exclusions and inclusions are consistently applied and comparable. The results published in the 2022–23 DVA Annual Report were 69% for measure 1.1-1 and 39% for measure 1.1-2.
- 4 All processing timeliness targets for Outcome 1 were set at  $\geq 50\%$  in 2022–23 to enable the reader to easily understand and compare the department's performance in processing the different claim types. These targets have been maintained in 2023–24 while the department clears the backlog.
- 5 Change of circumstances includes personal changes relevant to the rate of income support payable (e.g. relationship status, accommodation, financial circumstances).
- 6 Quality correctness rates for claims are based on a random sample of claim decisions extracted from the Quality Assurance Sampling & Recording System for manual checking by a suitably qualified DVA staff member not involved in the decision-making process.
- 7 This measure considers the following claim types under the VEA: Service Pension, Veteran Payment and Income Support Supplement. It also considers Age Pension claims under the Social Security Act.
- 8 The response rate for 2023–24 was 25% (396 clients) for Program 1.1.
- 9 Client satisfaction is measured through an annual independent Client Benefits Client Satisfaction Survey conducted by ORIMA Research, which covers the period 1 April 2023 to 31 March 2024. The survey asks clients to rate their level of satisfaction with their experience making a claim, on a scale of 'Very satisfied', 'Satisfied', 'Somewhat satisfied', 'Somewhat dissatisfied', 'Dissatisfied' or 'Very dissatisfied'. Responses of 'Very satisfied', 'Satisfied' and 'Somewhat satisfied' are counted as satisfied for this measure. The overall survey response rate for all Outcome 1 client satisfaction measures for 2023–24 was 19% (4,343 clients).
- 10 This measure considers the following claim types under the VEA: disability compensation payment claims (including initial liability) applications for increase, assessments and reviews.
- 11 The response rate for 2023–24 was 31% (1,220 clients) for Program 1.2.
- 12 This measure considers the war widow/er claims under the VEA. The methodology has been adjusted to be consistent with other timeliness measures. The results now reflect the time taken between the date of receipt and the date of determination. The results had previously been measured as the time taken between the date of registration and the determination date.
- 13 This measure considers death claims under the VEA.
- 14 This measure considers War Widows Pension claims under the VEA. The response rate for 2023–24 was 30% (93 clients) for Program 1.3.
- 15 This measure considers funeral benefits claims.
- 16 The response rate for funeral benefits for 2023–24 was 28% (289 clients) for Program 1.4.
- 17 Policyholder satisfaction is measured through a monthly survey sent to 100 randomly selected policyholders who have recently had a claim finalised (approved). The survey asks respondents to rate their satisfaction with the claims process and outcome. Policyholders responding as 'Very happy' or 'Happy' are considered to be satisfied. The response rate for 2023–24 was 32%. The survey results span 1 June 2023 to 31 May 2024. Due to an administration error, closed claim samples from May 2023 were used instead of July 2023. As the results were consistent throughout the year, it would not be expected that this would impact the overall reported result.

- 18 The *Australian Veterans' Recognition (Putting Veterans and their Families First) Act 2019* includes a commitment by the government to deciding a claim under the MRCA within 90 days from when DVA receives the claim, or within 90 days of any requested information being provided, whichever is later. This came into effect on 1 November 2019. The department made system changes in October 2023 to track the time waiting for external information for MRCA initial liability. Work is underway to track similar information for the MRCA permanent impairment and incapacity claims.
- 19 This measure considers the following claim types: MRCA and DRCA initial liability, MRCA and DRCA permanent impairment, and MRCA and DRCA incapacity. The response rate for 2023–24 was 15% (2,345 clients) for Program 1.6.

## Analysis of performance against Outcome 1

Outcome 1 provides veterans and their families with access to income support, compensation and other support services. In 2023–24, DVA achieved 3 of the 12 timeliness measure targets, 5 of the 12 quality measure targets, and 1 of the 5 client satisfaction targets.

### Timeliness

Timeliness of claims processing continues to be a top priority for the department. In 2023–24, significant resourcing was directed towards processing the existing backlog<sup>1</sup> of compensation claims in an effort to improve timeliness of claims processing.

The 12 timeliness measures provide an assessment of claims processing performance against set targets. In 2022–23, all timeliness targets were set at  $\geq 50\%$  to enable the reader to easily understand and compare the department's performance in processing different claim types. These targets were retained in 2023–24 while the department focused on clearing existing claim backlogs. The appropriateness of these targets will be assessed next financial year as part of the department's annual review.

Timeliness improved slightly in 2023–24 from 2022–23, with 3 of the timeliness measures achieved (refer to Figure 4), while claim volumes received by DVA and volumes of claims processed by DVA in 2023–24 have significantly increased across the board. In 2022–23, DVA received 72,201 net claims<sup>2</sup> and completed 67,814 claims, while in 2023–24 DVA received 89,530 claims and completed 100,697. In 2022–23, DVA made 128,864 compensation decisions, while in 2023–24 DVA made 200,200 compensation decisions – a 55% increase in decisions.

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1 'Backlog', as defined in the Royal Commission into Defence and Veteran Suicide Interim Report, refers to claims that have been received by DVA but not yet actioned (i.e. allocated to a delegate or claims support officer for processing). Claims currently under investigation are referred to as cases 'on hand'. Time spent waiting to be allocated during processing, including waiting for requested additional information or reports, is all included in total time taken to process.

2 Net claims do not include claims that have been withdrawn. A claim can be withdrawn for a number of reasons. Most commonly, this occurs when DVA combines multiple claims that are lodged online, on the same day, by the same claimant, into a single claim with multiple conditions, with the consent of the claimant.

**FIGURE 4: TIMELINESS – THE PERCENTAGE OF CLAIMS PROCESSED**

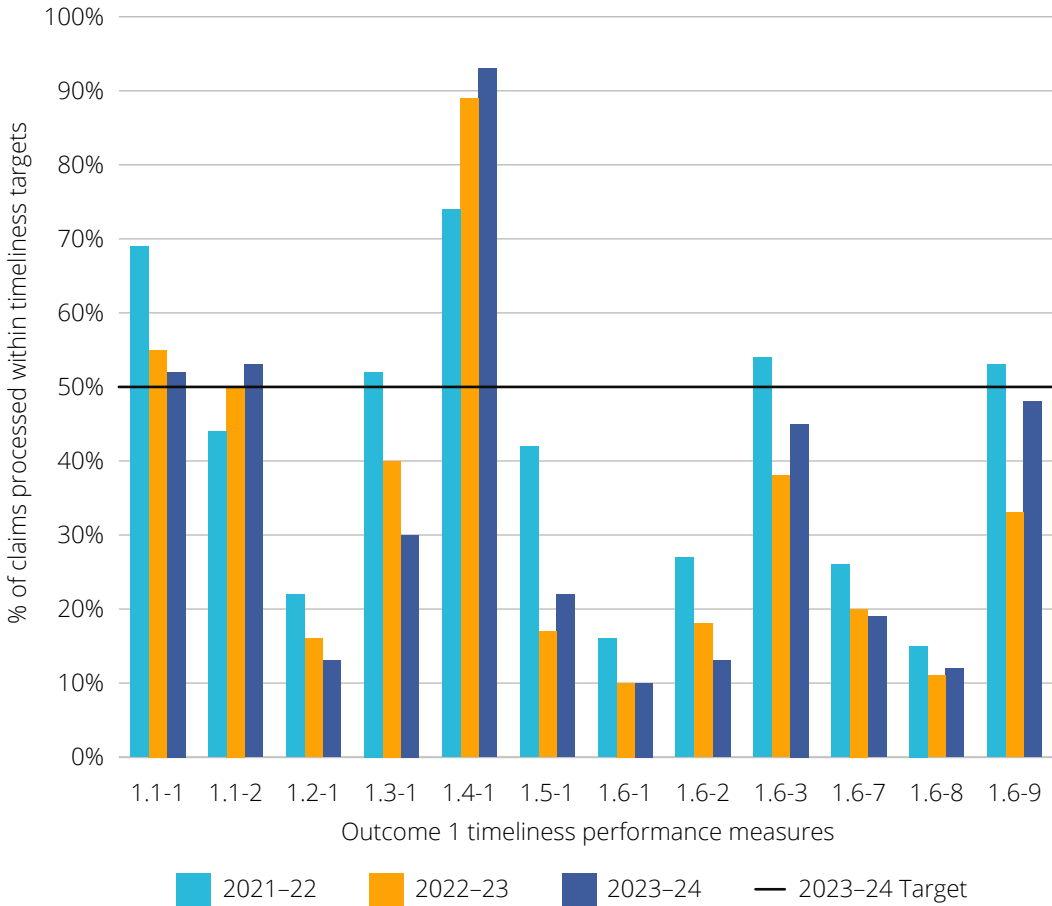


Figure 4 shows the 3-year trend of performance against each of the timeliness measures. Additional claims processing data can be found at Appendix A of this annual report and on DVA's website.

DVA is processing claims at record levels due to the combination of additional resourcing, improvements in training, increased experience of existing staff and other business improvements. The growth in staff numbers and other reforms are having an impact and the renewed focus for DVA is reducing the time taken to process claims.

The backlog of initial liability, incapacity and permanent impairment unallocated claims identified by the Royal Commission into Defence and Veteran Suicide Interim Report has been cleared and DVA is now managing 'business as usual' levels of these types of claims. DVA receives around 4,000 claims every 2 weeks, and in this 'business as usual' environment DVA aims to register, screen and allocate new claims to an officer for processing within 2 weeks of receipt.

Since late 2023, DVA has been implementing a strategy of redeploying and retraining a large proportion of the workforce to move them from working on the unallocated claims to making determinations. In addition, DVA has increased resourcing through ongoing recruitment drives. With the onboarding of new staff, DVA has taken some experienced staff offline to train the new staff in their respective roles. This took away some capacity to process claims before new staff had the full capability to assist with increasing determinations.

While the average days to determine claims is expected to remain high while DVA processes the oldest claims, timeliness is starting to improve for some claim types.

In a post-backlog operating environment, for liability claims received from 1 December 2023 and determined by 30 June 2024, the average time taken to allocate across all Acts and claim types was 7 days, and the average total time taken to process (including time taken to allocate) was 60 days.

Excerpts from statistics in Appendix A have been included in Tables 10 and 11 to provide the reader with a more complete picture of the operating environment in 2023–24 and impacts on timeliness of claims processing.

Table 10 provides a snapshot of major claim types received by DVA in 2023–24 and the percentage increase in volume since 2022–23. This demonstrates the significant increase across claim types received by DVA in the last 12 months. Similarly, Table 11 provides a snapshot of the volume of determinations made by DVA across claim types and the significant increase since 2022–23. Even with the increasing number of claims being received, additional resourcing and productivity improvements have resulted in a growth in determinations.

**TABLE 10: VOLUME OF CLAIM TYPES RECEIVED BY DVA**

Claim types received by DVA <sup>3,4</sup>	2022–23 volumes	2023–24 volumes	% increase since last FY
Dual Act DRCA/VEA compensation claims <sup>5</sup>	2,741	4,342	37%
DRCA only liability claims <sup>6</sup>	2,169	2,623	17%
DRCA permanent impairment claims <sup>6</sup>	12,939	18,591	30%
DRCA incapacity compensation claims <sup>6</sup>	463	483	4%
MRCA only liability claims <sup>7</sup>	20,499	25,658	20%
Tri-Act initial liability claims (MRCA/DRCA/VEA) <sup>7</sup>	13,847	16,023	14%
MRCA permanent impairment claims <sup>7</sup>	13,172	20,480	36%
MRCA incapacity claims <sup>7</sup>	2,631	2,999	12%

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

- 3 While this table captures claim types across different Acts, it is not inclusive of all claim types received or processed by DVA. The claim types not included consist of war widow/er and dependant claims and funeral benefits claims. In addition, claim types that are not 'compensation' claims such as income support and education schemes payments are not included.
- 4 The table shows net claim numbers. This does not include claims that have been withdrawn. A claim can be withdrawn for a number of reasons. Most commonly, this occurs when DVA combines multiple claims that are lodged online, on the same day, by the same claimant, into a single claim with multiple conditions, with the consent of the claimant.
- 5 Extracted from Appendix A, Table A6.
- 6 Extracted from Appendix A, Table A8.
- 7 Extracted from Appendix A, Table A10.

**TABLE 11: VOLUME OF DETERMINATIONS MADE BY DVA**

Determinations made by DVA <sup>3</sup>	2022–23 volumes	2023–24 volumes	% increase since last FY
VEA disability compensation payment claims <sup>5</sup>	5,706	7,555	24%
DRCA liability <sup>6</sup>	9,057	12,061	25%
DRCA permanent impairment <sup>6</sup>	7,388	12,149	39%
DRCA incapacity <sup>6</sup>	443	549	19%
MRCA liability <sup>7</sup>	30,713	45,260	32%
MRCA permanent impairment <sup>7</sup>	9,495	17,375	45%
MRCA incapacity <sup>7</sup>	2,705	3,156	14%

FY = financial year; DRCA = *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*; MRCA = *Military Rehabilitation and Compensation Act 2004*; VEA = *Veterans' Entitlements Act 1986*  
Refer to footnotes on page 47

For Veterans' Children Education Schemes (measure 1.5-1), DVA processed 22% of claims within 28 days, compared with 17% in 2022–23. Despite the improvement, the claims processing timeliness target was not achieved for 2023–24. This is attributed to the 54% increase in the volume of claims received throughout 2023–24, along with the 28% growth in the number of clients supported under the schemes, which resulted in increased workloads to maintain benefits. Recruitment of additional staff in August 2024 will expand processing capacity and is expected to better support timely processing of claims in 2024–25.

For VEA war widow/er claims, 31% were processed within 30 days, which was below the target of ≥50%. Meeting timeliness targets remains a challenge for this claim type even though submitted claims are allocated to a delegate immediately. This is due to difficulties obtaining medical records for deceased veterans, such as coroner reports or death certificates. These delays are usually lengthy, affecting overall timeliness outcomes. All claims of this type were allocated within 2 weeks of receipt for the entire financial year.

Timeliness outcomes across VEA disability compensation payment, DRCA initial liability and MRCA initial liability claims processing (measures 1.2-1, 1.6-1 and 1.6-7 respectively) have been impacted by the combination of the claims backlog and incoming claim volumes exceeding available capacity to process claims, including causing delays in starting claims. This has resulted in performance across these timeliness measures falling short of the target. The actual timeliness performance results for these measures were 14% for VEA disability compensation payments (measure 1.2-1), 10% for DRCA initial liability claims (measure 1.6-1) and 19% for MRCA initial liability claims processing (measure 1.6-7).

While overall time taken to process is expected to remain high with DVA's focus on determining the oldest claims, we are starting to see some early signs of improvement for a post-backlog environment. Specifically, for VEA disability compensation payment claims received from 1 December 2023 and determined by 30 June 2024, the average total time taken to process was 86 days. For DRCA initial liability claims in the same period, the average total time taken to process was 74 days, and for MRCA initial liability claims, the average total time taken to process was 58 days.

Likewise, permanent impairment claims processing timeliness has been impacted by the claims backlog and incoming claims volumes exceeding available capacity for processing, resulting in a performance result of 14% for both measures 1.6-2 and 1.6-8.

The build-up of claims experienced by DVA over the past few years has caused a delay in the commencement of permanent impairment claims being processed (measures 1.6-2 and 1.6-8). This, in turn, has extended the period of time taken to process each claim. Claims are currently being actioned earlier, and this will lead to a reduction in the time taken to process those claims in the future.

For measures assessing timeliness of incapacity claims processing, the performance results for 2023–24 were 46% (DRCA) and 47% (MRCA) – both below the target of  $\geq 50\%$ . While the targets were not achieved this year, these performance results represent an improvement in claims processing timeliness for incapacity claims since 2022–23 of 8% for DRCA and 14% for MRCA.

Incapacity claims are being allocated within the expected timeframe to a claims support officer to complete the start-up process. This approach has been successful, and an increase in claims support officers has resulted in improvements in timeliness, although not yet enough to meet our targets.

DVA achieved timeliness targets for new claims being processed within 30 days (measure 1.1-1), change of circumstances processed within 10 days (measure 1.1-2) and funeral benefits processed within 10 days (measure 1.4-1). Performance results for these measures were 53%, 54% and 94% respectively. For these 3 measures, individual claims or changes that are not processed within the target timeframe are usually a result of the requirement to seek further information from the client to finalise. A number of strategies were implemented in 2023–24 that enabled DVA to meet these performance targets, including:

- proactive revision of work priorities in the system to enable newly submitted claims to be processed within 30 days
- actively monitoring older work on hand and completion of new claims, and utilising temporary working groups for defined periods to improve claims processing timeliness
- implementing a claims screening team to pre-screen claims ahead of allocation to a claims processing delegate
- screening staff now being accredited in processing simple claims (for qualifying service), freeing up delegates to concentrate on processing more complex claims (service pension claims)
- prioritising financial hardship cases
- identifying skills gaps of delegates and implementing cross-skilling to enable claims delegates to process different claim types.

In relation to measures 1.6-7, 1.6-8 and 1.6-9, DVA is committed to processing all MRCA claims within 90 days. For these types of claims, the time taken to process a claim is affected by the significant amount of time spent waiting for external information such as medical evidence. For measure 1.6-7, it is estimated that this amounts to 30–50% of the total time taken to process the claim. In October 2023, DVA made system changes to track the time waiting for external information for MRCA initial liability. Excluding these external wait times, from March 2024 to June 2024, DVA processed 48% of its MRCA initial liability claims within 90 days. This performance is better than the reported result for 2023–24 of 19%. However, similar information is currently unavailable for MRCA permanent impairment and incapacity claims.

### **Quality (correctness rates)**

The quality assurance program identifies errors in claims processing that are analysed to demonstrate trends and seek to drive improvements to the quality of decisions being made. This occurs through engagement with claims processing staff, providing enhanced learning and development opportunities and making improvements to policy and procedures.



The quality (correctness rate) of processed claims was affected by an increase in overall claims processing volumes and claim complexity (multiple conditions being claimed and/or multi-Act eligibility), as well as an influx of new staff throughout 2023. The additional new staff increase DVA's overall capacity to process more claims, and new staff are assisted to build their proficiency through structured induction and on-the-job training. DVA is enhancing and formalising this training to certificate-level courses. Errors in this context include decisions that are beneficial to veterans.

In 2023–24, DVA achieved the  $\geq 95\%$  quality (correctness rate) targets for 5 of 12 measures under Outcome 1. This includes change of circumstances requests (measure 1.1-4), funeral benefits (measure 1.4-2), war widow/er claims (measure 1.3-2), Veterans' Children Education Schemes (measure 1.5-2) and DRCA permanent impairment (measure 1.6-5). DVA came within 2% of achieving the quality targets for 2 other quality measures – income support new claims (measure 1.1-3) and MRCA incapacity claims (measure 1.6-12).

DVA did not achieve targets for the following measures: VEA veterans' disability support claims (measure 1.2-2), DRCA and MRCA liability claims (measures 1.6-4 and 1.6-10 respectively), DRCA and MRCA incapacity claims (measures 1.6-6 and 1.6-12 respectively), MRCA permanent impairment claims (measure 1.6-11) and income support new claims (measure 1.1-3). A Recruitment and Training Taskforce is being established which will help improve the quality of processed claims.

## Client satisfaction

Client satisfaction for measures 1.1-5 (income support), 1.2-3 (disability support), 1.3-3 (war widow/ers), 1.4-3 (funeral benefits) and 1.6-13 (safety, rehabilitation and compensation – DRCA and MRCA) is measured through an annual independent Client Benefits Client Satisfaction Survey conducted by ORIMA Research. For these measures, analysis of results was conducted for the period 1 April 2023 to 31 March 2024. The level of satisfaction reported is an annual figure. Clients were either selected at random or as a census of all clients within a program. In 2023–24, DVA achieved the client satisfaction target of  $\geq 80\%$  for 1 out of 5 measures (measure 1.4-3, funeral benefits). Key factors influencing client satisfaction were time taken to process claims and whether benefits received were in line with clients' expectations.

This year the Client Benefits Client Satisfaction Survey was completed by 4,343 clients, representing a response rate of 19% for the survey overall. This is a reduction in response rate compared to prior years (26% in 2022–23 and 31% in 2021–22) but is a higher total number of respondents (3,369 in 2022–23).

Younger clients continued to report lower satisfaction rates than older cohorts, although the satisfaction rating differences between these cohorts are narrowing significantly, with a general overall improvement in satisfaction ratings. DVA is continuing to invest additional resources to improve the time taken to process all claim types and to further improve communication with clients.

The Defence Service Homes (DSH) Insurance policyholder satisfaction target of  $\geq 90\%$  (measure 1.4-4) was not achieved, with the final performance result being 86%. For this measure, consistent with the 2023–24 PBS and previous financial years, policyholder satisfaction was measured through a monthly survey sent to 100 randomly selected policyholders who recently had an approved claim finalised. The survey asked respondents to rate their satisfaction with the claims process and outcome, with responses of 'very happy' or 'happy' considered satisfied. The survey period spanned 1 June 2023 to 31 May 2024, with an average response rate of 32% for 2023–24. To address the low survey response rate, as per the 2024–25 PBS, DSH Insurance will implement a new performance measure for 1.4-4 from 2024–25. The new performance measure will provide better insights into policyholder satisfaction and is aligned to published insurance industry standards for measuring performance.

## Outcome 2

Maintain and enhance the physical and mental wellbeing and quality of life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health service entitlements.

DVA's performance under Outcome 2 is measured by its achievements in 3 categories: quality of service, timeliness and client satisfaction.

### Outcome 2 performance measures and results

#### Program 2.1: General Medical Consultations and Services

DVA has arrangements in place with medical and allied health practitioners in both the public and private sectors to deliver a comprehensive range of services throughout Australia, provided in hospitals, in providers' rooms and in the homes of veterans and families. To ensure that eligible veterans and dependants are able to access necessary services, DVA will either pay for travel to the nearest service provider or pay a provider to travel to other locations to provide services to eligible veterans and dependants.

*Key activities:*

- Work with medical, dental, hearing and allied health providers throughout Australia to ensure veterans and families have access to a comprehensive range of services.

**TABLE 12: PROGRAM 2.1 GENERAL MEDICAL CONSULTATIONS AND SERVICES  
– PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022–23 Actual result	2023–24 Actual result	Achieved
2.1-1	Quality of service: The proportion of clients who have registered a complaint in relation to unmet access and/or quality compared to the total number of clients accessing services <sup>1</sup>	<1% <sup>2</sup>	0%	<1%	Achieved

(PBS p 49, CP p 23)

#### Program 2.2: Veterans' Hospital Services

This program provides access to inpatient and outpatient hospital services for eligible veterans through arrangements with private hospitals, day procedure centres and mental health hospitals, as well as all public hospitals operated by the state and territory governments.

*Key activities:*

- Make arrangements with public and private hospital service providers throughout Australia to ensure veterans and families have access to a comprehensive range of services.

**TABLE 13: PROGRAM 2.2 VETERANS' HOSPITAL SERVICES – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
2.2-1	Quality of service: The proportion of clients who have registered a complaint in relation to unmet access and/or quality compared to the total number of clients accessing services <sup>1</sup>	<1% <sup>2</sup>	0%	<1%	Achieved

(PBS p 50, CP p 24)

### **Program 2.3: Veterans' Pharmaceutical Benefits**

The Repatriation Pharmaceutical Benefits Scheme provides clients with access to a comprehensive range of pharmaceuticals and wound dressings for the treatment of their healthcare needs, including items available to the broader Australian community under the Pharmaceutical Benefits Scheme.

*Key activities:*

- Provide eligible veterans with access to a broader range of medicines and wound care items at a concession rate.

**TABLE 14: PROGRAM 2.3 VETERANS' PHARMACEUTICAL BENEFITS – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
2.3-1	Quality of service: The proportion of clients who have registered a complaint in relation to unmet access and/or quality compared to the total number of clients accessing services <sup>1</sup>	<1% <sup>2</sup>	0%	<1%	Achieved

(PBS p 51, CP p 24)

### **Program 2.4: Veterans' Community Care and Support**

DVA manages community support and residential aged care programs for clients, including the Veterans' Home Care program and the Community Nursing program, which aim to support people to remain independent in their homes and improve their quality of life and health. This program also provides subsidies and supplements for DVA clients living in residential care facilities.

*Key activities:*

- Provide a range of care and support in the home to assist eligible veterans and families to remain independent for longer.

**TABLE 15: PROGRAM 2.4 VETERANS' COMMUNITY CARE AND SUPPORT – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
2.4-1	Quality of service: The proportion of clients who have registered a complaint in relation to unmet access and/or quality compared to the total number of clients accessing services <sup>1</sup>	<1% <sup>2</sup>	0%	<1%	Achieved

(PBS p 52, CP p 25)

**Program 2.5: Veterans' Counselling and Other Health Services**

This program provides a wide range of mental and allied health care services, including counselling and referral services for veterans and their families. The program also supports eligible veterans and their families with funding for aids and appliances, and travel for treatment.

*Key activities:*

- Provide veterans and families with access to mental health care services, including primary prevention through counselling and complex care coordination.
- Support veterans with travel for treatment and provide access to aids, appliances and modifications to support independent living.
- Provide veterans with access to allied health services, including access to telehealth services.
- Provide access to Open Arms including individual and family counselling, after-hours counselling, group program interventions, and peer support.

**TABLE 16: PROGRAM 2.5 VETERANS' COUNSELLING AND OTHER HEALTH SERVICES – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
<b>Access to services</b>					
2.5-1	Quality of service: The proportion of clients who have registered a complaint in relation to unmet access and/or quality compared to the total number of clients accessing services <sup>1</sup>	<1% <sup>2</sup>	0%	<1%	Achieved
<b>Travel</b>					
2.5-2	Timeliness: Target percentage of claims for reimbursement processed within 28 days <sup>3</sup>	≥95%	100%	100%	Achieved
<b>Open Arms – Veterans &amp; Families Counselling Services</b>					
2.5-4	Percentage of clients allocated to an Open Arms clinician within two weeks of initial intake <sup>4</sup>	≥65%	92%	88%	Achieved
2.5-5	Client satisfaction <sup>5</sup>	≥80%	91%	90%	Achieved

(PBS pp 53-54, CP p 26)

## Program 2.6: Military Rehabilitation and Compensation Acts – Health and Other Care Services

DVA arranges for the provision of rehabilitation, medical and other related services under the DRCA, the MRCA and related legislation. The services include payment for medical treatment, rehabilitation services, attendant care and household services.

*Key activities:*

- Provide veterans with access to medical management, psychosocial and vocational rehabilitation programs and support for employment.

**TABLE 17: PROGRAM 2.6 MILITARY REHABILITATION AND COMPENSATION ACTS – HEALTH AND OTHER CARE SERVICES – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
2.6-1	Timeliness: The percentage of rehabilitation assessments completed within 30 days of assessment referral <sup>3,6</sup>	≥75%	99%	99%	Achieved
2.6-3	Client satisfaction: An annual survey of client satisfaction with the rehabilitation program <sup>7,8</sup>	≥75%	70%	68%	Not Achieved

(PBS p 55, CP p 26)

### Notes on Outcome 2 tables

CP = DVA Corporate Plan 2023–24; PBS = DVA Portfolio Budget Statements 2023–24

- 1 Complaints are registered in the Client Feedback Management System when they are received by DVA.
- 2 DVA is measuring the proportion of clients who have registered a complaint in relation to unmet access and/or quality compared to the total number of clients accessing services.
- 3 DVA uses timeliness measures as proxy tools to assess its efficiency. These timeliness measures can give an indication of efficiency over time.
- 4 The intake process is not systemised and is a manual process. Some clients are not captured in the reported results if they are not allocated to an Open Arms clinician within 14 days. Although this does not affect the reported results this year, changes will be made to calculate the result off the allocation date in future to ensure all allocations completed in the relevant reporting period are captured and reported.
- 5 Client satisfaction is measured by a questionnaire. Satisfaction questionnaires are offered by clinicians at the end of an episode of care. The survey asks clients ‘How satisfied are you with the counselling provided to you?’ and responses are rated on a scale of ‘Very satisfied’, ‘Satisfied’, ‘Neutral’, ‘Unsatisfied’ or ‘Very unsatisfied’. All clients who answer ‘Satisfied’ or ‘Very satisfied’ are counted as satisfied. The questionnaire is not compulsory for clients to complete. The final result for 2023–24 was 90% based on a total of 449 survey responses. In 2023–24 there were 29,295 episodes of care closed.
- 6 This measure is a calculation of percentage of rehabilitation assessments undertaken during 2023–24 that were conducted by rehabilitation providers within 30 days of the assessment being requested by DVA. The assessment date is recorded in DVA systems by a delegate based on the assessment date reported by the provider.
- 7 Client satisfaction is measured through a monthly independent survey by ORIMA Research of DVA clients who have recently completed the rehabilitation program. Client satisfaction for this measure is calculated through the responses to 7 questions in the survey, which assess participants’ overall views of the program as well as the rehabilitation plan commencement, implementation and closure process. The 2023–24 performance result is based on rehabilitation case closures from 1 April 2023 to 31 March 2024. Survey participation is voluntary. Neutral responses do not contribute to the achievement of the measure. The response rate for 2023–24 was 21%.
- 8 The 2023–24 performance result is based on rehabilitation case closures from 1 April 2023 to 31 March 2024. This reporting period has been changed since the 2022–23 Annual Performance Statements (in 2022–23 it was based on case closures from 1 June 2022 to 31 May 2023) to bring the rehabilitation client satisfaction survey into alignment with other DVA satisfaction surveys.

## Analysis of performance against Outcome 2

The 2023–24 reporting period showed DVA continued the journey to shift from an ‘illness model’ to a ‘wellbeing outcomes’ approach that empowers veterans to achieve greater independence for themselves and their families. DVA is committed to understanding veterans’ wellbeing needs, connecting them and their families to relevant services and supports, and enabling them to make informed decisions based on what matters to them. DVA’s achievement of this is measured through the quality, timeliness and client satisfaction results for the services provided under Outcome 2.

For Outcome 2, DVA achieved all 5 quality measure targets, all 3 timeliness measure targets and 1 of the 2 client satisfaction targets. This reflects DVA’s successful delivery of programs to maintain and enhance the wellbeing of veterans and families. Throughout 2023–24, veterans and their families were connected to high-quality, evidence-based and responsive services funded through Outcome 2. DVA ensured clients had timely access to high-quality healthcare, counselling and rehabilitation services; and maintained and developed services that supported the holistic wellbeing of veterans and families. DVA continues to review and improve business practices and enabling systems to ensure programs are delivered efficiently and effectively.

### Quality of service

The quality of service for most of DVA Outcome 2 measures is assessed by comparing the number of complaints registered by clients to the number of clients who accessed services. In 2023–24, DVA achieved all of the quality of service targets, including for access to general medical consultations and services (measure 2.1-1), access to veterans’ hospital services (measure 2.2-1), access to veterans’ pharmaceutical benefits (measure 2.3-1), access to veterans’ community care and support (measure 2.4-1) and access to veterans’ counselling and other health services (measure 2.5-1). This reflects DVA’s ongoing commitment to providing high-quality services and supports to veterans and their families.

DVA recognises that health providers are key partners in optimising health and wellbeing outcomes for veterans through the delivery of quality services. We are actively engaging with providers to create greater awareness of DVA services, programs and entitlements available to veterans and families beyond the Medicare Benefits Scheme and the Pharmaceutical Benefits Scheme.

DVA delivers high-quality booked car with driver services through a strong vetting and contract management process in conjunction with a robust veteran-centric feedback management framework, where experienced program managers engage with clients and contracted providers in a sensitive manner to resolve any issues of concern (measure 2.5-1).

DVA assists veterans to live safely and independently by providing aids, equipment and modifications through the Rehabilitation and Appliance Program (RAP). As most RAP schedule items are accessed through DVA contracted suppliers, DVA has put in place robust contract management, including compliance and quality assurance activities, to ensure that suppliers’ service delivery standards are maintained (measure 2.5-1).

Through DVA’s administration of the Repatriation Pharmaceutical Benefits Scheme, the Veterans’ Affairs Pharmaceutical Advisory Centre continued to provide doctors and veterans with 24/7 access to information and approvals related to access to subsidised medicines. The clinical appropriateness and conditions of supply of items available on the Repatriation Pharmaceutical Benefits Schedule were regularly reviewed to ensure medicines available are safe, effective and meeting the unique needs of veterans (measure 2.3-1).

There has been a net improvement in the quality of veterans' hospital services since 2022–23 (measure 2.2-1). For veterans' hospital services, the number of complaints received in 2023–24 declined, while the number of veterans and dependants issued a Veteran Gold or White Card increased, alongside the existing ageing Veteran Gold Card population. DVA has established strong partnerships with contracted private hospitals, day procedure centres and state and territory departments of health for the provision of public hospital services. DVA works collaboratively with hospitals to help ensure veterans receive high-quality clinical services in a timely manner. DVA also supports the hospital arrangements by providing complementary programs to support veterans on discharge from hospital – for example, Veterans Home Care Program, the Community Nursing Program, and the Rehabilitation Appliances Program.

Hospital Programs is an established program, with clients able to access hospital services provided by contract private hospitals, day procedure centres and all public hospitals in Australia. The demand for service is based on a client's clinical need, with DVA providing comprehensive access to hospital services which are relatively standard across the industry.

For DVA's Veterans Home Care Program and Community Nursing Program, regular meetings with service providers helped to maximise quality of services for clients, as maintaining good relationships with providers ensures issues are managed promptly for community support and residential aged care programs (measure 2.4-1).

### Timeliness

DVA can reimburse some travel costs where veterans have paid to travel to medical appointments or to get medical evidence. In 2023–24, DVA reimbursed all eligible travel claims within 28 days, achieving the performance measure target (measure 2.5-2). Factors influencing this positive outcome in 2023–24 include the implementation of streamlined processes, efficient communication with veterans and healthcare providers, and prioritising travel claims processing through a dedicated team in DVA solely responsible for promptly handling travel reimbursements.

Open Arms has been the Commonwealth's response to veteran mental health support for over 40 years. Founded by Vietnam veterans, Open Arms is a nationally accredited mental health service that provides 24-hour free and confidential mental health support. In 2023–24, 88% of Open Arms clients were allocated to an Open Arms clinician within 2 weeks of their initial intake (measure 2.5-4). The target of 65% has been consistently exceeded each month over the financial year. This achievement highlights that the current number of clinicians aligned to Open Arms is meeting the needs of the Open Arms client base. In 2023–24, Open Arms enhanced its Model of Care and risk analysis frameworks, enabling efficient allocation processes at a regional level.

Timeliness of rehabilitation assessments made within 30 days of referral for assessment (measure 2.6-1) remains above the target of 75%. Factors which may have contributed to this achievement include:

- continued flexibility in the facilitation of assessments, with remote support options assisting with the timeliness in assessment coordination
- continued support and training resources for rehabilitation providers, ensuring a clear understanding of the requirement to undertake rehabilitation assessments within agreed timeframes.

## Client satisfaction

Open Arms continues to exceed the 80% target for client satisfaction, with a result of 90% in 2023–24 (measure 2.5-5). This result was calculated from 449 client questionnaires received. A total of 10,631 surveys were distributed via email, by post and in person following an episode of care. There were a total of 29,295 episodes of care this financial year. A client may not receive a survey for administrative reasons – for example, when the closure of an episode of care occurs while services are continuing. The client satisfaction survey is a voluntary system and there is no process to follow up with clients to encourage or increase participation and completion. Positive client feedback post case closure has increased since the transition to an episodic model of care, with a focus on targeted clinical intervention.

In 2023–24, the 75% target for client satisfaction with the rehabilitation program (measure 2.6-3) was not achieved. The overall percentage of client satisfaction was 68% – a result similar to the 70% score achieved in the 2022–23 reporting period. In 2023–24, the response rate for the rehabilitation client satisfaction survey was 21%. Efforts to increase the response rate continued throughout the year, including the increased use of SMS and email reminders by ORIMA Research. Additional information will be collected in the next reporting period, which is expected to increase insight about rehabilitation client satisfaction.

From 1 June 2024, DVA transitioned to an enhanced rehabilitation model with 15 national providers. This improved model included giving providers and clients greater autonomy through amendments to plan funding arrangements; simplifying the provider network through improved contractual arrangements; improving guidelines for providers and staff to support nationally consistent service delivery; introducing a self-assessment up front where clients can consider their own needs before engaging in the rehabilitation program; and introducing regular opportunities for clients to provide timely feedback to DVA during the delivery of their rehabilitation plans. These changes will be relevant for surveys completed during the 2024–25 reporting period for measure 2.6-3.



## Outcome 3

Acknowledgement and commemoration of those who served Australia and its allies in wars, conflicts and peace operations through promoting recognition of service and sacrifice, preservation of Australia's wartime heritage, and official commemorations.

DVA's performance under Outcome 3 is measured by our achievements in 2 categories: war graves and commemorations.

### Program 3.1: War Graves

This program acknowledges and commemorates veterans' service and sacrifice and promotes an increased understanding of Australia's wartime history. To meet the Australian Government's commitment, the OAWG cares for and maintains official commemorations and sites of collective official commemoration in accordance with general principles set by the Commonwealth War Graves Commission (CWGC).

*Key activities:*

- Provide and maintain war cemeteries, war plots, gardens of remembrance and memorials to the missing and other individual official commemorations for eligible veterans who have died as a result of their service to Australia in wars, conflicts and peace operations.
- To operate and maintain memorial sites in Thailand, Malaysia and France.

**TABLE 18: PROGRAM 3.1 WAR GRAVES – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022-23 Actual result	2023-24 Actual result	Achieved
3.1-1	Quality of service: New official commemorations are completed within published timeframes <sup>1</sup>	≥95%	Not applicable (new measure for 2023-24)	58%	Not achieved
3.1-2	Quality of service: Maintain public access to memorial sites in Thailand, Malaysia and France	Unscheduled closures ≤5 days <sup>2</sup>	Not applicable (new measure for 2023-24)	Achieved – 4.5 days of unscheduled closures	Achieved
3.1-3	Official commemorations are inspected to ensure that they continue to meet the CWGC standard	≥95% inspected	Not able to report <sup>3</sup>	90%	Not achieved

(PBS p 59, CP p 27)

### Program 3.2: Commemorative Activities

Commemorative activities are delivered to enable the community to better understand, acknowledge and commemorate the service and sacrifice of the men and women who have served Australia in wars, conflicts and peace operations.

*Key activities:*

- Deliver domestic and international commemorative events to enable the community to better understand, acknowledge and commemorate the service and sacrifice of those who have served Australia in wars, conflicts and peace operations.

**TABLE 19: PROGRAM 3.2 COMMEMORATIVE ACTIVITIES – PERFORMANCE MEASURES AND RESULTS**

No	Performance measure	Target	2022–23 Actual result	2023–24 Actual Result	Achieved
3.2-1	Commemorative event quality: Commemorative events are conducted to commemorate veterans’ service in a dignified, solemn and respectful manner <sup>4</sup>	The number of discrete complaints is less than 1% of the estimated audience for any one event	0%	<1%	Achieved

(PBS p 60, CP p 28)

**Notes on Outcome 3 tables**

CP = DVA Corporate Plan 2023–24; PBS = DVA Portfolio Budget Statements 2023–24

- 1 The completion timeframes differ for each commemoration type (graves – 240 days; ashes placements – 120 days; and garden of remembrance plaques – 90 days). DVA writes to eligible families to find out if they would like to have a commemoration installed for their loved one. Installations of commemorations are undertaken by contractors, who issue an invoice when the installation is complete. The invoice date is taken to be the completion date. The time taken to install a commemoration is calculated as the time between when the department receives the acceptance advice from the family and when the contractor issues an invoice. This measure excludes ashes placements placed by crematorium authorities and plaques placed in gardens of remembrance by staff. Commemorations that are not installed are not captured by this measure, as assessment of timeliness is undertaken at the time of completion of the commemoration.
- 2 Unscheduled closures are directly reported to DVA by the site managers, and the public are notified of the site closure through social media and online channels, as well as being reported on through this measure. This measure has been removed for the 2024–25 Portfolio Budget Statements and 2024–25 Corporate Plan.
- 3 Due to limitations of the data source, a result for this measure was not reported in 2022–23. For 2023–24, inspections were carried out in accordance with business plans and evidenced by photos. For maintenance purposes, when an inspection is undertaken the condition of all commemorations is assessed against general principles provided by the CWGC. Non-CWGC commemorations are assessed against the CWGC general principles for structural integrity and legibility of inscriptions. The CWGC Conservation Policy provides guidelines and instructions for operators on assessing the condition, standards of care, structural repairs, changes to planting, landscaping or layout and alterations to structures and built features and is available at <https://www.cwgc.org/media/cdmpkqyk/conservation-policy-2020.pdf>. The policy for headstone cleanliness and legibility can be found at <https://www.cwgc.org/our-work/sustainability/headstone-cleanliness-legibility/>. To move away from the inherent system limitations, in 2024–25 the department will use a satisfaction-based measure, which can be found in the 2024–25 Portfolio Budget Statements and 2024–25 Corporate Plan.
- 4 Complaints are registered in the Client Feedback Management System. The estimated broadcast viewing audience figures sourced from the ABC are combined with the estimated onsite physical attendance figures to determine the total estimated audience for each commemorative service.

## Analysis of performance against Outcome 3

DVA achieved 2 of the 4 performance measure targets for Outcome 3. DVA was unable to achieve the remaining 2 performance measure targets.

### War graves

In 2023–24, despite significant efforts to improve reporting on war graves, the results for performance measures 3.1-1 and 3.1-3 have been hampered by inherent and historical data integrity issues and limitations in the War Graves System.

In 2023–24, DVA incorporated a new measure which looks at DVA's timeliness in installing commemorations (measure 3.1-1) and reports on the number of days taken between the start (when an offer is accepted by the veteran's family) and end date (when the commemoration is installed). Performance was not achieved in 2023–24 due to factors including resourcing constraints, adverse weather conditions, reliance on cemetery authorities placing ashes and plaques in a timely manner and promptly notifying DVA of placement, lack of skilled tradespeople, and contractors' conflicting schedules. To improve timeliness in the future, DVA has introduced a process of regular follow-up with relevant contractors or authorities on overdue commemorations. While photo evidence is routinely requested by DVA to support the reliability of the reported result, this is not always available to be provided. Very limited information is also provided by some cemetery and crematorium authorities, which impacts the accuracy of reported completion timeframes for ashes placements and lawn graves for performance measure 3.1-1 (less than 7%). Consequently, DVA changed the methodology for this measure so that ashes placements placed by crematorium authorities and plaques placed in gardens of remembrance by staff are now excluded from the reported results. This measure also does not report on new commemorations which were unable to be installed. In 2024–25, DVA is intending to report on a customer satisfaction-based measure which will enable DVA to more reliably report on the maintenance of commemorations.

To assess public accessibility to the 3 overseas interpretive centres managed by DVA (the Sir John Monash Centre in France, the Hellfire Pass Interpretive Centre in Thailand, and the Sandakan Memorial Pavilion/Park in Malaysia), measure 3.1-2 was introduced. Public accessibility is assessed by monitoring the number of unscheduled closure days for each site per year, with the target of ≤5 unscheduled closure days per year. This was a new measure introduced under Outcome 3 in the 2023–24 reporting period. The measure was achieved in 2023–24, with the following number of unscheduled closure days per centre:

- Sir John Monash Centre: 2 days
- Hellfire Pass Interpretive Centre: 2.5 days
- Sandakan Memorial Park: 0 unscheduled closures.

The Sandakan Memorial Pavilion has been closed to the public for a rebuild since 27 September 2023. As this is a scheduled closure, it has not impacted the performance result for measure 3.1-2.

Through measure 3.1-3, we assess the OAWG's ability and capacity to care for and inspect all commemorative assets, in line with general principles set by the CWGC. This measure was reintroduced after publication of the 2023–24 PBS as part of the 2023–24 CP. OAWG manages a program through which a target of 95% of official commemorations in Australia and the region are inspected annually and maintained accordingly. This financial year, OAWG achieved a 90% inspection record due to some resource constraints at the start of the reporting period. Inspection effort in Tasmania was also redirected away from the many commemorations located in the garden of remembrances, as the garden was closed to the public. Efforts were redirected to fewer commemorations located throughout the state since they had not been inspected in 3 years.

The resourcing constraints at the start of the reporting period have been rectified. OAWG is confident of maintaining commemorative assets well and will accordingly move to a satisfaction-based performance measure from 2024–25.

### **Commemorative activities**

On 18 August 2023, a National Commemorative Service to mark the 50th anniversary of the end of Australia's involvement in the Vietnam War was successfully delivered at the Australian Vietnam Forces National Memorial on Anzac Parade in Canberra. It was a day to commemorate the service of some 60,000 Australian men and women who served in the Vietnam War and the sacrifice of their families. The service was live broadcast by the ABC. It was attended by approximately 2,197 people and had an estimated broadcast viewership of 134,000. Two complaints relating to the National Commemorative Service were received by DVA.

On 25 April 2024, 2 Anzac Day commemorative services were held at Gallipoli (Türkiye) and 2 were held near Villers-Bretonneux (France) to honour the service of all Australian service men and women who have served our nation in times of war, conflict and peace operations, ensuring their commitment and sacrifice is remembered by us all. The Dawn Services were also live broadcast by the ABC. DVA also supported Anzac Day services in Thailand and Malaysia. These smaller services were not broadcast. Anzac Day services were also held by the OAWG in Isurava (Papua New Guinea).

The 2024 Anzac Day services were conducted in a safe, solemn and dignified manner in all countries. The Dawn Service near Villers-Bretonneux was attended by 1,901 people and had an estimated broadcast viewership of 336,000. The Dawn Service at Gallipoli was attended by 1,647 people and had an estimated broadcast viewership of 462,000. No complaints relating to the Anzac Day services near Villers-Bretonneux or at Gallipoli were received.



# 05

## Management and accountability

## Corporate governance

### Governance framework

The Department of Veterans' Affairs' (DVA) governance and management framework is based on the principles of performance assurance and accountability within a risk management framework.

Good governance is an integral part of sound and accountable decision-making and enables the department to deliver on the expectations of government, veterans and the community. Ensuring that DVA's governance structures and frameworks are efficient and fit for purpose is key to achieving this.

During 2023–24, an internal review of DVA's governance arrangements was conducted by the Portfolio Management Branch, in consultation with the Deputy Secretary – Veteran, Family and Stakeholder Experience. An outcome of this review was the design and implementation of a revised governance committee framework (depicted in Figure 5). Relative to previous arrangements, this framework has been simplified to give a clear purpose for each governance entity. It provides for more efficient use of senior management resources, addresses risk, and avoids duplication in oversight.

The revised framework supports the department in making decisions and implementing the principles and objectives of corporate governance consistent with the department's obligations under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The framework articulates the lines of authority, accountability, direction and control within the department. It is designed to ensure staff understand their accountabilities as outcomes are delivered in a controlled, transparent and accountable manner, in line with relevant legislation and government policy.

The governance processes and policies include risk management, business planning, financial management, performance and compliance monitoring and reporting, staff performance agreements, internal auditing, fraud prevention, and Accountable Authority Instructions.

The governance framework supports departmental culture and the commitment to veterans and their families.

The governance framework also promotes and upholds the Australian Public Service (APS) Values and Code of Conduct and enables monitoring and improvements in performance. DVA employees are required to adhere to the APS Values, Employment Principles and Code of Conduct as set out in sections 10, 10A and 13 of the *Public Service Act 1999*. The department treats suspected breaches of the Code of Conduct very seriously and takes action when breaches occur.

### Governance bodies

The department's highest level governance body is the Executive Board (EB). The EB provides senior leadership and strategic direction, makes key decisions (consistent with the PGPA Act) and reviews departmental risks. The EB's primary focus is strategic planning in policy and operational matters, including client service excellence, stakeholder connection, performance monitoring, culture, and resource allocation. It regularly reviews organisational health based on a range of indicators, including financial performance, staff management, human resources and data capability.

The EB replaced the former Executive Management Board in early 2024, with a streamlined membership, more frequent meetings, and a stronger focus on strategic matters. The EB consists of the following key personnel:

- Secretary (Chair)
- Chief Operating Officer
- Deputy Secretary – Policy and Programs Group
- Deputy Secretary – Veteran, Family and Stakeholder Experience Group.

Four governance committees report directly to the EB:

- Investment Committee
- People and Culture Committee
- Service Delivery Committee
- Data Governance Board.

The Investment Committee is responsible for oversight, management and decisions in relation to capital investment, such as information and communications technology (ICT) and property, the Innovation Fund, the Investment Fund and other non-capital investment matters, and other priorities as directed by the EB.

The People and Culture Committee is responsible for ensuring the effective delivery of government services through improved oversight of the workforce, and for staff wellbeing. Its remit includes workplace culture, work health and safety, workforce strategy, people development, diversity and inclusion, and other priorities as directed by the EB.

The Service Delivery Committee is responsible for strategic guidance, oversight and monitoring of DVA programs, including new programs, existing programs and grants. Its remit includes client experience, service quality, program implementation, and other priorities as directed by the EB.

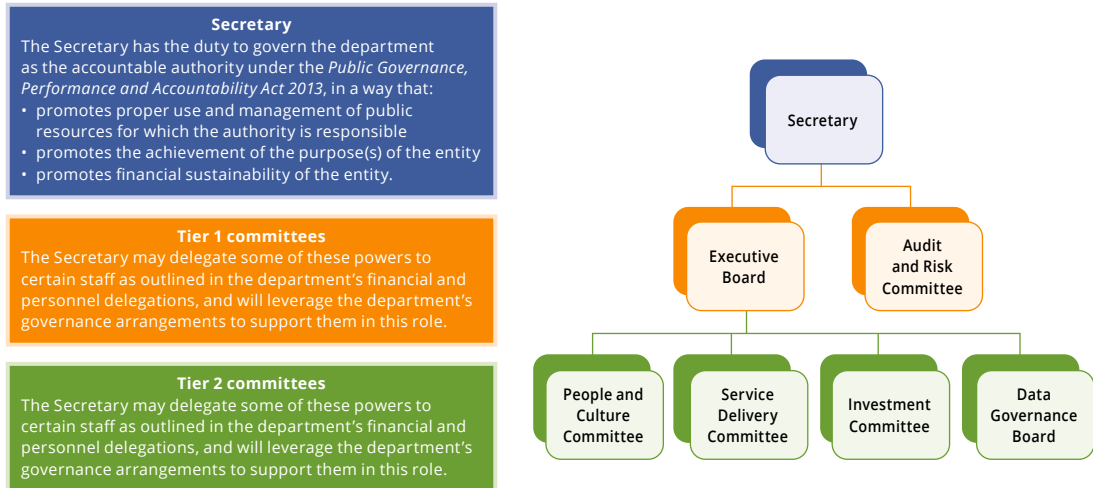
The independently chaired Data Governance Board, established in June 2024, is responsible for providing leadership and direction in relation to personal information and data held by DVA, by providing strategic advice, guidance and assurance on best practice information and data management.



## Corporate governance structure

FIGURE 5: DVA CORPORATE GOVERNANCE STRUCTURE

### High-level internal governance view



## Clinical governance

Clinical governance provides a system through which a healthcare organisation is accountable for continuously improving the quality of its services and safeguarding high standards of care. It is an integrated set of leadership behaviours, policies, procedures, responsibilities, relationships, planning, monitoring and improvement mechanisms implemented to support and promote good clinical outcomes. For the department, it provides a set of relationships and responsibilities between all levels of the organisation, clients and other stakeholders within the DVA ecosystem to ensure good clinical advice and outcomes for veterans and families.

DVA clinical governance is aligned to the Australian Commission on Safety and Quality in Health Care (ACSQHC) National Safety and Quality Health Service (NSQHS) Standards. Alignment to the standards was endorsed by the EB in November 2023. The DVA Clinical Governance Framework has been developed to provide overarching quality and safety systems and structures across the enterprise. A Clinical Governance Operating Model has been developed to operationalise an evaluation program to measure performance against the standards.

Alignment to the ACSQHC national model for clinical governance was considered the most appropriate for DVA as it can be applied to various types of health services.

DVA's clinical governance framework standards are as follows:

- Governance, leadership and culture
- Quality and safety systems
- Performance and effectiveness
- Safe environment
- Client and stakeholder engagement and partnerships.

The Clinical Governance Committee is the governing body accountable for ensuring DVA has appropriate clinical governance arrangements in place that are operating effectively.

## Corporate and operational planning

The DVA corporate plan is the department's primary planning document. Updated each reporting year, it sets out DVA's purpose, its operating context, the key activities it intends to pursue in order to achieve its purpose, and how performance will be measured and assessed. Consistent with the requirements of section 35 of the PGPA Act, the corporate plan is published on DVA's website: [www.dva.gov.au/documents-and-publications/dva-corporate-plans](http://www.dva.gov.au/documents-and-publications/dva-corporate-plans).

DVA conducts business planning through annual business plans. The plans are developed at the division and branch level so business priorities are aligned with the strategic direction as set out in the corporate plan. They set out how DVA will undertake its key activities to achieve its purpose. They flow directly into individual performance plans for employees, which are assessed mid-year and at year end, with ongoing feedback provided as required. In addition, throughout the year the department reports on its performance against its targets to high-level governance committees.

## Conflict of interest

Under the *Public Service Act 1999*, staff have obligations to avoid actual, perceived or potential conflicts of interest. All Senior Executive Service (SES) officers complete a conflict-of-interest declaration at least annually. All staff, including contractors and labour hire workers, must complete conflict-of-interest declarations when undertaking particular activities such as procurement and recruitment processes. Through regular communication and education, DVA ensures staff are aware of those obligations and how to meet them.

## Risk management

Effective risk management is an integral part of delivering services to veterans and families, commemorating their service and sacrifice, and being accountable to government. DVA's Risk Management Framework 2020–2024 and its supporting processes assist in embedding and communicating the department's risk policy, appetite and tolerance, guiding staff in their actions and ability to accept and manage risks.

The Risk Management Framework was established in accordance with the requirements of the PGPA Act and the Commonwealth Risk Management Policy. It is also aligned with the International Standard on Risk Management, ISO 31000:2018 Risk management – Guidelines, and Commonwealth best practice guidance, including Resource Management Guide 211. The department has undertaken a comprehensive review of the framework for release early in the new financial year.

In 2023–24, DVA regularly reported on its risk profile and risk management framework to internal and external assurance committees, including the Audit and Risk Committee and the EB, which provided assurance of the effectiveness and appropriateness of the department's risk oversight and management. We contribute to the ongoing maturity of risk management across DVA by continually reviewing the enterprise (strategic) and operational environment, and maintaining a positive focus on managing current and emerging risks.

## Business continuity

DVA's Business Continuity Plan is reviewed and validated annually and provides assurance that the department will continue to provide essential services in the event of a major disaster or significant interruption. It is an integral part of the Risk Management Framework and the department's emergency response. While the Business Continuity Plan was not activated in 2023–24, the department maintained an active response to COVID-19 in line with relevant public health orders and public health directions across jurisdictions. In 2023–24, the focus has been on preparedness to respond to emerging risks in areas such as cybersecurity.

## Internal audit

KPMG and Sententia Consulting provided internal audit services to DVA in 2023–24. These providers carried out independent and objective assurance activities, in accordance with DVA's Internal Audit Work Plan and the Institute of Internal Auditors standards, relating to performance, financial, ICT and program reviews.

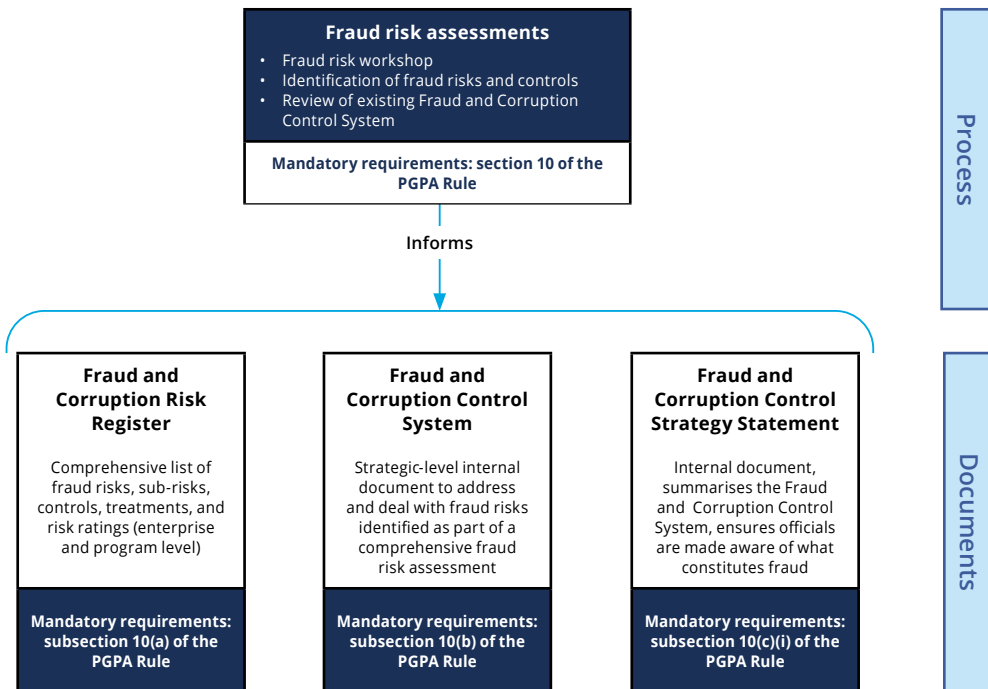
The Internal Audit Work Plan adopts a strategic and flexible approach that identifies areas for improvement and supports mitigation of risks. All recommendations from internal audits are tracked and monitored by the Audit and Risk Committee, supported by the Chief Audit Executive. In 2023–24, the Internal Audit Work Plan comprised 9 internal audits.

## Fraud and corruption prevention and control

DVA is committed to creating a fraud and corruption control environment that is consistent with the requirements of the Commonwealth Fraud and Corruption Control Framework 2024. DVA has zero tolerance of fraud and corruption, and takes all reasonable measures to prevent, detect, respond to, and report on fraud and corruption related activities and outcomes, in accordance with obligations under the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) and the *National Anti-Corruption Commission Act 2022*.

The Fraud and Corruption Control System is DVA's strategic plan for fraud and corruption prevention and control. This document is one element of DVA's fraud and corruption control framework and has a direct relationship with other fraud and corruption risk documents and processes.

**FIGURE 6: FRAUD AND CORRUPTION CONTROL FRAMEWORK**



Fraud and corruption prevention is the responsibility of all DVA staff. All new staff and contractors are required to complete mandatory fraud and corruption control training, with refresher training at least every 2 years. Staff are also exposed to regular fraud and corruption awareness communications and sessions, via a comprehensive education and awareness campaign designed to promote a strong integrity culture in the department.

A core component of DVA's preventive approach to fraud and corruption control is engaging with our fraud control counterparts. Improved alignment with best practice models, both domestically and internationally, results in an increased capability to protect our programs, information and assets from fraud and corruption.

DVA maintains and regularly updates a Fraud and Corruption Risk Register, which assesses, monitors and maintains a record of enduring fraud and corruption risks and controls for the department. A continuous suite of program-level fraud and corruption risk assessments helps us to better understand DVA's fraud and corruption exposures, associated risks and existing controls.

During 2023–24, DVA significantly enhanced its data analytics capability to identify irregularities and indicators of fraud and corruption. This enabled a risk-based, data-driven approach to developing robust countermeasures. DVA continues to mature its approach to the identification and management of fraud, corruption and non-compliance through advancements in payment monitoring and intelligence. Potential fraudulent or corrupt behaviour is identified through a variety of means, including data interrogation, fraud and corruption risk assessments, and allegations from staff and members of the public. DVA also undertakes fraud and corruption investigations and, where appropriate, refers matters to the Commonwealth Director of Public Prosecutions, the National Anti-Corruption Commission, and the Australian Federal Police.

During 2023–24, DVA continued to report regularly on fraud and corruption related activities and outcomes to its internal committees and the Audit and Risk Committee. DVA also complies with its annual reporting requirements to the Australian Institute of Criminology.

## **Audit and Risk Committee**

The Audit and Risk Committee (ARC) was established in compliance with section 45 of the PGPA Act and PGPA Rule 17, Audit committee for Commonwealth entities. The ARC provides advice to the Secretary on the appropriateness of the 4 functions listed in subsection 17(2) of the PGPA Rule, which covers financial reporting, performance reporting, system of risk oversight and management, and system of internal control.

Central to providing robust and impartial advice is the ARC's independence from the management of DVA. In this independent capacity, and using its collective skills, experience and sound knowledge of DVA's operating context, the ARC reviews the information provided by DVA's management, the internal auditors, and external bodies such as the Australian National Audit Office. In order to understand and review processes and systems, the ARC actively obtains information from relevant areas of DVA.

In providing advice to the Secretary, including through annual written statements for the 4 functions, the ARC must include details of the activities undertaken to discharge its review function in accordance with its charter. As well as providing a view on appropriateness, these written statements include a list of any issues that would indicate that the functions are not appropriate, as well as references and suggestions for systems and process improvement if required.

The Audit and Risk Committee Charter is available at [www.dva.gov.au/documents-and-publications/audit-and-risk-committee-charter](http://www.dva.gov.au/documents-and-publications/audit-and-risk-committee-charter).

**TABLE 20: AUDIT AND RISK COMMITTEE MEMBERS, 2023–24**

Member name	Qualifications	Meetings attended/ total meetings	Total annual remuneration (GST inc.)	Additional information (including role on committee)
Greg Divall	<p>Greg Divall has over 20 years' experience in Commonwealth Senior Executive Service leadership roles, with over 35 years' experience in the public sector. Mr Divall was the group business manager of the \$16 billion per annum Capability Acquisition and Sustainment Group and led the group's reintegration into the Department of Defence. He is an independent member of audit and risk committees of several other entities and a Defence Independent Assurance Board member.</p> <p>He holds a Bachelor of Applied Science (Mathematics, with majors in Computing and Statistics) and a Master of Business Administration. He is a member of the Australian Institute of Company Directors and a Vincent Fairfax Fellow. He has completed the Australia and New Zealand School of Government's Executive Fellows Program, the Harvard Kennedy School's National and International Security program for senior executives, and the Advanced Management and Leadership Programme at Oxford Said Business School.</p>	9/9	\$65,748.28	Chair, Audit and Risk Committee
Alexandra Spark	<p>Alexandra Spark has worked for over 25 years as a Chartered Accountant and Risk Specialist with experience in financial statement audit, risk management, regulation and corporate governance. She was a partner at Deloitte Touche Tohmatsu and has worked with a range of clients within Australia and internationally, in the public and private sectors.</p> <p>She is currently a member of several Commonwealth audit and risk committees, including those of the Department of Employment and Workplace Relations and the Department of Climate Change, Energy, the Environment and Water, and is also a non-executive director.</p>	9/9	\$63,042.83	Member, Audit and Risk Committee Chair, Financial Statements Subcommittee
David Bryant	<p>Dr David Bryant is a Senior Australian Computer Society Certified Professional and former Australian Institute of Project Management Certified Practising Project Director. He specialises in ICT governance and projects. Dr Bryant also has experience on other federal government audit and risk committees and has worked in the ICT industry for 40 years.</p> <p>He holds a PhD (Information Management Systems), Master of Business Administration (Technology Management) and Bachelor of Information Technology.</p>	9/9	\$35,789.10	Member, Audit and Risk Committee

## External scrutiny

External scrutiny provides independent assurance that DVA's systems, processes and controls are effective.

### Reports by the Auditor-General

Reports tabled in parliament by the Auditor-General are reviewed by senior management and relevant DVA business areas. In 2023–24, the Australian National Audit Office tabled 4 reports in parliament involving DVA:

1. Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023 (tabled 14 December 2023)
2. Audits of the Annual Performance Statements of Australian Government Entities – 2022–23 (tabled 12 February 2024)
3. Evaluation of Australian Government Pilot Programs (tabled 17 June 2024)
4. Interim Report on Key Financial Controls of Major Entities (tabled 20 June 2024).

### Reports by the Commonwealth Ombudsman

The Office of the Commonwealth Ombudsman investigates complaints about Australian Government agencies and may conduct its own investigations into agency administration. It reports the findings of these investigations under sections 15, 16, 17 or 19 of the *Ombudsman Act 1976*. There were no Ombudsman reports with adverse findings relating to DVA in 2023–24.

### Reports by parliamentary committees

#### ***Senate Finance and Public Administration References Committee inquiry into the management and assurance of integrity by consulting services***

On 1 May 2023, DVA provided a written submission to the Senate Standing Committee on Finance and Public Administration inquiry into the management and assurance of integrity by consulting services.

The Final Report was published on 12 June 2024. The report made 12 recommendations, directed primarily towards the Department of Finance, but also towards the wider APS.

#### ***Parliamentary Joint Committee on Corporations and Financial Services inquiry into ethics and professional accountability: structural challenges in the audit, assurance and consultancy industry***

On 1 September 2023, DVA provided a written submission to the Parliamentary Joint Committee on Corporations and Financial Services inquiry into ethics and professional accountability: structural challenges in the audit, assurance and consultancy industry. The committee intends to report to the parliament by mid-2024.

#### ***Joint Committee of Public Accounts and Audit inquiry into the Annual Performance Statements 2021–22***

On 5 May 2023, DVA provided a written submission to the Joint Committee of Public Accounts and Audit inquiry into the Annual Performance Statements 2021–22. DVA representatives attended the public hearing on 28 July 2023. The Final Report was published on 17 October 2023.

### ***Senate Select Committee into the Provision of and Access to Dental Services in Australia***

On 7 June 2023, DVA provided a written submission to the Senate Select Committee into the Provision of and Access to Dental Services in Australia. The committee presented an Interim Report on 20 June 2023 and tabled its Final Report on 30 November 2023.

### ***House Select Committee on Workforce Australia Employment Services***

On 3 August 2023, DVA provided a written submission to the House of Representatives select committee inquiry into Workforce Australia employment services. The committee tabled its Final Report, *Rebuilding employment services: Final Report on Workforce Australia employment services*, on 30 November 2023.

### ***Senate Standing Committee for the Scrutiny of Delegated Legislation – scrutiny related to the sunset of legislative instruments***

On 13 October 2023, DVA provided information to the Senate Standing Committee for the Scrutiny of Delegated Legislation in response to a request for information. The committee tabled its annual report 2023 on 17 May 2024.

### ***Senate Community Affairs Legislation Committee inquiry into Social Services and Other Legislation Amendment (Military Invalidity Payment Means Testing) Bill 2024 [Provisions]***

On 25 March 2024, DVA provided a written submission to the Senate Community Affairs Legislation Committee inquiry into the Social Services and Other Legislation Amendment (Military Invalidity Payment Means Testing) Bill 2024 [Provisions]. The submission was accepted as a public submission and was allocated submission number 7. The committee's report was published in April 2024.

### ***Parliamentary Standing Committee on Public Works***

In March 2024, DVA referred the proposed fit-out of new leased premises at 18 Marcus Clarke Street, Canberra, in accordance with the *Public Works Committee Act 1969* to the Parliamentary Standing Committee on Public Works through a written submission. DVA also attended a hearing of the committee on 23 May 2024.

## **Other portfolio reviews and inquiries**

### ***Royal Commission into Defence and Veteran Suicide***

The Royal Commission has presented a once-in-a-generation opportunity to reform the way DVA supports Australia's veteran community.

The Royal Commission into Defence and Veteran Suicide: Interim Report (the Interim Report) was delivered on 11 August 2022. The report contains 13 recommendations, which centre on issues identified as requiring urgent and immediate action.

The government's response to the Interim Report was tabled in parliament on 26 September 2022. In its response, the government agreed to 9 recommendations, agreed in principle to another, noted 2, and advised it had implemented one (Recommendation 5) by removing the average staffing level cap for all government agencies, including DVA.

As at 30 June, 6 recommendations have been implemented (including Recommendation 5, as stated above, and recommendations 9 to 13) to improve information access from Defence and DVA for members of the Australian Defence Force (ADF), veterans and their families.

DVA has made significant progress towards fully implementing recommendations 1 to 4. The backlog of unallocated initial liability, incapacity and permanent impairment claims identified by the Royal Commission was cleared ahead of schedule, and DVA is now largely managing 'business as usual' levels of these claim types (Recommendation 2). The administration of DVA's claims systems (Recommendation 3) continues to improve with the introduction of significant

improvements to DVA's processes and ICT systems. In addition, work on simplifying and harmonising the veterans' legislation framework (Recommendation 1) is well advanced, with the government releasing exposure draft legislation on 28 February 2024 after significant community consultation and more than 300 formal submissions. The government has considered the feedback received and made some changes to the proposed approach, and the legislation will be introduced into parliament on 3 July 2024. The legislation creates a simpler system that is easier for veterans and families to understand, and under which they can receive the entitlements and support they need, when they need them.

In the 2024–25 Budget, the government is investing:

- \$222 million over 4 years from 2024–25 for the harmonisation of veterans' compensation and rehabilitation legislation that will make it easier for veterans and families to access support. This is in addition to the \$40.1 million provided in the 2023–24 Mid-Year Economic and Fiscal Outlook. This measure supports the Australian Government's response to Recommendation 1 of the Interim Report to simplify and harmonise veteran compensation and rehabilitation legislation
- \$186 million over 4 years from 2024–25 and \$20.6 million ongoing from 2028–29 to increase DVA's service delivery workforce by 141 ongoing. This is in addition to 500 ongoing claims-processing staff in the 2022–23 Budget. This measure supports the government's response to Recommendation 2 of the Interim Report to eliminate the claims backlog.

This is additional to the funding provided in the 2023–24 Budget of \$318.2 million to further support DVA's implementation of Royal Commission recommendations 1 to 4, comprising:

- \$254.1 million over 4 years to modernise and sustain DVA IT systems to ensure timely payments, access to services, and support for veterans and families
- \$64.1 million in 2023–24 to retain over 480 DVA staff to help address the claims backlog in the timeframe specified by the Royal Commission and to support downstream client services.

Further, in the October 2022–23 Budget, \$354.8 million was provided to support initiatives in response to the Interim Report, comprising:

- \$9.5 million over 2 years for the Legislative Pathway to Support Veterans and Families initiative to create a pathway for legislative improvements to address longstanding complexities in the veteran support system
- \$87.0 million over 2 years for the Modernisation to Reduce Wait Times to Access Support and Services initiative to improve the administration of the claims processing system and services to veterans
- \$11.1 million over the forward estimates to expand the Demand Driven Funding Model initiative to improve DVA's modelling capabilities to better forecast future demand for services and to support its operations
- \$13.2 million in 2022–23 for an additional 108 staff to support critical services experiencing high demand
- \$233.9 million over the forward estimates (plus ongoing funding) for the Investing in Front Line Service Delivery initiative to recruit 500 additional frontline DVA staff to help eliminate the compensation claims backlog and support the wellbeing of veterans and families.

The Royal Commission's Final Report is due to be presented to the Governor-General by 9 September 2024.

## Decisions by courts and tribunals

Matters before the Administrative Appeals Tribunal (AAT) during 2023–24 are set out in Table 21. There were 4 applications lodged by veterans in the Federal Court of Australia. There were no matters before the Full Court of the Federal Court or the High Court.



**TABLE 21: VEA, DRCA AND MRCA MATTERS CONSIDERED BY THE ADMINISTRATIVE APPEALS TRIBUNAL, 2023–24**

Category	Applications decided by AAT	Withdrawn by applicant / dismissed by AAT	Affirmed by consent of parties	Set aside / varied by consent of parties	Affirmed following hearing	Set aside / varied following hearing
VEA	53	20	0	10	14	9
DRCA	51	35	1	12	3	0
MRCA	29	10	0	14	3	2
Other	2	1	0	0	1	0

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

## Freedom of information

### Information Publication Scheme

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish a plan describing published information in accordance with the requirements of the Information Publication Scheme on their website. DVA's plan is available at [www.dva.gov.au/about-us/overview/reporting/freedom-information/information-publication-scheme](http://www.dva.gov.au/about-us/overview/reporting/freedom-information/information-publication-scheme).

### Information access requests

In 2023–24, DVA received 7,783 information access requests. These included requests where access was provided administratively under the *Military Rehabilitation and Compensation Act 2004* or the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*, under Australian Privacy Principle 12 and through the FOI Act.

**TABLE 22: ACCESS REQUESTS RECEIVED IN 2023–24**

Category	Total
Administrative access	3,251
APP 12/13	88
Comcare and CSC	2,234
DRCA and MRCA	89
FOI	1,839
IGADF	58
Subpoenas, notices to produce and police requests	224
<b>Total</b>	<b>7,783</b>

APP = Australian Privacy Principle; CSC = Commonwealth Superannuation Corporation; FOI = freedom of information; DRCA = *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*; MRCA = *Military Rehabilitation and Compensation Act 2004*, IGADF = Inspector-General of the Australian Defence Force

## Freedom of information requests

In 2023–24, DVA received 1,839 requests for information under the FOI Act. During the same period, 1,556 requests were finalised. An internal review was sought on 47 decisions.

## Freedom of information consultations

In accordance with the Office of the Australian Information Commissioner (OAIC) FOI guidelines, Commonwealth agencies may consult with other agencies where FOI requests involve information concerning the affairs of other agencies. In 2023–24, DVA received 33 requests for consultation from other agencies.

## Staffing

As at the end of 2023–24, DVA's Information Access Unit includes 41 staff responsible for administering its information access functions.

## Office of the Australian Information Commissioner

In 2023–24, DVA was notified of 184 applications for Information Commissioner review of DVA FOI decisions. Of these, 33 matters were finalised by the Information Commissioner, with the remainder either awaiting a decision from the Information Commissioner or remaining with the department for a response. The OAIC published a further 6 decisions at [www.oaic.gov.au](http://www.oaic.gov.au) and [www.austlii.edu.au](http://www.austlii.edu.au). There was one decision by the AAT concerning an FOI matter. Copies of decisions issued by the AAT are available at [www.austlii.edu.au](http://www.austlii.edu.au).

Nineteen external complaints relating to a DVA FOI matter were received by the OAIC.

## Privacy

DVA works cooperatively with the OAIC to comply with its obligations under the *Privacy Act 1988* and provide assurance to the Australian public that their personal information is protected. The OAIC assessment reports and departmental responses are published on the OAIC website at [www.oaic.gov.au/privacy/privacy-assessments-and-decisions/privacy-assessments](http://www.oaic.gov.au/privacy/privacy-assessments-and-decisions/privacy-assessments).

## Client records and personal information

DVA received 88 personal information (APP 12) access requests in 2023–24. A total of 75 requests were finalised in 2023–24. Of those, 64 access decisions were issued and 11 requests were withdrawn or referred to other agencies.

## Privacy incidents

In 2023–24, DVA registered 556 potential privacy incidents from staff or clients. DVA reported no eligible data breaches in 2023–24.

## Privacy impact assessments

In accordance with the Privacy (Australian Government Agencies – Governance) APP Code 2017, DVA is required to undertake a privacy impact assessment for all 'high privacy risk projects'. A project may be a high privacy risk project if it involves a new or changed way of handling personal information that is likely to have a significant impact on the privacy of individuals. DVA finalised 2 privacy impact assessments in 2023–24. Details of past assessments are available on DVA's website at [www.dva.gov.au/about-us/overview/legal-resources/privacy](http://www.dva.gov.au/about-us/overview/legal-resources/privacy).

## Office of the Australian Information Commissioner privacy complaints

In 2023–24, the OAIC notified DVA of 12 privacy complaints.

## Legal services

### Legislative and regulatory reform

Seventeen legislative instruments were registered during 2023–24. No portfolio bills were introduced to the Australian Parliament, were passed by parliament or received royal assent during 2023–24; however, the following bills containing cross-portfolio measures were introduced by the Minister for Social Services:

- Social Services and Other Legislation Amendment (Military Invalidity Payments Means Testing) Bill 2024 (which became an Act on 30 May 2024)
- Social Services and Other Legislation Amendment (More Support in the Safety Net) Bill 2024.

During 2023–24, DVA consulted extensively on legislation to simplify and harmonise the veteran entitlement system in response to the Royal Commission into Defence and Veteran Suicide's first recommendation in its Interim Report. The legislation was introduced into parliament on 3 July 2024.

All legislation is available on the Federal Register of Legislation.

### Legal services expenditure

#### Reporting obligations

The Legal Services Directions 2017 require all non-corporate Commonwealth entities and most corporate Commonwealth entities regulated by the PGPA Act to report their legal services expenditure to the Office of Legal Services Coordination (OLSC) within the Attorney-General's Department by no later than 60 days after the end of the financial year (29 August 2024).

Each financial year, the OLSC produces a Legal Services Expenditure Report, which is made available on the Attorney-General's Department website. It considers Commonwealth legal services expenditure as a whole across 3 main categories: total, internal and external expenditure.

OLSC reports are available at [www.ag.gov.au](http://www.ag.gov.au). The figures to be published by OLSC are also provided below.

#### DVA's legal services

The Legal and Audit Division supports lawful implementation of the department's objectives by advising on the management of legal risk and providing legal advice, litigation and dispute resolution services, legal training and legislation services. The Legal and Audit Division is also responsible for DVA's engagement with the Royal Commission into Defence and Veteran Suicide.

#### Legal expenditure for 2023–24

In 2023–24, DVA spent a total of \$22.91 million on internal and external legal services. The figure for 2022–23 was \$19.50 million.

The cost of veteran appeals in 2023–24 legal expenditure was \$2.86 million, compared with \$3.62 million in 2022–23.

The key areas of DVA legal expenditure were:

- legal support to supplement DVA's in-house lawyers to assist the Royal Commission
- instructing external legal practitioners to appear in the AAT on behalf of DVA, the Repatriation Commissioner and the Military Rehabilitation Compensation Commission
- contracting external legal service providers to work alongside DVA's in-house lawyers to bring in specialist expertise and to manage DVA's day-to-day legal workload
- specialised legal advice and expertise to manage DVA's privacy compliance, commercial, procurement and intellectual property matters. Similar services were also required to address DVA's legislative compliance, grants and funding arrangements.

## External legal expenditure

External legal services expenditure comprises the total value of briefs to counsel, the total value of disbursements (excluding counsel), and the total value of professional fees in accordance with the guidance issued by OLSC. These costs are incurred where DVA seeks legal specialists and expert assistance from external legal service providers and where DVA contracts lawyers from external legal service providers to work alongside our in-house lawyers.

In 2023–24, DVA spent \$12.70 million on external legal services. Of the 59 matters briefed out to counsel, 65% were briefed to female counsel and 32% were briefed to junior counsel.

Approximately 55% of the total external expenditure went towards seconding 37 external lawyers, on full-time and part-time bases, to work alongside our in-house lawyers over the last financial year.

## Internal legal expenditure

Internal legal expenditure comprises the total amount DVA spent on legal work undertaken by in-house lawyers.

The reported cost includes both direct and indirect costs. The methodology for ascertaining total cost was based on the Australian National Audit Office Better Practice Guide *Legal services arrangements in Australian Government agencies* (August 2006).

In 2023–24, DVA spent \$10.21 million on direct and indirect internal legal services. This expenditure mostly comprised the salaries for 54.27 full-time equivalent APS lawyers and legal support staff as well as contracted legal support staff.

DVA has an internal legal practice that is primarily responsible for:

- producing extensive records and evidence, making witnesses available and delivering timely and high-quality information to assist the Royal Commission
- providing timely advice on complex legal matters under DVA's primary pieces of legislation and related instruments
- providing advice to the Secretary and the department on all areas of law
- managing the minister's legislation program before the parliament
- managing veteran appeals in the tribunals and courts, and discretionary claims mechanisms available to veterans – for example, the Compensation for Detriment caused by Defective Administration Scheme
- providing legal advice on the department's information access mechanisms and on the handling of all privacy law matters.

**TABLE 23: LEGAL EXPENSES INCURRED BY DVA, 2023–24**

Type	Value (\$'000)
<b>Cost incurred by DVA</b>	
Solicitors	5,020
Seconded lawyers	6,970
Briefs to male counsel	120
Briefs to female counsel	130
Disbursements	460
<b>Total costs incurred by DVA (A)</b>	<b>12,700</b>
<b>Costs paid to applicants</b>	
External legal expenditure (A)	12,700
Internal legal expenditure (B)	10,210
<b>Total legal expenditure (A) + (B)</b>	<b>22,910</b>

## Royal Commission expenditure

DVA is required to produce extensive records and evidence, make witnesses available, and deliver timely and high-quality information to assist the Royal Commission into Defence and Veteran Suicide.

In 2023–24, the total legal cost incurred to support the Royal Commission was \$2.6 million. This was made up of \$1.33 million in external legal expenditure and \$1.27 million in internal legal expenditure.

## People management

Managers and staff can access a wide range of people management services to support the achievement of personal, team and departmental objectives. The department's people management practices are guided by the corporate plan to ensure employees and managers are capable and effective in their roles.

## Workforce planning

The department has progressed towards integrated, enterprise-level workforce planning to identify organisational structure, resourcing, knowledge and capability to deliver its strategic priorities over the next 5 years. In line with APS Reform priorities, the department will identify key capabilities and enact a targeted plan to build a skilled and confident workforce for now and in the future.

## Employment arrangements

All non-SES employee remuneration and most leave and other entitlements are provided under the DVA Enterprise Agreement 2024–2027 (EA). SES and equivalent employees have their remuneration and conditions set by individual determinations under section 24(1) of the *Public Service Act 1999*. The Secretary and statutory office holders have their remuneration and conditions set by determinations made by the Remuneration Tribunal.

Some entitlements, including superannuation, maternity leave and long service leave, are governed by various Commonwealth Acts rather than the EA. Non-salary benefits available include paid leave, such as annual leave, personal or carer's leave and parental leave; flexible working arrangements; superannuation; workplace responsibility allowance; car parking; airline lounge membership; salary packaging; healthy lifestyle subsidy; influenza vaccination; telephony hearing check; ergonomic workstation assessment; screen-based eye test and related eyewear contribution; professional registration reimbursement or payment; continuous professional development; study assistance through leave and financial support; and learning and development opportunities.

The EA contains provisions allowing the Secretary and an employee to make an individual flexibility arrangement (IFA) supplementing the terms of the EA. At 30 June 2024, DVA had 16 IFAs in place providing individual remuneration and/or benefits. There were also 53 individual determinations for SES and for equivalent Senior DVA Medical Officer Level 5 and 6 staff.

Information on the salaries available to staff is at Appendix B: Staffing overview.

## Capability and learning development

The Interim Report of the Royal Commission identified the need for the department to increase its trauma-informed training offerings for staff. For 2023–24, the suite included trauma-informed care principles and practice training, and expanded mental health and wellbeing offerings as part of the APS Academy's Compassionate Foundations: Suicide Prevention Capability Suite.

The department's annual Capability Development Needs Analysis process continues to provide an understanding of the workforce capability requirements. The 2023–24 analysis identified the top corporate training needs as change management, organisational agility and management, stakeholder engagement, service delivery, and relationship management. The annual corporate learning and development calendar provides staff with learning offerings across these areas.

Leadership and manager development remains a priority, with the Management Development Program (MDP) included on the corporate learning and development calendar. Eighty current and future managers participated in the MDP in 2023–24, to build their managerial knowledge, skills and capabilities across the areas of human resource management, performance management, communication, mental health, diversity and inclusion, personal effectiveness, and family and domestic violence (as a new inclusion). The Executive Coaching program provides middle managers with professional coaches to identify and develop areas of interpersonal effectiveness, presentational and representational skills, and career planning, and to support the development of leadership capability, confidence and resilience.

The mandatory training program (essential learning) was extended to include modules that increase awareness and understanding of Aboriginal and Torres Strait Islander culture and history.

## Disability reporting mechanisms

The department has a strong focus on ensuring policies and programs are inclusive of people with disability, including veterans and their families, departmental employees, and members of the public.

Australia's Disability Strategy 2021–2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that supports people with disability to participate in all areas of Australian life. The Strategy sets out practical changes to be made in improving the lives of people with disability in Australia. It seeks to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers.

All levels of government (including the department) have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports detailing progress of the Strategy's actions and outcome areas are available at [www.disabilitygateway.gov.au/ads](http://www.disabilitygateway.gov.au/ads).

Disability reporting for the department is included in the Australian Public Service Commission (APSC) State of the Service reports and the APS Statistical Bulletin. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au).

The department monitors performance in meeting the APSC Disability Strategy target of 7% representation of the APS workforce identifying as living with disability. The department's 2023 APS Employee Census results indicate that 11% of the total APS workforce identifies as having an ongoing disability.

## Resource management

### Asset management

DVA runs an effective asset management program where assets are registered on receipt in the financial management system and the annual stocktake of assets keeps the register accurate and up to date. DVA's assets include leases (right-of-use assets), office fit-out, purchased and internally developed software, computer equipment, and overseas memorials.

### Purchasing

DVA's approach to procuring goods and services, including consultancies, is consistent with the principles of the Commonwealth Procurement Rules (CPRs). These rules are applied to activities through the department's Accountable Authority Instructions and the DVA Procurement Management Framework. Information on significant procurements anticipated or planned for 2023–24 was published in the department's annual procurement plan, available on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au).

DVA is subject to internal and external (Australian National Audit Office) compliance audits in line with the Commonwealth Procurement Framework. DVA proactively responds to audit recommendations, is continuously monitoring its processes and procedures (as part of the Procurement Management Framework) and continues to support the community of practice of staff undertaking procurement activities to improve performance against the core principles of Commonwealth procurement. A procurement reform program has been approved to improve how DVA undertakes and manages procurement. The reform program was initiated following the internal identification of a number of significant procurement failings and was supported by an internal audit into DVA's procurement function. The reform program will revise the procurement framework within DVA, uplifting staff capability, optimising technology, and improving reporting, governance and processes to support procurement outcomes for staff and suppliers.

### Consultants

DVA engages consultants when it requires specialist expertise or when independent research or short-term projects are undertaken. When engaging a consultant, DVA:

- observes all government and departmental procurement policies
- ensures decisions are publicly defensible and represent value for money, promoting fair competition and effective service
- bases the engagement decision on predetermined selection criteria.

## Reportable consultancy contracts

A reportable consultancy contract is an arrangement that is published in AusTender as a consultancy. During 2023–24, 20 new reportable consultancy contracts were entered into, involving total actual expenditure of \$731,000 (inclusive of GST). In addition, 15 ongoing reportable consultancy contracts were active during 2023–24, involving total actual expenditure of \$2.3 million (inclusive of GST).

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au).

**TABLE 24: EXPENDITURE ON REPORTABLE CONSULTANCY CONTRACTS, 2023–24**

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	20	731
Ongoing contracts entered into during a previous reporting period	15	2,338
<b>Total</b>	<b>35</b>	<b>3,069</b>

**TABLE 25: TOP 5 ORGANISATIONS RECEIVING A SHARE OF REPORTABLE CONSULTANCY CONTRACT EXPENDITURE, 2023–24**

Name of organisation	Organisation ABN	Expenditure \$'000 (GST inc.)
KPMG	51 194 660 183	787
ABT Associates Pty Ltd	76 091 591 294	478
The University of Adelaide	61 249 878 937	371
Nous Group	66 086 210 344	356
Australian Institute of Health and Welfare	16 515 245 497	350
<b>Total</b>		<b>2,342</b>

## Reportable non-consultancy contracts

During 2023–24, 1,290 new reportable non-consultancy contracts were entered into, involving total actual expenditure of \$58.5 million (inclusive of GST). In addition, 1,757 ongoing reportable non-consultancy contracts were active during 2023–24, involving total actual expenditure of \$134.6 million (inclusive of GST).

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au).



**TABLE 26: EXPENDITURE ON REPORTABLE NON-CONSULTANCY CONTRACTS, 2023–24**

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	1,290	58,508
Ongoing contracts entered into during a previous reporting period	1,757	134,601
<b>Total</b>	<b>3,047</b>	<b>193,406</b>

**TABLE 27: TOP 5 ORGANISATIONS RECEIVING A SHARE OF REPORTABLE NON-CONSULTANCY CONTRACT EXPENDITURE, 2023–24**

Name of organisation	Organisation ABN	Expenditure \$'000 (GST inc.)
Jones Lang LaSalle	69 008 585 260	44,272
Bupa Health Services	50 003 098 655	38,140
Hays Specialist Recruitment (Aus) P/L	47 001 407 281	15,335
DFP Recruitment	66 394 749 447	10,987
Definitive Events	45 078 467 562	4,606

## AusTender

This annual report includes summary information on actual expenditure on reportable consultancy and reportable non-consultancy contracts. More detailed information on reportable consultancy and reportable non-consultancy contracts is available on the AusTender website at [www.tenders.gov.au](http://www.tenders.gov.au).

## Exempt contracts

During 2023–24, DVA did not seek any exemptions from gazettal under the *Freedom of Information Act 1982*.

## Australian National Audit Office access clauses

All DVA contracts allow for the Auditor-General and accountability personnel to access contractual material, including at the contractor's premises. All DVA contracts are issued using templates from a current panel arrangement, departmental templates or Commonwealth Contracting Suite templates.

## Procurement initiatives to support small business

DVA supports small and medium enterprise (SME) business participation in the Commonwealth Government procurement market, and in accordance with the CPRs.

SME and small enterprise participation statistics are available on the Department of Finance website at [www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts](http://www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts).

DVA recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury website at [www.treasury.gov.au/publication/p2023-372139](http://www.treasury.gov.au/publication/p2023-372139).

NB: Paragraphs 5.5 to 5.7 of the Commonwealth Procurement Rules deal with the requirements for procurement practices of Commonwealth entities to support small and medium enterprises.

## Compliance with finance law

Significant non-compliance with the finance law, covering multiple procurements, was notified to the minister in accordance with Resource Management Guide 214. This notification advised that procurements supporting community nursing, private hospitals, day procedures, medical-grade footwear, rehabilitation program prosthetic products, alcohol and other drugs, Defence Service Homes Insurance, and Open Arms outreach program counsellors did not comply with the CPRs. Corrective actions will be or have been undertaken to ensure the department complies with the CPRs when procuring services for these programs.

Significant non-compliance with the finance law, relating to legislative authority for psychiatric referrals under the Open Arms program, has been identified. Impacted referrals have been ceased, and the program is supporting clients to the extent possible under the legislation.

## Grants

Information on grants awarded by DVA during 2023–24 is available at GrantConnect at [www.grants.gov.au](http://www.grants.gov.au). These grants are to provide a range of services and supports to benefit the veteran community.

## Other reporting requirements

### Additional legislative requirements

In addition to the requirements of the enhanced Commonwealth Performance Framework, as set out in the PGPA Rule, DVA has annual reporting responsibilities under other Commonwealth legislation.

The appendices of this annual report provide detailed information on DVA's:

- compliance with obligations under the *Data-matching Program (Assistance and Tax) Act 1990* (Appendix D)
- statement of particulars as required by section 311A of the *Commonwealth Electoral Act 1918* (Appendix E)
- compliance with obligations under the *Carer Recognition Act 2010* (Appendix F)
- compliance with matters as required by section 4 of the *Work Health and Safety Act 2011* (Appendix G)
- compliance with activities as required by section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (Appendix H).



# 06

## Financial statements

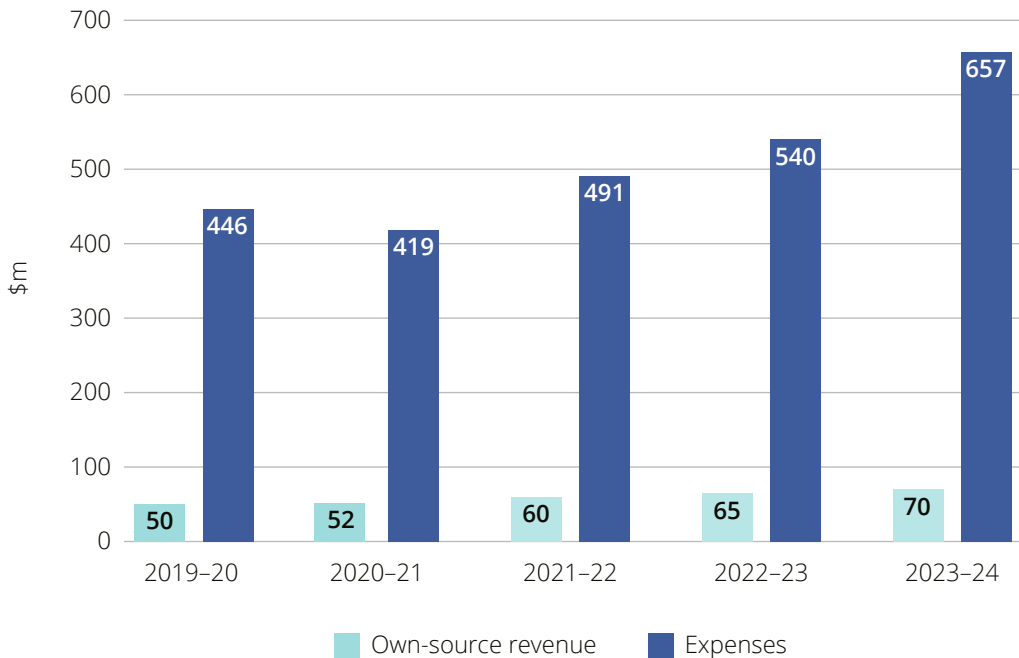
# Report on financial performance

## Report on financial performance – departmental

For the 2023–24 financial year, the department recorded a consolidated net cash deficit of \$10.0 million. The deficit includes DVA's operating deficit of \$12.5 million (excluding depreciation, amortisation and Right of Use assets), and the DSH Insurance operating surplus of \$2.5 million (excluding depreciation).

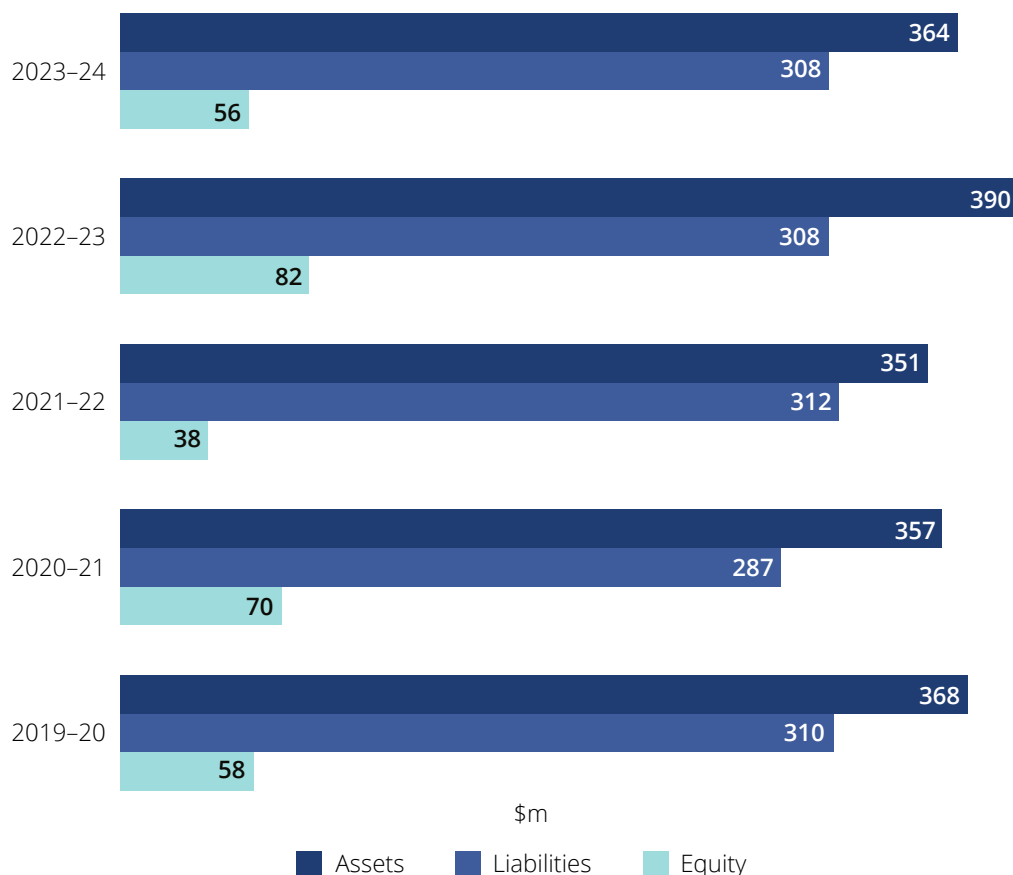
Under the Commonwealth Financial Framework, DSH Insurance is reported as part of DVA. For more details on DSH Insurance, see program 1.4 and DSH Insurance financial statements.

**FIGURE 7: DEPARTMENTAL FINANCIAL PERFORMANCE**



The department's financial position as at 30 June 2024 remains consistent with prior years, with total assets of \$363.9 million exceeding total liabilities of \$308.3 million. The department had sufficient financial assets to meet payables as at 30 June 2024. Non-financial assets were \$143.8 million at 30 June 2024, primarily reflecting the department's IT systems and office fit-outs.

**FIGURE 8: DEPARTMENTAL FINANCIAL POSITION**



### Report on financial performance – administered

In 2023–24, total administered expenses on behalf of the government was \$42.4 billion, primarily made up of:

- \$8.3 billion in personal benefits related to various income support and compensation payments
- \$4.3 billion in a range of healthcare payments covering medical, hospitals, counselling and other wellbeing services
- \$41.0 million for commemorations and recognition programs
- \$29.6 billion to reflect movement in the provision for the Military Compensation Scheme (MCS) that relates to personal benefits and health care.

The administered liabilities of \$85.8 billion (30 June 2023: \$56.1 billion) have increased predominantly due to movements in the personal benefits and healthcare provisions of the MCS. The increase in the provision has been driven by the claims experience as well as changes to key assumptions in the modelling. This is discussed in more detail in Note 8.3 of the DVA financial statements.

# Department of Veterans' Affairs financial statements 2023–24

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Minister for Veterans' Affairs**

#### **Opinion**

In my opinion, the financial statements of the Department of Veterans' Affairs (the Entity) for the year ended 30 June 2024:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

#### **Basis for opinion**

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key audit matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



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**Key audit matter****Valuation of Military Compensation Provision**

*Refer to Note 8.3A Personal Benefit Provisions and Note 8.3B Health Care Provisions*

The personal benefit provision balance at 30 June 2024 was \$46.96 billion (2023: \$31.41 billion) and the health care provision balance at 30 June 2024 was \$38.35 billion (2023: \$24.28 billion). These represent the total \$85.31 billion (2023: \$55.69 billion) military compensation provision

I draw attention to the accounting policies described in Note 8.3 Administered Provisions that describe the inherent uncertainty associated with a number of the assumptions used in the calculation of these provisions and to the section titled Sensitivity Analysis which describes the sensitivity of the valuation of the provision to changes in these assumptions.

I considered this to be a key audit matter due to the complexity and use of judgement associated with the unique compensation arrangements arising under legislation.

The provision is measured by estimating the present value of the future payments of claims incurred at 30 June 2024 which includes potential claims incurred by veterans but not yet reported. This estimate is dependent on a number of key assumptions and judgements, including the number of new claims not yet reported, the rates at which qualified veterans are expected to receive payments over their lifetime, future inflation in medical costs, the length of time payments are made to a veteran and the appropriate discount rate over the length of the scheme. In addition, the department has applied a risk adjustment of \$11.06 billion. The Australian Accounting Standards include requirements for the presentation and disclosure of major assumptions made concerning future events.

**How the audit addressed the matter**

The audit procedures I applied to address the matter included:

- testing the accuracy and completeness of data used to calculate the provisions, including, agreeing a sample of historical payments to claimants' records, and assessing the quality assurance and reconciliation processes used by the Entity to provide data to its actuary; and
- obtaining the Entity's actuarial report and year-end adjustments to:
  - assess the appropriateness of the valuation model;
  - assess the reasonableness of the key assumptions used in the model by comparing those used with industry compensation and insurance schemes; and
  - evaluate the appropriateness of the disclosure of the key assumptions applied and of the uncertainties that impact the key assumptions, including the sensitivity analysis.
- assessing the reasonableness of the key assumptions underpinning the risk adjustment, including consideration of recent trends in claims experience, and weightings applied to data in more recent years.

### **Accountable Authority's responsibility for the financial statements**

As the Accountable Authority of the Entity, the Secretary of the Department of Veterans' Affairs is responsible under the Public Governance, Performance and Accountability Act 2013 (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

### **Auditor's responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office

A handwritten signature in blue ink, appearing to read 'L. Slipper', with a horizontal line underneath.

Lorena Slipper

Executive Director

Delegate of the Auditor-General

Canberra

11 October 2024

**DEPARTMENT OF VETERANS' AFFAIRS  
STATEMENT BY THE SECRETARY AND CHIEF FINANCIAL OFFICER**

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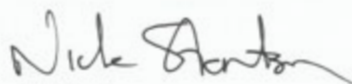
In our opinion, the attached financial statements for the year ended 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Veterans' Affairs will be able to pay its debts as and when they fall due.



Alison Frame  
Secretary

11 October 2024



Nick Stanton  
Chief Financial Officer

11 October 2024

**DEPARTMENT OF VETERANS' AFFAIRS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2024*

		2024	2023	Original
	Notes	\$'000	\$'000	Budget
				\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	376,571	304,781	371,498
Suppliers	1.1B	204,630	173,005	176,649
Finance costs	1.1C	1,375	1,173	1,386
Underwriting expenses	1.1D	48,722	39,627	46,087
Write-down and impairment of assets	2.2A	178	95	-
Depreciation and amortisation	2.2A	51,378	43,929	41,198
Other Expenses	1.1E	873	-	-
<b>Total expenses</b>		<b>683,727</b>	<b>562,610</b>	<b>636,818</b>
<b>Own-source revenue</b>				
Net premium revenue	1.1D	53,817	50,393	53,566
Investment revenue	1.1D	3,374	1,800	1,800
Insurance agency revenue	1.1D	3,905	4,095	2,098
Revenue from contracts with customers	1.2A	7,631	7,694	7,230
Resources received free of charge	1.2B	1,302	1,063	845
<b>Total own-source revenue</b>		<b>70,029</b>	<b>65,045</b>	<b>65,539</b>
<b>Net cost of services</b>		<b>613,698</b>	<b>497,565</b>	<b>571,279</b>
Revenue from Government	3.1A	576,712	519,281	552,771
<b>Surplus/(deficit) on continuing operations</b>		<b>(36,986)</b>	<b>21,716</b>	<b>(18,508)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation reserve	2.2A/ 2.5C	1,204	9,275	-
<b>Total other comprehensive income</b>		<b>1,204</b>	<b>9,275</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	3.3	<b>(35,782)</b>	<b>30,991</b>	<b>(18,508)</b>

The above statement should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 6.2.

**DEPARTMENT OF VETERANS' AFFAIRS**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2024*

		2024	Restated 2023	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2.1A	34,116	28,226	7,973
Trade and other receivables	2.1B	93,595	99,723	75,899
Premiums and recoveries receivable	2.1C	36,608	40,448	38,630
Investments	2.1D	54,445	47,014	51,288
<b>Total financial assets</b>		<b>218,764</b>	<b>215,411</b>	<b>173,790</b>
<b>Non-financial assets<sup>1</sup></b>				
Land and buildings	2.2A	90,045	109,871	115,544
Property, plant and equipment	2.2A	332	379	140
Intangibles	2.2A	50,441	55,936	62,171
Other non-financial assets	2.2B	2,975	7,314	2,480
<b>Total non-financial assets</b>		<b>143,793</b>	<b>173,500</b>	<b>180,335</b>
Assets held for sale		1,350	1,350	-
<b>Total assets</b>		<b>363,907</b>	<b>390,261</b>	<b>354,125</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	2.3A	62,864	55,085	47,883
Unearned premiums	2.3B	40,584	36,378	33,083
Other payables	2.3C	10,594	10,302	10,302
<b>Total payables</b>		<b>114,042</b>	<b>101,765</b>	<b>91,268</b>
<b>Interest bearing liabilities</b>				
Leases	2.4A	69,071	81,950	90,011
<b>Total interest bearing liabilities</b>		<b>69,071</b>	<b>81,950</b>	<b>90,011</b>
<b>Provisions</b>				
Employee provisions	4.1	86,111	81,558	75,656
Unexpired risk liability	2.5A	2,195	5,741	5,741
Gross outstanding claims	2.5B	35,526	35,668	53,298
Other provisions	2.5C	1,314	1,259	3,840
<b>Total provisions</b>		<b>125,146</b>	<b>124,226</b>	<b>138,535</b>
<b>Total liabilities</b>		<b>308,259</b>	<b>307,941</b>	<b>319,814</b>
<b>Net assets</b>		<b>55,648</b>	<b>82,320</b>	<b>34,311</b>
<b>EQUITY</b>				
Contributed equity		387,655	378,546	396,844
Reserves		27,888	26,684	17,409
Accumulated deficit		(359,895)	(322,910)	(379,942)
<b>Total equity</b>		<b>55,648</b>	<b>82,320</b>	<b>34,311</b>

The above statement should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 6.2.

<sup>1</sup> Right-of-use assets are included in "Buildings and Property, Plant and Equipment".

Prior year comparatives for Premiums and recoveries receivable and Accumulated deficit have been corrected due to reinsurance recoveries being overstated by \$4.337 million in 2022.

**DEPARTMENT OF VETERANS' AFFAIRS**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2024*

	Notes	2024 \$'000	2023 \$'000	Original Budget \$'000
<b>CONTRIBUTED EQUITY</b>				
<b>Opening balance</b>		378,546	361,217	378,546
<b>Distributions to owners</b>				
Returns of capital		(2,084)	-	-
Other		(2,799)	-	-
<b>Contributions by owners</b>				
Equity injection - Appropriations		242	3,504	4,548
Departmental capital budget		13,750	13,825	13,750
<b>Total transactions with owners</b>		<u>9,109</u>	<u>17,329</u>	<u>18,298</u>
<b>Closing balance as at 30 June</b>		<u>387,655</u>	<u>378,546</u>	<u>396,844</u>
<b>RETAINED EARNINGS</b>				
<b>Opening balance</b>		(322,910)	(344,629)	(360,434)
Adjustment for errors		1	(1)	-
Adjustment for changes in accounting policies		-	4	-
<b>Adjusted opening balance</b>		<u>(322,909)</u>	<u>(344,626)</u>	<u>(360,434)</u>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period		(36,986)	21,716	(18,508)
<b>Contributions by owners</b>				
Other		-	-	(1,000)
<b>Total comprehensive income</b>		<u>(36,986)</u>	<u>21,716</u>	<u>(19,508)</u>
<b>Closing balance as at 30 June</b>		<u>(359,895)</u>	<u>(322,910)</u>	<u>(379,942)</u>
<b>ASSET REVALUATION RESERVE</b>				
<b>Opening balance</b>		26,684	17,409	17,409
Other comprehensive income		1,204	9,275	-
<b>Closing balance as at 30 June</b>		<u>27,888</u>	<u>26,684</u>	<u>17,409</u>
<b>TOTAL EQUITY</b>				
<b>Opening balance</b>		82,320	33,997	35,521
Adjustment for errors		1	(1)	-
Adjustment for changes in accounting policies		-	4	-
<b>Adjusted opening balance</b>		<u>82,321</u>	<u>34,000</u>	<u>35,521</u>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period		(36,986)	21,716	(18,508)
Other comprehensive income		1,204	9,275	-
<b>Total comprehensive income</b>		<u>(35,782)</u>	<u>30,991</u>	<u>(18,508)</u>
<b>Distributions to owners</b>				
Returns of capital		(4,883)	-	-
<b>Contributions by owners</b>				
Equity injection - Appropriations		242	3,504	4,548
Departmental capital budget		13,750	13,825	13,750
Other		-	-	(1,000)
<b>Total transactions with owners</b>		<u>9,109</u>	<u>17,329</u>	<u>17,298</u>
<b>Closing balance as at 30 June</b>		<u>55,648</u>	<u>82,320</u>	<u>34,311</u>

The above statement should be read in conjunction with the accompanying notes. For budgetary information refer to Note 6.2.

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental capital budgets (DCBs) are recognised directly in contributed equity in that year.

Prior year comparatives for Premiums and recoveries receivable and Accumulated deficit have been corrected due to reinsurance recoveries being overstated by \$4.337 million in 2022.

**DEPARTMENT OF VETERANS' AFFAIRS**  
**CASH FLOW STATEMENT**  
*for the period ended 30 June 2024*

	Notes	2024 \$'000	2023 \$'000	Original Budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		586,626	477,102	570,291
Rendering of services		5,941	10,151	7,384
Net premium revenue		71,419	66,003	52,248
Insurance agency revenue		3,904	4,105	3,744
Reinsurance and other recoveries		8,406	26,403	-
Interest		3,105	1,409	-
GST received		10,471	13,480	8,512
<b>Total cash received</b>		<b>689,872</b>	<b>598,653</b>	<b>642,179</b>
<b>Cash used</b>				
Employees		372,081	293,392	366,690
Suppliers		203,021	188,056	195,567
Interest payments on lease liabilities		1,375	1,173	1,036
Insurance claim payments		49,234	63,115	36,511
Reinsurance premiums		18,058	14,746	14,311
Acquisition costs		371	171	-
Fire brigade and emergency services contributions		2,228	1,937	-
Section 74 receipts transferred to the OPA		5,491	6,880	7,384
<b>Total cash used</b>		<b>651,859</b>	<b>569,470</b>	<b>621,499</b>
<b>Net cash from operating activities</b>		<b>38,013</b>	<b>29,183</b>	<b>20,680</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash received</b>				
Investments realised		73,501	74,000	51,288
Proceeds from sales of non-financial assets		-	-	1,000
<b>Total cash received</b>		<b>73,501</b>	<b>74,000</b>	<b>52,288</b>
<b>Cash used</b>				
Purchase of leasehold improvements		3,237	5,316	7,088
Purchase of property, plant and equipment		-	214	21
Purchase of intangibles		10,423	10,434	11,189
Purchase of investments		80,932	66,138	48,936
<b>Total cash used</b>		<b>94,592</b>	<b>82,102</b>	<b>67,234</b>
<b>Net cash used by investing activities</b>		<b>(21,091)</b>	<b>(8,102)</b>	<b>(14,946)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity		13,371	16,841	18,298
<b>Total cash received</b>		<b>13,371</b>	<b>16,841</b>	<b>18,298</b>
<b>Cash used</b>				
Principal payments of lease liabilities		24,403	21,005	22,690
<b>Total cash used</b>		<b>24,403</b>	<b>21,005</b>	<b>22,690</b>
<b>Net cash (used by)/from financing activities</b>		<b>(11,032)</b>	<b>(4,164)</b>	<b>(4,392)</b>
<b>Net increase/(decrease) in cash held</b>		<b>5,890</b>	<b>16,917</b>	<b>1,342</b>
Cash and cash equivalents at the beginning of the reporting period		28,226	11,309	6,631
<b>Cash and cash equivalents at the end of the reporting period</b>	2.1A	<b>34,116</b>	<b>28,226</b>	<b>7,973</b>

The above statement should be read in conjunction with the accompanying notes. For budgetary information refer to Note 6.2.



**DEPARTMENT OF VETERANS' AFFAIRS**  
**ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2024*

	Notes	2024 \$'000	2023 \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits		47,328	16,322	48,279
Personal benefits	7.1A	8,264,556	6,593,144	7,226,465
Health care payments	7.1B	4,292,818	3,881,211	4,219,767
Grants		38,146	26,056	53,978
Depreciation and amortisation	8.2A	3,057	3,462	3,427
Payments to Australian War Memorial		42,140	42,828	42,140
Interest expense		3,111,300	1,141,100	-
Other expenses		74,483	47,154	58,574
Movement of military compensation provisions		26,512,000	12,407,600	1,978,200
<b>Total expenses</b>		<b>42,385,828</b>	<b>24,158,877</b>	<b>13,630,830</b>
<b>Income</b>				
<b>Non-taxation revenue</b>				
Recoveries and reimbursements		21,081	17,719	18,443
<b>Total income</b>		<b>21,081</b>	<b>17,719</b>	<b>18,443</b>
<b>Net cost of services</b>		<b>42,364,747</b>	<b>24,141,158</b>	<b>13,612,387</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Changes in revaluation reserve		27,053	(116,024)	-
<b>Total other comprehensive income</b>		<b>27,053</b>	<b>(116,024)</b>	<b>-</b>
<b>Total comprehensive loss</b>		<b>(42,337,694)</b>	<b>(24,257,182)</b>	<b>(13,612,387)</b>

The above statement should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 11.3.

**DEPARTMENT OF VETERANS' AFFAIRS**  
**ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES**  
*as at 30 June 2024*

	Notes	2024 \$'000	2023 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	8.1A	96,990	55,851	106,854
Receivables	8.1B	101,364	89,057	97,324
Equity accounted investments	8.1C	1,736,452	1,699,234	1,822,903
<b>Total financial assets</b>		<b>1,934,806</b>	<b>1,844,142</b>	<b>2,027,081</b>
<b>Non-financial assets</b>				
Buildings	8.2A	24,428	54,992	53,929
Other property, plant and equipment	8.2A	2,907	3,155	5,827
Intangibles	8.2A	6,845	7,634	12,375
<b>Total non-financial assets</b>		<b>34,180</b>	<b>65,781</b>	<b>72,131</b>
<b>Total assets administered on behalf of Government</b>		<b>1,968,986</b>	<b>1,909,923</b>	<b>2,099,212</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Personal benefits payables		76,283	102,181	59,351
Health care payables		73,524	38,863	19,041
Grants payables		2,789	51	12
Supplier and other payables		52,587	45,168	45,168
<b>Total payables</b>		<b>205,183</b>	<b>186,263</b>	<b>123,572</b>
<b>Provisions</b>				
Employee provisions		6,432	4,200	3,218
Personal benefits provisions	8.3A	46,962,300	31,406,500	23,634,098
Health care provisions	8.3B	38,597,787	24,465,664	22,628,266
<b>Total provisions</b>		<b>85,566,519</b>	<b>55,876,364</b>	<b>46,265,582</b>
<b>Total liabilities administered on behalf of Government</b>		<b>85,771,702</b>	<b>56,062,627</b>	<b>46,389,154</b>
<b>Net liabilities</b>		<b>(83,802,716)</b>	<b>(54,152,704)</b>	<b>(44,289,942)</b>

The above statement should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 11.3.

**DEPARTMENT OF VETERANS' AFFAIRS**  
**ADMINISTERED RECONCILIATION SCHEDULE**  
*for the period ended 30 June 2024*

	Notes	2024 \$'000	2023 \$'000
<b>Opening assets less liabilities as at 1 July</b>		<b>(54,152,704)</b>	(40,455,732)
<b>Net (cost of)/contribution by services</b>			
Income			
Recoveries and reimbursements		<b>21,081</b>	17 719
Expenses			
Payments to eligible persons, their dependants and other providers		<b>(15,831,688)</b>	(11,708,449)
Payments to Australian War Memorial		<b>(42,140)</b>	(42,828)
Movement of military compensation provisions		<b>(26,512,000)</b>	(12,407,600)
<b>Other comprehensive income</b>			
Revaluations transferred (from)/to reserves		<b>27,053</b>	(116,024)
<b>Transfers (to)/from the Australian Government</b>			
Appropriation transfers from Official Public Account (OPA)			
Administered assets and liabilities appropriations (DVA)		<b>939</b>	230
Administered assets and liabilities appropriations (Australian War Memorial)		<b>7,645</b>	131,563
Annual appropriations			
Payments to other entities		<b>131,785</b>	116,375
Payments to Australian War Memorial		<b>42,140</b>	42,828
Special appropriations (unlimited)			
Payments to eligible persons, their dependants and other providers		<b>12,705,279</b>	10,404,118
Appropriation transfers to OPA			
Transfers to OPA		<b>(200,106)</b>	(134,904)
<b>Closing assets less liabilities as at 30 June</b>		<b>(83,802,716)</b>	(54,152,704)

The above statement should be read in conjunction with the accompanying notes.

**Accounting Policy**

Administered Cash Transfers to and from the Official Public Account (OPA)

Revenue collected for use by the Government is administered revenue. Collections are transferred to the OPA maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of the Government. These transfers to and from the OPA are adjustments to the administered cash held on behalf of the Government and reported as such in the administered cash flow statement and in the administered reconciliation schedule.

**DEPARTMENT OF VETERANS' AFFAIRS  
ADMINISTERED CASH FLOW STATEMENT**  
*for the period ended 30 June 2024*

	Notes	2024 \$'000	2023 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
GST received		74,628	62,375
Other		10,196	11,135
<b>Total cash received</b>		<b>84,824</b>	<b>73,510</b>
<b>Cash used</b>			
Employees		44,019	15,525
Personal benefits		8,301,099	6,534,490
Health payments		4,257,186	3,909,084
Grants		35,408	26,005
Payments to Australian War Memorial		42,140	42,828
Other		42,931	24,998
<b>Total cash used</b>		<b>12,722,783</b>	<b>10,552,930</b>
<b>Net cash used by operating activities</b>		<b>(12,637,959)</b>	<b>(10,479,420)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Buildings		939	230
Payments to Australian War Memorial		7,645	131,563
<b>Total cash used</b>		<b>8,584</b>	<b>131,793</b>
<b>Net cash used by investing activities</b>		<b>(8,584)</b>	<b>(131,793)</b>
<b>Net decrease in cash held</b>		<b>(12,646,543)</b>	<b>(10,611,213)</b>
Cash and cash equivalents at the beginning of the reporting period		55,851	106,854
<b>Cash from Official Public Account</b>			
Appropriations		12,887,788	10,695,114
<b>Total cash from the official public account</b>		<b>12,887,788</b>	<b>10,695,114</b>
<b>Cash to Official Public Account</b>			
GST Transferred to Official Public Account		(73,851)	(63,045)
Appropriations		(126,255)	(71,859)
<b>Total cash to official public account</b>		<b>(200,106)</b>	<b>(134,904)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	8.1A	<b>96,990</b>	<b>55,851</b>

The above statement should be read in conjunction with the accompanying notes.

## Overview

The purpose of DVA is to support the wellbeing of those who serve or have served in the defence of our nation, and their families, by:

- partnering with organisations and individuals to help design, implement and deliver effective programs and benefits, which enhance wellbeing of veterans and their families
- providing and maintaining war graves and delivering meaningful commemorative activities to promote community recognition and understanding of the service and sacrifice of veterans.

The continued existence of the entity in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the entity's administration and programs.

### Basis of Preparation of the Financial Statements

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars for departmental and administered accounts, unless otherwise specified.

### Consolidation

The financial statements of Defence Service Homes (DSH) Insurance are consolidated into DVA's financial statements. In this process, all intra-entity transactions and balances are eliminated.

### Taxation

DVA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

### Foreign Currency

Transactions denominated in a foreign currency are converted to Australian dollars at the exchange rate at the date of the transaction. Foreign currency receivables and payables are converted to Australian dollars at the exchange rates current as at balance date. Associated currency gains and losses are not material.

### Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, DVA has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of leasehold improvements and property, plant and equipment has been estimated by an independent valuer. Further information is detailed in note 2.2.
- The value of outstanding claims and estimated future claims on unexpired premiums has been estimated by an independent actuary. The actuary has used the methods and assumptions detailed in note 2.5.
- The value of outstanding claims and estimated future claims under the *Military Rehabilitation and Compensation Act 2004* and *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* legislation (Military Compensation Scheme) has been estimated by an independent actuary. The actuary has used the methods and assumptions detailed in note 8.3.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

### Changes to Accounting Estimates

Each year the Military Compensation Scheme (MCS) provision valuation is completed by an independent actuary. The actuary is continually making adjustments to the modelling methodology as a result of emerging experience and new data becoming available. The MCS provision is complex and it is impracticable to estimate the change in the accounting estimates as a result of methodology changes. The MCS provision is further discussed in note 8.3B.

## Overview

### Events After the Reporting Period

#### Departmental

There were no subsequent events between balance date and signing of the financial statements that had the potential to significantly affect the ongoing structure and financial activities of DVA.

#### Administered

There were no subsequent events between balance date and signing of the financial statements that had the potential to significantly affect the ongoing structure and financial activities of DVA.

### Breaches of Section 83 of the Constitution

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law.

The department has primary responsibility for administering legislation related to veterans and their families. The department made payments totalling \$12.80 billion during 2023-24 (excluding Movement in military compensation provisions and Depreciation and amortisation). Payments are administered by the department and made by Services Australia. If an overpayment occurs, a breach of Section 83 could result despite future payments being adjusted to recover the overpayment.

Given the complexities of the legislation governing these payments, certain reliance is placed on control frameworks outside the department, and the risk of a Section 83 breach cannot be fully mitigated. Specific legislation administered by the department contains criteria that rely on recipient information and provides for the overpayment recovery, which is actively managed. The department administers ten pieces of legislation with Special Appropriations involving statutory payment requirements, disclosed in Note 10.1C.

During 2023-24, the department identified potential section 83 breaches totally \$69.12 million resulting from overpayments of pensions, benefits or allowances. These potential breaches primarily impact the *Veteran's Entitlements Act 1986* (\$37.46 million), the *Military Rehabilitation and Compensation Act 2004* (\$21.01 million) and the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (\$10.00 million) with a residual amount (\$0.64 million).

Additionally, \$0.38 million relating to psychiatric assessments and based on legal advice from the Australian Government Solicitor was confirmed as a breach of Section 83. This breach involved psychiatric assessments provided to classes of persons not specified by legislative instrument. Given the vulnerability of veterans and their families, it was deemed inappropriate to recover these funds.

The department continues to monitor controls and implement measures to reduce the risk of unintentional breaches of Section 83. Reviews of legislation and New Policy Proposals will ensure that business rules and processes minimise the risk of Section 83 breaches.

## Departmental - Notes to and forming part of the financial statements

### 1. Financial Performance

This section analyses the financial performance of DVA for the year ended 30 June 2024.

#### 1.1. Expenses

	2024	2023
	\$'000	\$'000
<b>Note 1.1A: Employee Benefits</b>		
Wages and salaries	287,376	230,055
Superannuation		
Defined contribution plans	20,558	16,938
Defined benefit plans	31,447	24,798
Leave and other entitlements	30,898	28,921
Separation and redundancies	189	1,238
Other employee benefits	6,103	2,831
<b>Total employee benefits</b>	<b>376,571</b>	<b>304,781</b>

#### Accounting Policy

Accounting policies for employee related expenses is contained in the People and Relationships, section 4.1.

	2024	2023
	\$'000	\$'000
<b>Note 1.1B: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Advertising	3,754	593
Consultants	4,068	9,579
Contractors	47,766	56,689
Information technology and communication	55,615	29,177
Legal	2,259	1,621
Postage and office	3,135	2,897
Printing and publications	856	1,101
Property operating	11,851	9,745
Shared services	58,405	43,784
Training and development	2,896	3,201
Travel	3,817	3,037
Other	4,126	5,897
<b>Total goods and services supplied or rendered</b>	<b>198,548</b>	<b>167,321</b>
Goods supplied	12,635	10,636
Services rendered	185,913	156,685
<b>Total goods and services supplied or rendered</b>	<b>198,548</b>	<b>167,321</b>
<b>Other suppliers</b>		
Short-term leases	1,675	2,802
Workers compensation expenses	4,407	2,882
<b>Total other suppliers</b>	<b>6,082</b>	<b>5,684</b>
<b>Total suppliers</b>	<b>204,630</b>	<b>173,005</b>

DVA has short-term lease commitments of \$1,383,000 as at 30 June 2024 (2023: \$1,646,000).

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C, 2.2A and 2.4.

Changes to comparatives between Shared Services and Information technology and communications are a result of a reclassification to better reflect that nature of the expenditure.

## Departmental - Notes to and forming part of the financial statements

### Accounting Policy

All borrowing costs are expensed as incurred.

#### Short-term leases and leases of low-value assets

DVA has elected not to recognise right-of-use assets and lease liabilities for leases with a term of 12 months or less and leases of low value assets (less than \$10,000 per asset). The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2024	2023
	\$'000	\$'000
<b>Note 1.1C: Finance Costs</b>		
Unwinding of discount	30	74
Interest on lease liabilities	<u>1,345</u>	<u>1,099</u>
<b>Total finance costs</b>	<u>1,375</u>	<u>1,173</u>

All finance charges are expensed as incurred.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 2.2A and 2.4.

	2024	2023
	\$'000	\$'000
<b>Note 1.1D: Insurance Activities</b>		
<b>Underwriting revenue</b>		
Premium received	<u>72,222</u>	<u>65,415</u>
<b>Total premium revenue</b>	<u>72,222</u>	<u>65,415</u>
Less: Reinsurance expense	<u>(18,405)</u>	<u>(15,022)</u>
<b>Net premium revenue</b>	<u>53,817</u>	<u>50,393</u>
<b>Underwriting expenses</b>		
Claims expense	49,092	38,674
Less: Reinsurance and other recoveries	<u>425</u>	<u>(2,818)</u>
<b>Net claims expense</b>	<u>49,517</u>	<u>35,856</u>
Fire brigade and emergency services contributions	2,228	1,937
Acquisition costs	371	171
Movement in unexpired risk liability	<u>(3,394)</u>	<u>1,663</u>
<b>Total underwriting expenses</b>	<u>48,722</u>	<u>39,627</u>
<b>Other operating expenses<sup>1</sup></b>	<u>10,019</u>	<u>8,872</u>
<b>Underwriting result</b>	<u>(4,924)</u>	<u>1,894</u>
<b>Investment revenue</b>		
Interest - deposits	<u>3,374</u>	<u>1,800</u>
<b>Total investment revenue</b>	<u>3,374</u>	<u>1,800</u>
<b>Insurance agency revenue</b>		
Insurance agency commission	<u>3,905</u>	<u>4,095</u>
<b>Total insurance agency revenue</b>	<u>3,905</u>	<u>4,095</u>

<sup>1</sup> The expenses are included in Notes 1.1A and 1.1B and are reproduced here solely for the purpose of presenting the underwriting result.



## Departmental - Notes to and forming part of the financial statements

### Net claims incurred table

	2024			2023		
	Current year	Prior years	Total	Current year	Prior years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross incurred <sup>1</sup>	40,821	8,271	49,092	25,427	13,247	38,674
Less: Reinsurance and other recoveries	(1,857)	2,282	425	(7,505)	4,687	(2,818)
<b>Net claims incurred</b>	<b>38,964</b>	<b>10,553</b>	<b>49,517</b>	<b>17,922</b>	<b>17,934</b>	<b>35,856</b>

<sup>1</sup> Claims are not subject to discount.

Building insurance claims are typically resolved within one year. No claims development table is required under AASB 1023 *General Insurance Contracts* paragraph 17.7.1(b)(iii) for lines of business typically resolved within one year.

### Accounting Policy

#### Insurance Activities

The Defence Service Homes (DSH) Insurance operations form part of the operations of DVA. The objective of DSH Insurance is to provide domestic building insurance in accordance with the *Defence Service Homes Act 1918* and associated Regulations.

#### Premium Revenue

Premium revenue comprises amounts charged to policyholders, excluding amounts collected on behalf of third parties, principally GST in full. The earned portion of premiums received and receivable, including unclosed business, is recognised as revenue. Premium revenue is recognised as earned from the date of attachment of risk.

The pattern of recognition over the policy or indemnity periods is based on time which is considered to closely approximate the pattern of risks underwritten.

#### Reinsurance Arrangements

DSH Insurance purchases reinsurance each year for dwelling per risk, catastrophe risk and legal liability risk. Premium ceded to reinsurers is recognised as an expense and is measured at nominal value in accordance with the pattern of reinsurance service received.

#### Commissions Revenue

Commissions revenue is recognised when it becomes due to DSH Insurance.

	2024	2023
	\$'000	\$'000
<b>Note 1.1E: Other Expenses</b>		
Decontamination costs	873	-
<b>Total other expenses</b>	<b>873</b>	<b>-</b>

## Departmental - Notes to and forming part of the financial statements

### 1.2. Own-Source Revenue and Gains

	2024	2023
	\$'000	\$'000
<b>Own-Source Revenue</b>		
<b>Note 1.2A: Revenue from contracts with customers</b>		
Rendering of services	7,631	7,694
<b>Total revenue from contracts with customers</b>	<b>7,631</b>	<b>7,694</b>
<b>Disaggregation of revenue from contracts with customers</b>		
<b>Major product / service line:</b>		
Service delivery	7,571	7,665
Other	60	29
	<b>7,631</b>	<b>7,694</b>
<b>Type of customer:</b>		
Australian Government entities	7,390	7,113
State and Territory Governments	237	1
Non-government entities	4	580
	<b>7,631</b>	<b>7,694</b>
<b>Timing of transfer of goods and services:</b>		
Over time	7,296	6,978
Point in time	335	716
	<b>7,631</b>	<b>7,694</b>

Revenue related to DSH Insurance is disclosed in note 1.1D Insurance Activities.

#### Accounting Policy

The following is a description of principal activities from which DVA generates its revenue:

##### Defence Home Ownership Assistance Scheme (DHOAS) and Defence Home Owner Scheme (DHOS) administrative fees

Administrative service in support of DHOAS and DHOS activities in providing home loan assistance to certain members of the Australian Defence Force based on a Memorandum of Understanding (MOU) with Defence. Service obligation is satisfied over time for a fixed annual fee. Revenue recognition on a monthly basis in line with timing of fee payment stated in the MOU.

##### Australian Defence Force (ADF) counselling service

Administrative activities in support of the provision of mental health support services by Open Arms to the ADF personnel as agreed in the MOU between DVA and Defence. Service obligation is satisfied at a point in time for counselling services performed or reports written. Revenue recognition occurs on a monthly basis for services performed in line with timing of invoice payment by Defence as per the MOU.

As the vast majority of revenue is from other government entities, DVA does not recognise any impairment allowance.

#### Note 1.2B: Resources received free of charge

Resources received free of charge - ANAO audit fee	942	942
Resources received free of charge - Seconded staff	360	121
<b>Total resources received free of charge</b>	<b>1,302</b>	<b>1,063</b>

Audit fees comprise of the DVA financial statements audit (\$882,000) and DSH Insurance financial statements audit (\$60,000).

#### Accounting Policy

##### Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

## Departmental - Notes to and forming part of the financial statements

### 2. Financial Position

This section analyses DVA's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

#### 2.1. Financial Assets

	2024	2023
	\$'000	\$'000
<b>Note 2.1A: Cash and Cash Equivalents</b>		
Cash at bank	9,013	1,597
Cash at bank (DSH Insurance special account)	<u>25,103</u>	<u>26,629</u>
<b>Total cash and cash equivalents</b>	<u>34,116</u>	<u>28,226</u>

#### Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand; and
- b) cash in special accounts.

#### Note 2.1B: Trade and Other Receivables

Goods and services	3,605	2,409
Contract assets from contracts with customers	<u>-</u>	<u>548</u>
<b>Total goods and services receivables</b>	<u>3,605</u>	<u>2,957</u>

#### Appropriations receivable

Appropriations receivable	<u>85,681</u>	<u>94,366</u>
<b>Total appropriations receivable</b>	<u>85,681</u>	<u>94,366</u>

#### Other receivables

Statutory receivables	1,576	1,760
Salary recoveries	12	4
Other	<u>2,721</u>	<u>636</u>
<b>Total other receivables</b>	<u>4,309</u>	<u>2,400</u>
<b>Total trade and other receivables (net)</b>	<u>93,595</u>	<u>99,723</u>

Credit terms for goods and services were within 30 days (2023: 30 days).

#### Accounting Policy

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates, are classified as subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

The contract assets are primarily associated with administrative services performed under MOUs with Defence in relation to mental health counselling and home loan assistance schemes.

As the majority of receivables relate to other government entities, no impairment allowance is recognised.

## Departmental - Notes to and forming part of the financial statements

	2024	Restated 2023
	\$'000	\$'000
<b>Note 2.1C: Premiums and Recoveries Receivable</b>		
Premiums receivable	32,157	27,239
Reinsurance and other recoveries receivable	<u>4,451</u>	<u>13,209</u>
<b>Total premiums and recoveries receivable (net)</b>	<b><u>36,608</u></b>	<b><u>40,448</u></b>

No indicators of impairment were found for premiums and recoveries receivable. Receivables past 90 days are not considered impaired as premiums are cancelled after this period if not paid.

### Accounting Policy

#### Reinsurance Receivables

Reinsurance receivables are recorded at discounted estimated value on paid claims and incurred claims not yet paid and recognised as a reduction in the claims expense.

	2024	2023
	\$'000	\$'000
<b>Note 2.1D: Investments</b>		
Deposits	<u>54,445</u>	47,014
<b>Total investments</b>	<b><u>54,445</u></b>	<b><u>47,014</u></b>

Monies invested in term deposits and negotiable certificates of deposit with various approved institutions under Section 58 of the *Public Governance, Performance and Accountability Act 2013*.

## Departmental - Notes to and forming part of the financial statements

### 2.2. Non-Financial Assets

Note 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Buildings - leasehold improvements \$'000	Property, plant & equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2023</b>					
Gross book value	193,439	1,091	175,185	389	370,104
Accumulated depreciation/amortisation and impairment	(83,568)	(712)	(119,261)	(377)	(203,918)
<b>Total as at 1 July 2023</b>	<b>109,871</b>	<b>379</b>	<b>55,924</b>	<b>12</b>	<b>166,186</b>
<b>Additions</b>					
Purchase or internally developed - Leasehold improvements	3,237	-	-	-	3,237
Purchase or internally developed - ROU	12,252	-	-	-	12,252
Purchase or internally developed - Intangibles	-	-	10,423	-	10,423
Revaluations and impairments recognised in other comprehensive income	215	62	-	-	277
Depreciation/amortisation	(10,815)	(109)	(15,738)	(6)	(26,668)
Depreciation on right-of-use assets	(24,715)	-	-	-	(24,715)
Disposals	-	-	(174)	-	(174)
<b>Total as at 30 June 2024</b>	<b>90,045</b>	<b>332</b>	<b>50,435</b>	<b>6</b>	<b>140,818</b>
<b>Total as at 30 June 2024 represented by</b>					
Gross book value					
Fair value					
Work in progress	193,952	775	-	-	194,727
Internally developed	4,414	-	14,325	-	18,739
Purchased software	-	-	163,774	-	163,774
Accumulated depreciation/amortisation and impairment	(108,321)	(443)	(127,664)	217	(236,639)
<b>Total as at 30 June 2024</b>	<b>90,045</b>	<b>332</b>	<b>50,435</b>	<b>6</b>	<b>140,818</b>
<b>Carrying amount of right-of-use assets</b>	<b>64,232</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,232</b>

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C and 2.4.

## Departmental - Notes to and forming part of the financial statements

### Accounting Policy

#### Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Non-financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

#### Property, Plant and Equipment

##### Asset Recognition Threshold

Purchases of property, plant and equipment (PP&E) are recognised at cost in the statement of financial position, except for purchases costing less than \$2,000 (with the exception of leasehold improvements where the threshold is \$50,000), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are material in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is relevant to 'make-good' provisions in property leases taken up by DVA where there exists an obligation to restore the property to its original condition. These costs are included in the value of DVA's leasehold improvements with a corresponding provision for the 'make-good' recognised.

##### Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease, except for those noted in 1.1B, and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16, DVA has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, General Government Sector and Whole of Government financial statements.

##### Revaluations

Following initial recognition at cost, PP&E (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value). Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depend upon the volatility of movements in market values for the relevant assets.

A full revaluation was performed by independent valuer as at 30 June 2024.

Revaluation adjustments are made on an asset class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Fair value for each class of asset are determined as shown below:

<b>Asset class</b>	<b>Fair value</b>
Land held for sale	At cost
Leasehold improvements	Depreciated replacement cost
Property, plant & equipment	Market selling price and depreciated replacement cost

## Departmental - Notes to and forming part of the financial statements

### Depreciation

Depreciable PP&E assets are written-off to their estimated residual values over their estimated useful lives to DVA using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives as per the department's Asset Management Policy, an extract of which is in the table below. The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

<b>Asset Class</b>	<b>Useful Life</b>
Buildings - Leasehold improvements	Lesser of estimated life or unexpired lease period
PP&E – Plant and Equipment	3–10 years
PP&E – Furniture & Office equipment	3–10 years
PP&E – Computer equipment	3–5 years

### Impairment

All assets were assessed for impairment at 30 June 2024. Where indications of impairment exist, the assets recoverable amount is estimated and an impairment adjustment made if the assets recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Where the future economic benefit of an asset is not primarily dependent on the assets ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### Derecognition

Leasehold Improvements and plant and equipment assets are derecognised upon disposal or when no further future economic benefits are expected from their use.

### Intangibles

Intangibles are recognised initially at cost in the statement of financial position with the thresholds below:

<b>Asset class</b>	<b>Threshold</b>
Externally purchased software	\$50,000
Internally developed software - new system developments	\$250,000
Internally developed software - enhancement to existing systems	\$100,000

DVA's intangibles comprise of internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangibles which are work in progress are carried at cost with amortisation commencing once the project, or a significant milestone, has been completed.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of DVA's software is 3–20 years (2023: 3–20 years).

All software assets are assessed each year for impairment. The last assessment was as at 30 June 2024.

	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
<b>Note 2.2B: Other Non-Financial Assets</b>		
Prepayments	<u>2,975</u>	<u>7,314</u>
<b>Total other non-financial assets</b>	<u>2,975</u>	<u>7,314</u>

No indicators of impairment were found for other non-financial assets.

## Departmental - Notes to and forming part of the financial statements

### 2.3. Payables

	2024	2023
	\$'000	\$'000
<b>Note 2.3A: Suppliers</b>		
Trade creditors and accruals	62,864	55,085
<b>Total suppliers</b>	<u>62,864</u>	<u>55,085</u>

Settlement is usually made within 20 days (2023: 20 days).

### Note 2.3B: Unearned Premiums

Unearned premiums	40,516	36,309
Insurance agency revenue received in advance	68	69
<b>Total unearned premiums</b>	<u>40,584</u>	<u>36,378</u>

### Accounting Policy

#### Unearned Premiums

Unearned premiums represents the estimated proportion of premiums written in the current year relating to cover provided in the subsequent year. DSH Insurance's system allows for the unearned proportion to be calculated for each individual policy in accordance with AASB 1023 *General Insurance Contracts*.

#### Revenue in Advance

Revenue in advance is recognised where the revenue has been received prior to the period in which the revenue relates. DSH Insurance recognises revenue in advance at nominal value.

	2024	2023
	\$'000	\$'000
<b>Note 2.3C: Other Payables</b>		
Wages and salaries	7,683	7,687
Superannuation	1,348	1,199
Separation and redundancies	65	265
Reinsurance premiums	1,498	1,151
<b>Total other payables</b>	<u>10,594</u>	<u>10,302</u>



## Departmental - Notes to and forming part of the financial statements

### 2.4. Leases

	2024	2023
	\$'000	\$'000
<b>Note 2.4A: Leases</b>		
Lease Liabilities	69,071	81,950
<b>Total leases</b>	<u>69,071</u>	<u>81,950</u>

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C and 2.2.

Total cash outflows for leases for the year ended 30 June 2024 were \$1,345,000 for interest payments (2023: \$1,099,000) and \$24,403,000 for principal payments (2023: \$21,005,000).

	2024	2023
	\$'000	\$'000
<b>Note 2.4B: Leases - Maturity</b>		
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Within 1 year	24,408	23,654
Between 1 to 5 years	45,480	55,211
More than 5 years	-	5,238
<b>Total leases</b>	<u>69,888</u>	<u>84,103</u>

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C and 2.2.

#### Accounting Policy

DVA in its capacity as lessee, is engaged in significant leasing arrangements for its National and State offices. For all new contracts entered into, DVA considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

## Departmental - Notes to and forming part of the financial statements

### 2.5. Provisions

	2024	2023
	\$'000	\$'000
<b>Note 2.5A: Movement in Unexpired Risk Liability</b>		
<b>Deficiency recognised in the statement of comprehensive income</b>		
Unexpired risk liability expense	(3,394)	1,663
<b>Total deficiency recognised in statement of comprehensive income</b>	<b>(3,394)</b>	<b>1,663</b>
<b>Calculation of deficiency</b>		
Expected future claims per actuary report	41,741	41,012
Less: recorded unearned premiums	(39,546)	(35,272)
Less: deferred acquisition costs	151	170
Less: Unexpired risk liability provision as at 1 July	(5,741)	(4,247)
<b>Unexpired risk liability expense</b>	<b>(3,394)</b>	<b>1,663</b>
<b>Total unexpired risk liability provision</b>	<b>2,195</b>	<b>5,741</b>
<b>Note 2.5B: Gross Outstanding Claims</b>		
Gross outstanding claims	35,526	35,668
Less: recoveries receivable	(4,451)	(13,209)
<b>Net outstanding claims</b>	<b>31,075</b>	<b>22,459</b>
<b>Outstanding claims expected to be settled</b>		
No more than 12 months	31,075	22,459
More than 12 months	-	-
<b>Net outstanding claims</b>	<b>31,075</b>	<b>22,459</b>

DSH Insurance has incurred claims during 2023–24 for which recoveries have and will be made in accordance with reinsurance treaties, which were in force at the date of loss.

The gross claims outstanding amounts to \$35,526,000 as at 30 June 2024 (2023: \$35,668,000). In determining this amount, the actuary has applied a risk margin of 12% (2023: 12%) to a central estimate of the expected present value of future payments for claims incurred. The resulting risk margin amounts to \$3,806,000 (2023: \$3,822,000) which is included in the gross claims outstanding.

#### Accounting Policy

##### Liability Adequacy Test and Unexpired Risk Liability

AASB 1023 *General Insurance Contracts* requires the application of a liability adequacy test upon unearned premiums. The result of this test indicates that DSH Insurance's unearned premiums are insufficient to cover expected future claims on unexpired policies at 30 June 2024 and as such, DSH Insurance has recognised an expense of \$3,394,000 (2023: \$1,663,000) and an adjusting decrease to the existing unexpired risk liability of \$3,546,000 bringing the closing unexpired risk liability to \$2,195,000 (2023: \$5,741,000). The probability of adequacy applied in the test is different to the probability of adequacy adopted in determining the outstanding claims liability. No specific guidance exists for the risk margin to be used in determining the adequacy of premium liabilities. The use of the 75% basis as a regulatory benchmark in Australia, is consistent with market practices.

DSH Insurance's unadjusted unearned premium liability as at 30 June 2024 was \$39,546,000 (2023: \$35,272,000) and prior to the recognition of unexpired risk liability DSH Insurance had recognised \$151,000 in deferred acquisition costs (2023: \$170,000) with the net of these two figures being \$39,394,000. Future cash flows relating to future claims under the risk associated with those premiums as advised by DSH Insurance's independent actuaries was \$41,741,000 (2023: \$41,012,000).

DSH Insurance has not taken into account the income from invested retained surpluses or agency commissions which are used to subsidise costs associated with the building insurance policies.

## Departmental - Notes to and forming part of the financial statements

### Outstanding Claims

The provision for outstanding claims has been determined on a case by case approach in respect of all claims reported. The liability for outstanding claims includes claims incurred but not yet paid, incurred but not reported (IBNRs), and incurred but not enough reported (IBNERs). The provision includes the expected administration costs of settling those claims. The valuation of the DSH Insurance outstanding claims liability provision as at 30 June 2024 was prepared by independent actuaries (KPMG). The methods used to assess the outstanding liability were Projected Case Estimates (PCE), Payment Per Claims Incurred (PPCI), Incurred Chain Ladder (ICL) and Incurred Bornhuetter Ferguson (IBF). This methodology meets Actuarial Professional Standard PS 302 *Valuation of General Insurance Claims*.

### Actuarial Methods

The methodology for the estimation of the net outstanding claims provision as at 30 June 2024 consists of:

- a) Predicting future claim payment cash flows in respect of claims incurred prior to 30 June 2024. The predictions are separated by claim type (Liability, Catastrophe and Other) are made in respect of each combination of accident quarter/year and financial quarter/year of payment. The future cash flow predictions are derived from several actuarial models of the various claim processes. That is, actuarial models are constructed for numbers of claims reported and the development of case estimates and payments. The results of the models are blended based on their individual characteristics to produce a single estimate of the outstanding claims on a net of third party recoveries basis.
- b) Initially all estimates are made in 30 June 2024 dollars, but subsequently are increased to allow for inflation from that date to the date of payment.
- c) The gross of reinsurance liability for outstanding claims is estimated by:
  - discounting these inflated claim payments to allow for investment return at risk free rates;
  - adjusting for the effect of GST; and
  - adding an allowance to provide for associated claims administration expenses.
- d) The net outstanding claims liability is derived by allowing for expected reinsurance recoveries.
- e) The estimate of liability is increased by a prudential margin.

### Actuarial Assumptions

The following assumptions have been made in determining the net outstanding claims provision as at 30 June 2024:

- a) Inflation rates: 5.50%;
- b) Discount rates: 4.22%;
- c) Claims administration expenses (CAE): 4% of gross outstanding claims liability;
- d) Superimposed inflation: approximately 2% p.a. in the actuarial model with explicit superimposed inflation assumption; and
- e) Prudential margin: 12% of central estimate (including CAE) of outstanding claims liability for 75% probability of sufficiency.

The following assumptions were made in determining the net outstanding claims provision as at 30 June 2023:

- a) Inflation rates: 5.50%;
- b) Discount rates: 4.35%;
- c) Claims administration expenses (CAE): 4% of gross outstanding claims liability;
- d) Superimposed inflation: approximately 2% p.a. in the actuarial model with explicit superimposed inflation assumption;
- e) Prudential margin: 12% of central estimate (including CAE) of outstanding claims liability for 75% probability of sufficiency;

## Departmental - Notes to and forming part of the financial statements

### Process for Determining Assumptions

The process for determining each of the assumptions is as follows:

- a) Inflation rates: are taken as an average of Consumer Price Index (housing) and Average Weekly Earnings inflation expectations which are based on internal and external forecast of future rate;
- b) Discount rates: derived from a yield curve fitted to the actual yields on Commonwealth Government bonds as at 30 June 2024;
- c) Claims administration expenses: assumed based on DSH Insurance's own experience as well as industry experience;
- d) Superimposed inflation: derived from actuarial models based on the long term average of past experience for all non-catastrophe claims; and
- e) Prudential margin: selected based on analysis of estimated historical variability within the portfolio.

### Insurance Risk Management

Insurance risk management policies and practices are disclosed at Note 5.2D – Risk Management.

### Process for Determining Risk Margin

The risk margin is intended to provide an adequacy to the 75% percentile of probability of sufficiency. In determining the risk margin assumption, the analysis of the variability of historical claims data was conducted, industry benchmark was considered and judgement was applied in the selection of assumptions. The approach adopted aligns with the framework recommended by the Institute of Actuaries Risk Margin Taskforce. There is no benefit from the diversification of risks.

	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
<b>Note 2.5C: Other Provisions</b>		
Provision for restoration obligations	<b>1,314</b>	918
Provision for decontamination	-	341
<b>Total other provisions</b>	<b>1,314</b>	1,259

### **Reconciliation of other provisions**

	Provision for restoration on leased property \$'000	Provision for Decontamination \$'000	Total \$'000
<b>As at 1 July 2023</b>	<b>918</b>	<b>341</b>	<b>1,259</b>
Additional provisions made	1,293	-	1,293
Amounts used	-	(341)	(341)
Amounts revalued	(927)	-	(927)
Unwinding of discount or change in discount rate	30	-	30
<b>Total as at 30 June 2024</b>	<b>1,314</b>	-	<b>1,314</b>

### **Accounting Policy**

#### Provision for Decontamination

The decontamination provisions are expensed through the income statement (refer Note 1.1E) on the basis that the decontamination restores the land to its original state and brings no enhanced economic benefits to DVA. DVA land valuations do not factor in any decontamination costs into their valuation for financial reporting purposes.

#### Provision for Restoration on Leased Property

A small number of DVA property leases are subject to restoration costs upon vacating the site. An asset and provision are recognised at the commencement of the lease at the present value of the restoration obligations. Any difference between the provision and the amount paid at final settlement is recognised as a restoration obligation expense or gain.

## Departmental - Notes to and forming part of the financial statements

### 3. Funding

This section identifies DVA's funding structure.

#### 3.1. Appropriations

##### Note 3.1A: Annual Appropriations ('Recoverable GST exclusive')

##### Annual Appropriations for 2024

	Annual appropriation \$'000	Adjustments to appropriation <sup>1</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2024 (current and prior years) \$'000	Variance <sup>2</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	576,712	5,491	582,203	(575,099)	7,104
Capital Budgets <sup>3</sup>	13,750	-	13,750	(13,371)	379
Other services					
Equity <sup>4</sup>	6,121	-	6,121	-	6,121
<b>Total departmental</b>	<b>596,583</b>	<b>5,491</b>	<b>602,074</b>	<b>(588,470)</b>	<b>13,604</b>

<sup>1</sup> The adjustments to appropriation of \$5.491 million were related to the PGPA Act Section 74 receipts for 2023-24.

<sup>2</sup> The variance of the ordinary annual services predominantly reflects timing differences associated with the payment of beneficiaries and suppliers.

<sup>3</sup> Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

<sup>4</sup> In accordance with Section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the access to the following funds is permanently withheld.

- (a) \$4.458 million funds were quarantined from the Departmental Appropriations Act (No. 2) – Equity Injections 2023-24.
- (b) \$1.421 million funds were quarantined from the Departmental Appropriations Act (No. 4) – Equity Injections 2023-24.

##### Note 3.1A: Annual Appropriations ('Recoverable GST exclusive') (continued)

##### Annual Appropriations for 2023

	Annual appropriation \$'000	Adjustments to appropriation <sup>1</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2023 (current and prior years) \$'000	Variance <sup>2</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	520,800	6,880	527,680	(478,321)	49,359
Capital Budgets <sup>3</sup>	13,825	-	13,825	(16,841)	(3,016)
Other services					
Equity <sup>4</sup>	3,504	-	3,504	-	3,504
<b>Total departmental</b>	<b>538,129</b>	<b>6,880</b>	<b>545,009</b>	<b>(495,162)</b>	<b>49,847</b>

<sup>1</sup> The adjustments to appropriation of \$6.880 million were related to the PGPA Act Section 74 receipts for 2022-23.

<sup>2</sup> The variance of the ordinary annual services predominantly reflects timing differences associated with the payment of beneficiaries and suppliers.

<sup>3</sup> Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

<sup>4</sup> In accordance with Section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the access to the following funds is to be permanently withheld:

- (a) \$1.519 million funds were quarantined from the Departmental Appropriations Act (No. 3) 2022-23.

## Departmental - Notes to and forming part of the financial statements

### Accounting Policy

#### Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when DVA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

#### Note 3.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2024	2023
	\$'000	\$'000
<b>Departmental</b>		
Appropriation Act (No. 2) 2021-22 <sup>1</sup>	3,704	3,704
Appropriation Act (No. 1) 2022-23	-	83,643
Appropriation Act (No. 2) 2022-23 <sup>1</sup>	2,846	2,846
Supply Act (No. 2) 2022-23	275	275
Supply Act (No. 3) 2022-23	1,519	1,519
Supply Act (No. 3) 2022-23 (DCB)	5,135	5,135
Supply Act (No. 4) 2022-23	383	383
Appropriation Act (No. 1) 2023-24	77,399	-
Appropriation Act (No. 1) 2023-24 (DCB)	379	-
Appropriation Act (No. 2) 2023-24 <sup>1</sup>	4,548	-
Appropriation Act (No. 3) 2023-24	1,941	-
Appropriation Act (No. 4) 2023-24 <sup>1</sup>	1,573	-
Cash at bank	13,003	1,597
<b>Total departmental</b>	<b>112,705</b>	<b>99,102</b>

<sup>1</sup> In accordance with Section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the access to the following funds is permanently withheld:

- \$1.620 million funds were quarantined from the Departmental Appropriations Act (No. 2) – Equity Injections 2021-22.
- \$1.519 million funds were quarantined from the Departmental Appropriations Supply Act (No. 3) – Operating 2022-23.
- \$2.799 million funds were quarantined from the Departmental Appropriations Act (No. 2) – Equity Injections 2022-23.
- \$4.458 million funds were quarantined from the Departmental Appropriations Act (No. 2) – Equity Injections 2023-24.
- \$1.421 million funds were quarantined from the Departmental Appropriations Act (No. 4) – Equity Injections 2023-24.

#### Note 3.1C: Special Appropriations ('Recoverable GST exclusive')

	<u>Appropriation applied</u>	
	2024	2023
<b>Authority</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Investment of public money: Public Governance, Performance and Accountability Act 2013, s.58, Departmental<sup>1</sup></i>	72,500	86,085
<b>Total</b>	<b>72,500</b>	<b>86,085</b>

<sup>1</sup> Investments of public money consists of the Defence Service Homes (DSH) Insurance Account. For details, please refer to Note 3.2 Special Accounts.

## Departmental - Notes to and forming part of the financial statements

### 3.2. Special Accounts

#### Note 3.2A: Special Accounts ('Recoverable GST exclusive')

	Defence Service Homes Insurance Account (Departmental) <sup>1</sup>	
	2024 \$'000	2023 \$'000
<b>Balance brought forward from previous period</b>	<b>6,682</b>	<b>4,540</b>
<b>Increases</b>		
Realised investments	67,984	65,942
Premiums received	19,846	32,145
Other receipts	73,501	78,000
<b>Total increases</b>	<b>161,331</b>	<b>176,087</b>
<b>Available for payments</b>	<b>168,013</b>	<b>180,627</b>
<b>Decreases</b>		
<b>Departmental</b>		
Claim payments	(49,260)	(63,115)
Reinsurance premiums paid	(18,058)	(14,746)
Other payments	(13,606)	(9,999)
<b>Total departmental</b>	<b>(80,924)</b>	<b>(87,860)</b>
<b>Relevant money</b>		
PGPA Act section 58 investments	(72,500)	(86,085)
<b>Total relevant money</b>	<b>(72,500)</b>	<b>(86,085)</b>
<b>Total decreases</b>	<b>(153,424)</b>	<b>(173,945)</b>
<b>Total balance carried to the next period</b>	<b>14,589</b>	<b>6,682</b>
<b>Balance represented by:</b>		
Cash held in entity bank accounts	14,589	6,682
<b>Total balance carried to the next period</b>	<b>14,589</b>	<b>6,682</b>

1. **Appropriation:** *Public Governance, Performance and Accountability Act 2013*, s.80

**Establishing Instrument:** *Defence Service Homes Act 1918*, s.40

**Purpose:** To make all payments by the Commonwealth in connection with its activities as insurer under *Defence Service Homes Act 1918*, s.40.

## Departmental - Notes to and forming part of the financial statements

### 3.3. Net Cash Appropriation Arrangements

	2024	2023
	\$'000	\$'000
<b>Total comprehensive income/(loss) - as per the Statement of Comprehensive Income</b>	<b><u>(35,782)</u></b>	<b><u>30,991</u></b>
Less: Changes in asset revaluation reserve	<b><u>(1,204)</u></b>	<b><u>(9,275)</u></b>
<b>Total comprehensive income/(loss) less changes in asset revaluation reserve</b>	<b><u>(36,986)</u></b>	<b><u>21,716</u></b>
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	<b>26,663</b>	21,561
Plus: depreciation on right-of-use assets	<b>24,715</b>	22,368
Less: lease principal repayments	<b><u>(24,403)</u></b>	<b><u>(21,005)</u></b>
<b>Net Cash Operating Surplus/(Deficit)</b>	<b><u>(10,011)</u></b>	<b><u>44,640</u></b>



## Departmental - Notes to and forming part of the financial statements

### 4. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

#### 4.1. Employee Provisions

	2024	2023
	\$'000	\$'000
Annual leave	33,309	29,760
Long service leave	52,353	51,390
Other	449	408
<b>Total employee provisions</b>	<b>86,111</b>	<b>81,558</b>

#### Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

Other long term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

##### Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including DVA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2024. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion, inflation and enterprise agreement.

##### Separation and Redundancy

Provision is made for separation and redundancy benefit payments. DVA recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

##### Superannuation

DVA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

DVA makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. DVA accounts for the contributions as if they were contributions to defined contribution plans. The liability for superannuation recognised as at 30 June 2024 represents outstanding contributions.

## Departmental - Notes to and forming part of the financial statements

### 4.2. Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The Department has determined the key management personnel to be the Secretary, the Chief Operating Officer and the Deputy Secretaries. They are responsible for DVA's operating activities including service delivery, policy development, transformation, and enabling services.

	2024	2023
	\$	\$
Short-term employee benefits	1,784,110	1,805,077
Post-employment benefits	277,951	246,175
Other long-term employee benefits	43,566	48,621
Termination benefits	-	359,710
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>2,105,627</b>	<b>2,459,583</b>

The total number of key management personnel that are included in the above table is 4 (2023: 7).

<sup>1</sup> The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Department.

### 4.3. Related Party Disclosures

#### Related party relationships

The Department is an Australian Government controlled entity. Related parties to the Department are Key Management Personnel including the Portfolio Minister (the Minister for Veterans' Affairs), Executive and other Australian Government entities.

In accordance with AASB 124 *Related Party Disclosures*, and for the purpose of related party disclosures in the financial statements, key management personnel for the Department include any of the following and their close family members:

- The Minister
- The Secretary
- The Chief Operating Officer
- The Deputy Secretary of Veteran, Family & Stakeholder Experience Group
- The Deputy Secretary of Policy & Programs Group
- Close family members of the key management personnel
- Organisations in which the key management personnel have controlling interests.

#### Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed.

## Departmental - Notes to and forming part of the financial statements

### 5. Managing Uncertainties

This section analyses how DVA manages financial risks within its operating environment.

#### 5.1. Contingent Assets and Liabilities

	Indemnities		Total	
	2024	Restated 2023	2024	Restated 2023
	\$'000	\$'000	\$'000	\$'000
<b>Contingent liabilities</b>				
Balance from previous period	26,739	18,768	26,739	18,768
Re-measurement	2,535	7,969	2,535	7,969
<b>Total contingent liabilities</b>	<b>29,274</b>	<b>26,737</b>	<b>29,274</b>	<b>26,737</b>
<b>Net contingent liabilities</b>	<b>29,274</b>	<b>26,737</b>	<b>29,274</b>	<b>26,737</b>

#### Quantifiable Contingencies

The indemnity of \$29,274,000 (2023:\$26,737,000) represents the net assets of Defence Service Homes Insurance Scheme being an indemnity offered to policy holders by the Australian Government under the *Defence Service Homes Act 1918*.

#### Unquantifiable Contingencies

The Department has a number of legal claims lodged against it for damages and costs. The Department is responding to these claims in accordance with its obligations under the Legal Services Directions 2017. It is not possible to estimate the amount and timing of any eventual payments that may be required in relation to these claims.

#### Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

## Departmental - Notes to and forming part of the financial statements

### 5.2. Financial Instruments

	Notes	2024 \$'000	2023 \$'000
<b>Note 5.2A: Categories of Financial Instruments</b>			
<b>Financial assets at amortised cost</b>			
Investments	2.1D	54,445	47,014
Cash and cash equivalents	2.1A	34,116	28,226
Trade receivables	2.1B	3,605	2,957
Premiums and recoveries receivables	2.1C	36,608	44,825
Other receivables	2.1B	2,721	636
<b>Total financial assets at amortised cost</b>		<b>131,495</b>	<b>123,658</b>
<b>Total financial assets</b>		<b>131,495</b>	<b>123,658</b>
<b>Financial Liabilities</b>			
<b>Financial liabilities measured at amortised cost</b>			
Payables - suppliers	2.3A	62,864	55,085
Gross outstanding claims	2.5B	35,526	35,668
Other payables - reinsurance premiums	2.3C	1,498	1,151
<b>Total financial liabilities measured at amortised cost</b>		<b>99,888</b>	<b>91,904</b>
<b>Total financial liabilities</b>		<b>99,888</b>	<b>91,904</b>

#### Accounting Policy

##### Financial assets

In accordance with AASB 9 *Financial Instruments*, the entity classifies its financial assets in the following categories:

- Financial assets at fair value through profit and loss;
- Financial assets at fair value through other comprehensive income; and
- Financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

##### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

#### Note 5.2B: Net Gains or Losses from Financial Assets

##### Financial assets at amortised cost

Interest revenue	1.1D	3,374	1,800
<b>Net gains on financial assets at amortised cost</b>		<b>3,374</b>	<b>1,800</b>
<b>Net gains on financial assets</b>		<b>3,374</b>	<b>1,800</b>

Net income/expense from financial assets not at fair value through the profit or loss is nil (2023: nil).

#### Note 5.2C: Net Gains or Losses from Financial Liabilities

There were no gains or losses from financial liabilities.

## Departmental - Notes to and forming part of the financial statements

### Note 5.2D: Risk Management

#### Insurance Risks

The risks inherent in any single insurance contract are the possibility of the insured event occurring and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, these risks are random and unpredictable. In relation to the pricing of individual insurance contracts and the determination of the level of the outstanding claims provision in relation to a portfolio of insurance contracts, the principal risk is that the ultimate claims payments will exceed the carrying amount of the provision established.

**TABLE A: Analysis of sensitivity of 30 June net provision to various changes in assumptions**

Item	Amount		Change from final estimate				Note
	2024	2023	2024	2024	2023	2023	
	\$'000	\$'000	\$'000	%	\$'000	%	
Net liability, including CAE and excluding prudential margin	<b>32,880</b>	24,320	-	-	-	-	(a)
Inflation +1%	<b>33,081</b>	24,511	<b>201</b>	<b>0.6</b>	214	0.8	(b)
Inflation -1%	<b>32,679</b>	24,131	<b>(201)</b>	<b>(0.6)</b>	(214)	(0.8)	(b)
Discount +1%	<b>33,084</b>	24,127	<b>204</b>	<b>0.6</b>	214	0.8	(c)
Discount -1%	<b>32,673</b>	24,519	<b>(207)</b>	<b>(0.6)</b>	(214)	(0.8)	(c)
Superimposed inflation +1%	<b>33,081</b>	24,511	<b>201</b>	<b>0.6</b>	214	0.8	(d)
Superimposed inflation - 1%	<b>32,679</b>	24,131	<b>(201)</b>	<b>(0.6)</b>	(214)	(0.8)	(d)

#### Notes:

(a) Net provisions, including prudential margin:

	2024	2023
	\$'000	\$'000
Gross Central Estimate (including GST and claims administration expense, excluding risk margin)	<b>34,892</b>	35,030
less: Estimated Outstanding Reinsurance Recoveries	<b>2,012</b>	8,279
Central estimate (incl GST and claims administration expense)	<b>32,880</b>	26,752
Less: GST	<b>2,989</b>	2,432
Central Estimate (incl claims administration expense)	<b>29,891</b>	24,320

Equivalent net provision derived by:

- (b) adding/ subtracting 1% p.a. to each future assumed inflation rate.
- (c) adding/ subtracting 1% p.a. to each future assumed discount rate.
- (d) adding/ subtracting 1% to superimposed inflation assumption.
- (e) increasing/ reducing Incurred But Not Reported (IBNR) claims in each of the Payment Per Claims Incurred (PPCI) models by 10%.

## Departmental - Notes to and forming part of the financial statements

### Underwriting risks

Selection and pricing of risks

Risks insured are limited to dwelling houses owned by persons eligible under the *Defence Service Homes Act 1918*. Insurance policies are written in accordance with local management practices and regulations within each jurisdiction taking into account DVA's underwriting standards.

Pricing of risks is controlled by use of in-house pricing models relevant to the market in which DVA operates. Experienced underwriters and actuaries maintain historical pricing and claims analysis and these are combined with a knowledge of current developments in the market.

### Concentration risk

DVA manages exposure to concentration risk by issuing policies across all Australian states and territories. Reinsurance is purchased to reduce potential exposure to catastrophe losses.

### Claims management and claims provisioning risk

DVA's approach to determining the outstanding claims provision and the related sensitivities are set out in Note 1.1D Insurance Activities and 5.2D Sensitivity to Insurance Risk.

DVA seeks to ensure the adequacy of its outstanding claims provision by reference to the following controls:

- experienced claims managers work with underwriters on coverage issues and operate within the levels of delegation issued to them in respect of the settlement of claims;
- processes exist to ensure that all claims advices are captured and updated on a timely basis and with a realistic assessment of the ultimate claims cost; and
- the aggregate outstanding claims provision for DVA is reviewed by an external actuary annually.

Despite the rigour involved in the establishment and review of the outstanding claims provision, the provision is subject to significant uncertainty for the reasons set out in Note 2.5B.

### Reinsurance counterparty risk

DVA reinsures a portion of risks underwritten to control exposure to insurance losses, reduce volatility and protect capital. DVA's strategy in respect of the selection, approval and monitoring of reinsurance arrangements is addressed by the following protocols:

- treaty or facultative reinsurance is placed in accordance with the requirements of DVA's reinsurance management strategy,
- reinsurance arrangements are regularly reassessed to determine their effectiveness based on current exposures, historical losses and potential future losses, and
- exposure to reinsurance counterparties and the credit quality of those counterparties is actively monitored.

Strict controls are maintained over reinsurance counterparty exposures. Reinsurance is placed with counterparties that have a Standard & Poor's credit rating of A- or above. Credit risk exposures are calculated regularly and compared with authorised credit limits, and the arrangements discontinued from the day the counterparties' credit rating falls below A-. DVA currently has no receivables with reinsurance counterparties below A-.

## Departmental - Notes to and forming part of the financial statements

### 5.3. Fair Value Measurement

#### Accounting Policy

DVA engaged an independent valuer to conduct a full revaluation of non-financial assets at 30 June 2024. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different to the fair value. Comprehensive valuations are carried out at least once every three years. The valuer provided written assurance to DVA that the models developed are in compliance with AASB 13 *Fair Value Measurement*. DVA conducted an independent assessment of the indicators of fair value, including a review of relevant industry and Australian Bureau of Statistics indices, Reserve Bank of Australia bond rates and applicable market prices to ensure the requirements of AASB 13 *Fair Value Measurement* were met.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

Physical Depreciation and Obsolescence - Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the Depreciated Replacement Cost approach. Under the Depreciated Replacement Cost approach the estimated cost to replace the asset is calculated and then adjusted to take into account physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all Leasehold Improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

	2024 \$'000	2023 \$'000
<b>Non-financial assets</b>		
Leasehold improvements	25,811	33,175
Property, plant and equipment	331	378
<b>Total non-financial assets</b>	<b>26,142</b>	<b>33,553</b>
<b>Total fair value measurements of assets in the statement of financial position</b>	<b>26,142</b>	<b>33,553</b>

DVA's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all non-financial assets is considered their highest and best use.

## Departmental - Notes to and forming part of the financial statements

### 6. Other Information

This section provides other disclosures relevant to DVA's financial information environment for the year ending 30 June 2024.

#### 6.1. Current/non-current distinction for assets and liabilities

	2024	Restated 2023
	\$'000	\$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	34,116	28,226
Investments	54,445	47,014
Trade and other receivables	92,639	99,055
Premiums and recoveries receivable	37,564	41,115
Asset held for sale	1,350	1,350
Other non-financial assets	2,975	7,314
<b>Total no more than 12 months</b>	<b>223,089</b>	<b>224,074</b>
<b>More than 12 months</b>		
Land and buildings	90,045	109,871
Property, plant and equipment	332	379
Intangibles	50,441	55,936
<b>Total more than 12 months</b>	<b>140,818</b>	<b>166,186</b>
<b>Total assets</b>	<b>363,907</b>	<b>390,260</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	62,864	55,084
Unearned premiums	40,584	36,378
Other payables	10,594	10,303
Gross outstanding claims	35,526	35,668
Unexpired risk liability	2,195	5,741
Leases	23,502	22,677
Employee provisions	26,507	24,225
Other provisions	560	537
<b>Total no more than 12 months</b>	<b>202,332</b>	<b>190,613</b>
<b>More than 12 months</b>		
Leases	45,569	59,273
Employee provisions	59,604	57,333
Other provisions	754	722
<b>Total more than 12 months</b>	<b>105,927</b>	<b>117,328</b>
<b>Total liabilities</b>	<b>308,259</b>	<b>307,941</b>



## Departmental - Notes to and forming part of the financial statements

### 6.2. Explanations of Major Departmental Budget Variances

The table below provides explanations for significant variances between DVA's original departmental budget estimates, as published in the 2023–24 Portfolio Budget Statements, and the actual financial performance and position for the year. The budget is not audited. Variances are treated as significant when it is considered important for a reader's understanding or is relevant to an assessment of the discharge of accountability and for the analysis of DVA's performance. The nature and timing of the Commonwealth budget process can also contribute to the variances.

Explanation of major variances	Affected line items (and schedule)
Suppliers is \$28.0 million higher than budget due to increased IT work related to the Modernisation Program, an advertising campaign supporting veteran employment and shared services.	Suppliers (Statement of Comprehensive Income)
Depreciation and amortisation is \$10.2 million higher than budget due to additional leasehold improvement assets.	Depreciation and amortisation (Statement of Comprehensive Income)
Investment revenue is \$1.6 million greater than budget due to the rate of return on DSH Insurance's investment portfolio being higher due to the current level of interest rates.	Investment revenue (Statement of Comprehensive Income)
Insurance agency revenue was \$1.8 million greater than budget due to commissions received by DSH Insurance, as a result of more policies being sold than budgeted.	Insurance agency revenue (Statement of Comprehensive Income)
Resources received free of charge is \$0.5 million greater than budget due to DVA having three staff seconded from other agencies during 2023-24. These items are not budgeted for as their occurrence is irregular.	Resources received free of charge (Statement of Comprehensive Income)
Cash and cash equivalents is \$26.1 million greater than budget due to the re-categorisation of DSH Insurance short-term investments.	Cash and cash equivalents (Statement of Financial Position)
Trade and other receivables was \$17.7 million higher than budget due to the timing of payments, refer to Supplier payables, and DVA's surplus in 2022-23.	Trade and other receivables (Statement of Financial Position)
DVA's non-financial assets are \$37.0 million less than budget due to a full asset revaluation completed during the 2023-24 financial year, and the delay in the signing of a significant property lease.	Land and buildings, Property, plant and equipment and Intangibles (Statement of Financial Position)
Suppliers are \$15.0 million higher than budget due to increased shared services accruals.	Suppliers (Statement of Financial Position)
Unearned premiums is \$7.5 million higher than budget due to increases to DSH Insurance's premium rates. Premiums have increased due to rising reinsurance and claims costs.	Unearned premiums (Statement of Financial Position)
Leases are \$20.9 million less than budget due to delayed signing of a significant lease to 2024-25.	Leases (Statement of Financial Position)
Employee provisions are \$10.5 million higher than budgeted due to the recruitment of additional staff and conversion of labour hire staff to address the claims backlog.	Employee provisions (Statement of Financial Position)
The unexpired risk liability is \$3.6 million lower than budget due to an adjustment as a result of unearned premiums being assessed by DSH Insurance's actuary as sufficient to cover the unexpired risk period.	Unexpired risk liability (Statement of Financial Position)
The Gross outstanding claims provision is \$17.8 million less than budget due to their being less major catastrophe events than budgeted.	Gross outstanding claims (Statement of Financial Position)
Other provisions was \$2.5 million less than budget due to the unwinding of the decontamination provision and a smaller than budget increase in the make good provision.	Other provisions (Statement of Financial Position)

## Administered - Notes to and forming part of the financial statements

### 7. Income and Expenses Administered on Behalf of Government

This section analyses the activities that DVA does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

#### 7.1. Administered - Expenses

	2024	2023
	\$'000	\$'000
<b>Note 7.1A: Personal Benefits</b>		
<b>Direct</b>		
Income support	1,782,178	1,777,542
Defence widow/ers support	996,532	1,031,768
Disability support	1,726,552	1,612,444
Military compensation payments	3,735,557	2,147,834
Children education scheme	15,997	13,870
Other	7,740	9,686
<b>Total personal benefits</b>	<b>8,264,556</b>	<b>6,593,144</b>
<b>Note 7.1B: Health Care Payments</b>		
<b>Indirect</b>		
Hospital services	1,103,025	942,357
Community care and support	988,684	869,775
General medical consultation and services	724,197	676,882
Counselling and other health services	709,762	686,560
Pharmaceutical benefits	341,308	334,560
Military compensation payments	425,842	371,077
<b>Total health care payments</b>	<b>4,292,818</b>	<b>3,881,211</b>

#### Accounting Policy

Payments to eligible veterans, their partners, war widow/ers and dependants are made in accordance with the *Veterans' Entitlements Act 1986* (VEA) and associated legislation. Payments to eligible serving and former serving members of the Defence Force are made in accordance with the *Military Rehabilitation and Compensation Act 2004* (MRCA) and the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA).

Payments are recognised when they are incurred. Estimated outstanding personal benefits payments are recognised as payables and primarily relate to fortnightly compensation payments. Estimated outstanding health care payments are recognised as payables or provisions and relate to the timing of payment of benefits by other government agencies on DVA's behalf. See Note 8.3 Provisions for further information.

Each of these Acts imposes an obligation on eligible recipients to disclose to DVA information about financial and personal circumstances that affect their entitlement to benefits. In the absence of this obligation, the cost of delivery of DVA's services would increase as a result of the requirement to verify information provided by eligible recipients in relation to these benefits.

Unreported changes in circumstances can lead to incorrect payment, even if no deliberate fraud is intended. However, risks associated with relying on voluntary disclosure by clients are mitigated by a comprehensive risk management plan which minimises the potential for incorrect payment by a variety of review processes.

While DVA acts promptly to address material risks as they emerge, DVA accepts that a proportion of non-compliance may go undetected. However, given the risk management strategy, DVA is satisfied that the incidence of incorrect payment is not material in terms of total payments, and that the financial statements materially reflect the activities of DVA's administered program.

Open Arms has a number of small leased premises around Australia for delivering counselling services. Lease payments are recognised as expenses under Counselling and other health services. Due to the short term nature of many of the leases and the immaterial overall value of the leases DVA has chosen not to apply *AASB 16 Leases*.

## Administered - Notes to and forming part of the financial statements

### 8. Assets and Liabilities Administered on Behalf of the Government

This section analyses assets used to conduct its operations and the operating liabilities incurred as a result DVA does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

#### 8.1. Administered - Financial Assets

	2024	2023
	\$'000	\$'000
<b>Note 8.1A: Cash and Cash Equivalents</b>		
Cash on hand or on deposit	96,728	55,561
Cash in special accounts <sup>1</sup>	262	290
<b>Total cash and cash equivalents</b>	<b>96,990</b>	<b>55,851</b>

<sup>1</sup>The closing balance of cash in special accounts does not include amounts held in trust (2024: \$414,000 2023: \$431,000).

See Note 10.2 Special Accounts and Note 11.2 Assets Held in Trust for more information.

#### Note 8.1B: Receivables

Pensions	82,154	70,432
GST receivables	5,464	6,241
Other receivables	18,949	16,669
<b>Total receivables (gross)</b>	<b>106,567</b>	<b>93,342</b>

#### Less impairment loss allowance

Pensions	(5,203)	(4,285)
<b>Total impairment loss allowance</b>	<b>(5,203)</b>	<b>(4,285)</b>
<b>Total receivables (net)</b>	<b>101,364</b>	<b>89,057</b>

#### Note 8.1C: Equity Accounted Investments

##### Investment in Commonwealth authorities

Australian War Memorial <sup>2</sup>	1,736,452	1,699,234
<b>Total investments accounted for using the equity method</b>	<b>1,736,452</b>	<b>1,699,234</b>

<sup>2</sup>The value shown for the Australian War Memorial is at fair value and is based upon the audited net asset position as at 30 June 2024.

The Commonwealth owns 100% of the investment in the Australian War Memorial whose principal activity is to commemorate the sacrifice of those Australians who have died in war. It does this by assisting Australians to remember, interpret and understand the Australian experience of war and its enduring impact on Australian society.

#### Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand; and
- b) cash in special accounts.

#### Administered Investments

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments, other than those held for sale are classified as amortised costs and are measured at their fair value as at 30 June 2024. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at end of reporting period.

## Administered - Notes to and forming part of the financial statements

### 8.2. Administered - Non-Financial Assets

Note 8.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of Property, Plant and Equipment and Intangibles for 2024

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2023</b>				
Gross book value	56,731	6,106	13,787	76,624
Accumulated depreciation and impairment	(1,739)	(2,951)	(6,153)	(10,843)
<b>Total as at 1 July 2023</b>	<b>54,992</b>	<b>3,155</b>	<b>7,634</b>	<b>65,781</b>
Other movements - reclassification				-
<b>Adjusted total as at 1 July 2023</b>	<b>54,992</b>	<b>3,155</b>	<b>7,634</b>	<b>65,781</b>
Additions	939	-	-	939
Revaluations and impairments recognised in other comprehensive income	(2,520)	-	-	(2,520)
Revaluations recognised in the operating result	(28,102)	1,139	-	(26,963)
Depreciation	(881)	(1,387)	(789)	(3,057)
<b>Total as at 30 June 2024</b>	<b>24,428</b>	<b>2,907</b>	<b>6,845</b>	<b>34,180</b>
<b>Total as at 30 June 2024 represented by</b>				
Gross value				
Fair value	23,259	2,907	13,787	39,953
Work in progress	1,169	-	-	1,169
Accumulated depreciation and impairment	-	-	(6,942)	(6,942)
<b>Total as at 30 June 2024</b>	<b>24,428</b>	<b>2,907</b>	<b>6,845</b>	<b>34,180</b>

## Administered - Notes to and forming part of the financial statements

### Accounting Policy

Administered non-financial assets consist of two overseas commemorative centres. The Sir John Monash Centre located in France commemorates Australian servicemen and women who served on the Western front during the First World War and the Sandakan Memorial in Thailand which commemorates the Australian and British prisoners of war held by the Japanese during the Second World War.

### Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Non-financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

### Property, Plant and Equipment

#### Asset Recognition Threshold

Purchases of property, plant and equipment (PP&E) are recognised at cost in the statement of financial position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are material in total).

#### Revaluations

Following initial recognition at cost, PP&E are carried at fair value. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depend upon the volatility of movements in market values for the relevant assets. DVA is required to value all assets in a class at the same time. An independent valuer will be engaged to revalue all tangible assets every three years.

A full revaluation was performed by an independent valuer as at 30 June 2024.

Revaluation adjustments are made on an asset class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Fair value for each class of asset are determined as shown below:

Asset class	Fair value
Buildings	Depreciated replacement cost
PP&E	Depreciated replacement cost

## Administered - Notes to and forming part of the financial statements

### Depreciation

Depreciable assets are written-off to their estimated residual values over their estimated useful lives to DVA using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives as per the departments Asset Management Policy:

<b>Asset Class</b>	<b>Useful Life</b>
Buildings	35-200 years
PP&E – Furniture	3-100 years
PP&E – Office equipment	3-100 years
Internally Developed Software	3-20 years
Purchased Software	3-20 years

### Impairment

All assets were assessed for impairment at 30 June 2024. Where indications of impairment exist, the assets recoverable amount is estimated and an impairment adjustment made if the assets recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Where the future economic benefit of an asset is not primarily dependent on the assets ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### Intangibles

DVA's intangibles comprise internally developed and purchased software for internal use, and digital collections. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised on a straight-line basis over their anticipated useful life. The useful life of DVA's intangible assets are 3–20 years.

All intangible assets were assessed for indications of impairment as at 30 June 2024.

### Office of Australian War Graves

The Office of Australian War Graves (OAWG) is responsible for maintenance of war cemeteries, graves and commemorations in Australia, Papua New Guinea and the Solomon Islands for Australians involved in conflicts. DVA has assessed these graves and memorials against the requirements for asset recognition. On balance OAWG does not have sufficient control of these sites to disclose them as non-financial assets. The OAWG does however have a responsibility to maintain these sites in perpetuity.

## Administered - Notes to and forming part of the financial statements

### 8.3. Administered - Provisions

	2024	2023
	\$'000	\$'000
<b>Note 8.3A: Personal Benefit Provisions</b>		
Military compensation	46,962,300	31,406,500
<b>Total personal benefit provisions</b>	<b>46,962,300</b>	<b>31,406,500</b>
<b>Note 8.3B: Health Care Provisions</b>		
Military compensation	38,348,800	24,281,300
Treatment Accounts System (TAS) claims	162,576	139,825
Repatriation Pharmaceutical Benefits Scheme (RPBS)	20,860	23,136
Public Hospitals	65,551	21,403
<b>Total health care provisions</b>	<b>38,597,787</b>	<b>24,465,664</b>

	Personal benefits		Health care		
	Military compensation	Military compensation	TAS claims	RPBS	Hospitals
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2023</b>	<b>31,406,500</b>	<b>24,281,300</b>	<b>139,825</b>	<b>23,136</b>	<b>21,403</b>
Actuarial changes in provisions	14,234,200	13,194,600	-	-	-
Increase in provisions	4,339,500	2,584,800	186,462	17,523	414,232
Claims paid during the year	(3,825,500)	(461,900)	(163,710)	(19,799)	(370,084)
Unwinding of discount	1,688,500	1,422,800	-	-	-
Change in interest rate	(880,900)	(2,672,800)	-	-	-
<b>As at 30 June 2024</b>	<b>46,962,300</b>	<b>38,348,800</b>	<b>162,576</b>	<b>20,860</b>	<b>65,551</b>
<b>Total Movement</b>	<b>15,555,800</b>	<b>14,067,500</b>	<b>22,751</b>	<b>(2,276)</b>	<b>44,148</b>
<i>Total Movement excl. Interest expense*</i>	<i>13,867,300</i>	<i>12,644,700</i>	<i>22,751</i>	<i>(2,276)</i>	<i>44,148</i>

\*Unwinding of discount

## Administered - Notes to and forming part of the financial statements

### Accounting Policy

#### Military Compensation Scheme Provision

The Military Compensation Scheme (MCS) provision is recognised under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

The provision represents an estimate of the present value of future payments in respect of claims under the *Military Rehabilitation and Compensation Act 2004* (MRCA) and the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) arising from military service rendered before 30 June 2024. Together these two schemes are known as the MCS. These claims may not be reported until many years after the event and subsequent payments for income support, health and rehabilitation services can extend over a long period of time. Historically, expenditure has been highest in the earlier years after the incident giving rise to the claim for compensation, however the ongoing entitlement to income support and treatment means that the liability has a "long tail" and payments could extend for decades post the initial claim.

#### Significant judgements and estimates

Sources of uncertainty exist when estimating a "long tail" provision, the key assumptions concerning the future and other sources of estimation uncertainty are discussed below. The provision represents a 'best estimate' including a risk adjustment based on the information and data available when the financial statements were prepared. Circumstances and assumptions about future developments may change due to factors such as economic conditions, developments in medicine, technology and/or service delivery, or the legislative environment. As new or amended information becomes available, existing data and/or assumptions may also be amended with implications for the provision's estimate at year end.

In the case of the MCS provision, there are also specific sources of uncertainty arising from the nature of the scheme and the data available:

- the longer lag time between injury and claim, compared with other workers' compensation schemes, coupled with variability in recent experience, particularly rapid expenditure growth presents difficulties in setting assumptions;
- the very long tail in payments means that the estimate of the provision is particularly sensitive to changes in the discount rate;
- the move from DRCA to MRCA in 2004 is likely to have distorted the claims experience over the transition period, with a jump in DRCA claims immediately prior to closure and a lower than expected numbers of MRCA claims in the first few years of its operation;
- the higher operational tempo of the Australian Defence Force from the late 1990s to early 2000s has also almost certainly led to some increased claims reporting in the early years of MRCA; and
- the MRCA experience is far from fully mature with analysis limited to a maximum of seventeen and a half years after the injury date. This needs to be compared with DRCA experience which indicates that payments can extend out to 50 years or more after the injury. While it is necessary to rely on the DRCA experience in setting some MRCA assumptions, there is increasingly compelling evidence that the claims experience under the two schemes may not be consistent.

For the purpose of estimating the provisions, the different types of obligations are categorised:

- incapacity payments;
- permanent impairment, including non-economic loss;
- medical;
- rehabilitation;
- death; and
- other payments.

In calculating the estimated cost of future claims, a variety of estimation techniques are used, generally based upon statistical analysis of historical experience. The valuation assumes that the development pattern of the current and future claims will generally be consistent with recent experience, with some adjustments based on expected clearing of the claims backlog.



## Administered - Notes to and forming part of the financial statements

### Actuarial Assumptions

The 30 June 2024 liability estimates are based on the results of the full valuation of the Military Compensation Scheme as at 30 June 2023. The key assumption changes since the last valuation are:

- An increase to the level of Initial Liability (IL) lodgements across both DRCA and MRCA was seen in the latest calendar year. This follows a period of relatively stable levels of IL lodgements. The latest IL lodgement levels have been incorporated into the projections. The heightened level of IL lodgements has a flow on impact to all benefits modelled.
- Modelling changes to MRCA Medical for gold card expenditure for veterans over age 75. This is due to the availability of new data relating to the experience of VEA gold cardholders. The data identified that there is a significant increase in expenditure after age 75.
- Modelling changes for MRCA PI this year which has resulted in changes to the claimant projection and average size projection. The claimant projection was previously based on the level of paid PI claims which were then adjusted for the backlog of IL and PI claims. This year, MRCA PI claims were modelled as a transition from completed IL claims. This change, along with the increase in lodgements, has increased the future projected PI claim numbers.
- Due to the continued increase in the average size of PI claims, at this valuation additional superimposed inflation (on top of the legislated price inflation) has been incorporated over the next four years as the backlog is cleared.
- Incapacity benefits saw an increased number of new incapacity recipients over the year and higher average payments, particularly at younger ages. One key change to modelling this year was to select assumptions based on a longitudinal view of experience. This allowed for setting continuance rates and average size assumptions based on both the age of the veteran when entering incapacity and the duration they've been on benefits. For continuance rates in particular, assumptions were set based on a longer period of experience to better reflect long term economic expectations, noting unemployment rates in the most recent years have been at record lows potentially driving the higher exit rates seen in the most recent years.

For detailed information on actuarial assumptions used to inform the valuation please refer to the *Actuarial Investigation into the Cost of Military Compensation – 30 June 2023* report which is available from the department's website.

### Other economic assumptions

<b>Economic Assumption</b>	<b>2024</b>	<b>2023</b>
Discount rate	4.0%-5.0%	4.0%-4.5%
Payment inflation rate	2.5%-5.0%	2.5%-5.0%

For detailed payment inflation rates by payment category refer to Table 5.1: Rates of inflation in the *Actuarial Investigation into the Cost of Military Compensation – 30 June 2023* report.

### Discount Rate

The provision is calculated as the discounted value of future cash flows. Cash flows are assumed to extend over a period of more than 50 years and as a result the estimate of the provision is very sensitive to the interest rate used for discounting.

DVA adopts a yield curve derived from the yield of Commonwealth bonds as at balance date for the purposes of discounting estimated future cash flows. For payments beyond 30 years (the longest Commonwealth bond) the yield curve is extrapolated.

### Accounting Adjustments

Due to the complexity of the analysis and timing of the financial statements, the full valuation at 30 June 2023 is rolled forward to 30 June 2024 by adjusting for an additional year of accident (i.e. 2023-24), expected payments made during the year, and interest costs over the year. The cash flows are discounted using the yield curve at 30 June 2024. These items are shown in the reconciliation table.

## Administered - Notes to and forming part of the financial statements

### Reconciliation of Provision

	2024	2023
	\$'000	\$'000
<b>Provision at beginning of financial year (excluding risk adjustment)</b>	<b>49,412,400</b>	38,493,500
<b>Changes in estimated liability by head of damage</b>		
Incapacity	3,682,200	590,000
Permanent impairment (PI) / non-economic loss	8,527,200	4,421,500
Medical	7,954,200	1,545,000
Other	2,412,700	4,111,400
<b>Total changes in estimated liability by head of damage</b>	<b>22,576,400</b>	10,667,900
<b>Revised provision at beginning of financial year</b>	<b>71,988,800</b>	49,161,400
<b>Roll forward adjustment</b>		
Notional premiums <sup>1</sup>	7,064,600	4,085,100
Payments	(4,281,300)	(2,329,300)
Imputed interest	2,937,700	1,137,900
<b>Provision at 30 June before change in interest rate</b>	<b>77,709,800</b>	52,055,100
Change in interest rate	(3,575,400)	(3,312,500)
<b>Provision at 30 June before adjustments</b>	<b>74,134,400</b>	48,742,600
Adjustment of Short Term Inflation	113,900	468,600
Adjustment for Defence Salary Increase 2023	0	201,200
<b>Provision at 30 June before risk adjustment</b>	<b>74,248,300</b>	49,412,400
Risk Adjustment <sup>2</sup>	11,062,800	6,275,400
<b>Liability at 30 June including risk adjustment</b>	<b>85,311,100</b>	55,687,800

<sup>1</sup> The notional premium represents the estimated liability associated with a new year of exposure.

<sup>2</sup> Refer to the Risk Adjustment section for more information.

The movement in the liability is the net effect of changes in assumptions as a result of analysis of new data that was not available as at 30 June 2023, the allowance for liabilities incurred or met over 2023–24 and the impact of the increase in yields between 30 June 2023 and 30 June 2024.

### Risk Adjustment

Due to the uncertainty in the provision as a result of the compensation claims backlog and pending legislation reform, a risk adjustment has been applied in 2023-24 to the liability valuation. This risk adjustment is based on an average risk margin applied by the employer liability insurance industry. The risk adjustment applied in 2023-24 is 14.9% (12.7% in 2022-23). The risk adjustment included in the provision at 30 June 2024 is \$11,063 million.

## Administered - Notes to and forming part of the financial statements

### Sensitivity Analysis

Noting the uncertainty in the provision, the following scenario analysis was performed to demonstrate how the balances of this provision could be impacted by different changes in assumptions. The sensitivities do not represent an upper or lower estimate of the provision, but provide an indication of the uncertainty inherent in the provision.

Scenarios 1-9 below show the liability result should assumptions differ from that expected for the benefit types which have contributed the largest movement to this year's result. The liability for MRCA medical payments accrues only the portion of future expenditure that is expected to result from injuries sustained prior to the valuation date. Should all future cashflows be accrued, the MCS liability would increase by 10.5 per cent, as shown in Scenario 10.

The full valuation report contains an extensive list of sensitivity and scenario results for the benefit types modelled. These are intended to show a range of possible outcomes should experience vary from expected. They are not intended to provide the upper and lower bounds of all possible outcomes. The results in the table below are a subset of the full list of sensitivity and scenarios tested and are based on the proportional movements for the same scenarios calculated on the 30 June 2023 valuation result. The results should be taken as indicative only.

	Description	Liability \$'000	Change in Liability \$'000	Change in Liability %
<b>Baseline</b>	30 June 2024 Estimate	85,311,100		
<b>Outcome</b>				
<b>1</b>	IL lodgements return to lower levels	79,200,300	(6,111,100)	(7.2%)
<b>2</b>	IL lodgements increase further	91,462,100	6,150,700	7.2%
<b>3</b>	MRCA PI lump sum increases by 10%	87,173,800	1,862,400	2.2%
<b>4</b>	Conversion of MRCA PI from IL is 5% higher	86,332,600	1,021,200	1.2%
<b>5</b>	Incapacity conversion from IL is higher	86,893,500	1,582,100	1.9%
<b>6</b>	Incapacity exits are lower than expected	86,531,300	1,219,900	1.4%
<b>7</b>	Gold Card proportions are lower than expected	84,092,400	(1,219,000)	(1.4%)
<b>8</b>	Gold Card proportions are higher than expected	88,804,100	3,492,700	4.1%
<b>9</b>	Inflation of MRCA household services is higher (5% total inflation)	87,110,100	1,798,700	2.1%
<b>10</b>	All MRCA medical liability is accrued	94,248,300	8,936,900	10.5%

The very long term over which these liabilities will be paid out makes the results very sensitive to relatively small changes in assumptions. Interpreting experience in an environment with rapidly changing experience also has significant challenges. Additional scenario analysis was undertaken in the following key areas:

- Recalculating the liability from the previous year using the current year's yield curve
- Claim rates and the timing of payments
- Exit rates from incapacity payments
- Transition rates, number of claimants and usage rates for medical payments

For a full summary of all scenario analysis undertaken, refer to Chapter 20 of the *Actuarial Investigation into the Cost of Military Compensation - 30 June 2023* report.

## Administered - Notes to and forming part of the financial statements

### Other Provisions

#### Veterans' Entitlement Act 1986 (VEA)

No provision is calculated for future payments under the VEA as this Act differs in nature from both MRCA and DRCA. VEA is primarily an income support scheme whereas MRCA and DRCA are injury compensation schemes. Under AASB 137 a government does not have a present obligation to sacrifice future economic benefits for social welfare payments that might arise in future reporting periods. A present obligation for social welfare payments arises only when entitlement conditions are satisfied for payment during a particular payment period.

#### Medical and other health services (TAS) claim provision

The Medical and other health services claims provision is an estimate of outstanding payments for eligible treatment claims through the Treatment Accounts System (TAS) as at 30 June 2024. An estimation methodology has been applied for calculating the approximate amount of outstanding claims which will be paid in future years. This provision is not discounted as all amounts are expected to be paid within the next financial year.

#### Repatriation Pharmaceutical Benefits Scheme (RPBS) provision

The RPBS provision is an estimate of the liability outstanding for payment of eligible claims on the RPBS as at 30 June 2024. An estimation methodology has been applied for calculating the amount of outstanding claims which will be paid in future years. This provision is not discounted as all amounts are expected to be paid within the next financial year.

#### Provisions for payments to hospitals

A provision has been made for outstanding eligible hospital payments. Due to the uniqueness of each state's approach to the delivery of health care services in public hospitals there is an element of uncertainty in the provision. Specifically, DVA funds veteran services in the state public hospital sector on the basis of estimating the expected cost, advancing funds based on that estimate and then receiving data after services have been provided. DVA attempts to mitigate the uncertainty through analysis of prior year trends and monitoring price movements for diagnostic related groups. This provides some certainty that costs are accurately recorded and the financial statements presented are materially correct. This provision is not discounted as all amounts are expected to be paid within the next financial year.

## Administered - Notes to and forming part of the financial statements

### 9. Managing Uncertainties

#### 9.1. Administered – Financial Instruments

		2024	2023
		\$'000	\$'000
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents	8.1A	96,990	55,851
Pension loans scheme		9,550	6,363
<b>Total financial assets at amortised cost</b>		<b>106,540</b>	<b>62,214</b>
<b>Financial assets at fair value through other comprehensive income</b>			
Investments in Commonwealth entities	8.1C	1,736,452	1,699,234
<b>Total financial assets at fair value through other comprehensive income</b>		<b>1,736,452</b>	<b>1,699,234</b>
<b>Total financial assets</b>		<b>1,842,992</b>	<b>1,761,448</b>
<b>Financial Liabilities</b>			
<b>Financial liabilities measured at amortised cost</b>			
Health care payables		73,524	38,863
Grants payables		2,789	51
Other payables		51,118	44,776
<b>Total financial liabilities measured at amortised cost</b>		<b>127,431</b>	<b>83,690</b>
<b>Total financial liabilities</b>		<b>127,431</b>	<b>83,690</b>

#### 9.2. Administered – Fair Value Measurement

		2024	2023
		\$'000	\$'000
<b>Financial assets</b>			
Equity accounted investments		1,736,452	1,699,234
<b>Total financial assets</b>		<b>1,736,452</b>	<b>1,699,234</b>
<b>Non-Financial assets</b>			
Buildings		24,428	54,992
Property, Plant and Equipment		2,907	3,155
<b>Total financial assets</b>		<b>27,335</b>	<b>58,147</b>
<b>Total fair value measurements of assets in the statement of financial position</b>		<b>1,763,787</b>	<b>1,757,381</b>

#### 9.3. Administered – Contingent Assets and Liabilities

##### *Quantifiable Administered Contingencies*

DVA has no contingent liabilities in respect of claims for damages or costs (2023: nil).

##### *Unquantifiable Administered Contingencies*

The Department has a number of legal claims lodged against it for damages and costs. The Department is responding to these claims in accordance with its obligations under the Legal Services Directions 2017. It is not possible to estimate the amount and timing of any eventual payments that may be required in relation to these claims.

The Office of Australian War Graves (OAWG) is responsible for maintenance of war cemeteries, graves and commemorations in Australia, Papua New Guinea and the Solomon Islands for Australians involved in conflicts. DVA has assessed these graves and memorials against the requirements for liability recognition. On balance OAWG does not have sufficient information to estimate the amount and timing of any future payments. The OAWG does however have a responsibility to maintain these sites in perpetuity so is recognised as a contingent liability.

## Administered - Notes to and forming part of the financial statements

### 10. Funding

This section identifies DVA's funding structure

#### 10.1. Administered – Appropriations

##### Note 10.1A: Annual Appropriations ('Recoverable GST exclusive')

###### Annual appropriations for 2024

	Annual appropriation \$'000	Adjustments to appropriation \$'000	Total appropriation \$'000	Appropriation applied in 2024 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
<b>Administered</b>					
Ordinary annual services					
Administered items	183,679	-	183,679	(119,156)	64,523
Payments to Australian War Memorial	42,140	-	42,140	(42,140)	-
Other services					
Administered assets and liabilities	9,195	-	9,195	(939)	8,256
Payments to Australian War Memorial	7,645	-	7,645	(7,645)	-
<b>Total administered</b>	<b>242,659</b>	<b>-</b>	<b>242,659</b>	<b>(169,880)</b>	<b>72,779</b>

<sup>1</sup> Current year administered appropriations withheld under section 51 of the PGPA Act are \$7.386 million.

<sup>2</sup> The variance of the ordinary annual services predominantly reflects timing differences associated with the payment of beneficiaries and suppliers.

##### Note 10.1A: Annual Appropriations ('Recoverable GST exclusive')

###### Annual appropriations for 2023

	Annual appropriation \$'000	Adjustments to appropriation \$'000	Total appropriation \$'000	Appropriation applied in 2023 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
<b>Administered</b>					
Ordinary annual services					
Administered items	290,902	-	290,902	(111,266)	179,636
Payments to Australian War Memorial	42,828	-	42,828	(42,828)	-
Other services					
Administered assets and liabilities	2,420	-	2,420	(230)	2,190
Payments to Australian War Memorial	131,563	-	131,563	(131,563)	-
<b>Total administered</b>	<b>467,713</b>	<b>-</b>	<b>467,713</b>	<b>(285,887)</b>	<b>181,826</b>

<sup>1</sup> Previous year administered appropriations withheld under section 51 of the PGPA Act are \$123.093 million.

<sup>2</sup> The variance of the ordinary annual services predominantly reflects timing differences associated with the payment of beneficiaries and suppliers.

## Administered - Notes to and forming part of the financial statements

<b>Note 10.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')</b>		
	<b>2024</b>	2023
<b>Administered</b>	<b>\$'000</b>	\$'000
Appropriation Act (No. 1) 2020-21 <sup>1</sup>	-	18,357
Appropriation Act (No. 3) 2020-21 <sup>1</sup>	-	2,250
Supply Act (No. 1) 2020-21 <sup>1</sup>	-	2,828
Appropriation Act (No. 1) 2021-22 <sup>1</sup>	<b>31,752</b>	31,752
Appropriation Act (No. 3) 2021-22 <sup>1</sup>	<b>14,410</b>	14,410
Appropriation Act (No. 1) 2022-23 <sup>1</sup>	<b>37,502</b>	37,502
Appropriation Act (No. 2) 2022-23	<b>2,190</b>	2,190
Supply Act (No. 1) 2022-23 <sup>1</sup>	<b>26,542</b>	26,542
Supply Act (No. 3) 2022-23 <sup>1</sup>	<b>120,819</b>	120,819
Appropriation Act (No. 1) 2023-24 <sup>1</sup>	<b>64,416</b>	-
Appropriation Act (No. 2) 2023-24	<b>6,066</b>	-
Appropriation Act (No. 3) 2023-24 <sup>1</sup>	<b>107</b>	-
Appropriation Act (No. 4) 2023-24	<b>2,190</b>	-
<b>Total administered</b>	<b>305,995</b>	256,651

<sup>1</sup> In accordance with Section 51 of the PGPA Act, the access to the following funds is permanently withheld:

- \$31.660 million funds were quarantined from the Appropriations Act (No. 1) 2021–22
- \$14.410 million funds were quarantined from the Appropriations Act (No. 3) 2021–22
- \$16.099 million funds were quarantined from the Appropriations Act (No. 1) 2022–23
- \$6.751 million funds were quarantined from the Supply Act (No. 1) 2022–23
- \$100.243 million funds were quarantined from the Supply Act (No. 3) 2022–23
- \$7.386 million funds were quarantined from the Appropriations Act (No. 1) 2023-24

The unspent 2021-22 appropriations will lapse on 1 July 2024 under section 39 of the FRR.

<b>Note 10.1C: Special Appropriations ('Recoverable GST exclusive')</b>		
<b>Authority</b>	<b>Appropriation applied</b>	
	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
<i>Veterans' Entitlements Act 1986</i> , s.199, Administered, Unlimited	<b>8,332,933</b>	7,929,762
<i>Papua New Guinea (Members of the Forces Benefits) Act 1957</i> , s.8A, Administered, Unlimited	<b>26</b>	29
<i>Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988</i> , s.160, Administered, Unlimited	<b>595,425</b>	408,376
<i>Military Rehabilitation and Compensation Act 2004</i> , s.423, Administered, Unlimited	<b>3,653,440</b>	1,991,361
<i>Australian Participants in British Nuclear Tests and British Commonwealth Occupation Force (Treatment) Act 2006</i> , s.49, Administered, Unlimited	<b>7,737</b>	7,857
<i>Treatment Benefits (Special Access) Act 2019</i> , s.62, Administered, Unlimited	<b>1,220</b>	1,312
<b>Total</b>	<b>12,590,781</b>	10,338,697

## Administered - Notes to and forming part of the financial statements

### Note 10.1D: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	2024 \$'000	2023 \$'000
<b>Department of Social Services</b>		
Total receipts	<b>67,958</b>	64,877
Total payments	<b>(70,656)</b>	(64,916)
<b>Department of Defence</b>		
Total receipts	<b>188,732</b>	125,899
Total payments	<b>(186,001)</b>	(117,301)

DVA is authorised by the Department of Social Services (DSS) to make payments on behalf of DSS in relation to DSS pensions.

DVA is authorised by the Department of Defence to make payments under *Defence (Home Loans Assistance) Act 1990* and *Defence Home Ownership Assistance Scheme Act 2008*.

Payments are made from appropriations administered by other agencies. The related revenue, expense, assets, liabilities and cash flows are disclosed in the financial statements of the relevant government agency which is responsible for the outcomes to which the items relate.



## Administered - Notes to and forming part of the financial statements

### 10.2. Administered – Special Accounts

	Military Death Claim Compensation Special Account 2015 <sup>1</sup>		Services for Other Entities and Trust Moneys Special Account - Department of Veterans' Affairs <sup>2</sup>	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Balance brought forward from previous period</b>	<b>431</b>	<b>223</b>	<b>289</b>	<b>264</b>
<b>Increases</b>				
Realised investments	533	500	-	-
Other receipts	585	336	353	412
<b>Total increases</b>	<b>1,119</b>	<b>836</b>	<b>353</b>	<b>412</b>
<b>Available for payments</b>	<b>1,550</b>	<b>1,059</b>	<b>642</b>	<b>676</b>
<b>Decreases</b>				
<b>Relevant money</b>				
Payments made to beneficiaries on attaining 18 years of age	(126)	(118)	-	-
PGPA Act section 58 investments	(1,000)	(510)	-	-
Other payments made	(10)	-	(379)	(387)
<b>Total relevant money</b>	<b>(1,136)</b>	<b>(628)</b>	<b>(379)</b>	<b>(387)</b>
<b>Total decreases</b>	<b>(1,136)</b>	<b>(628)</b>	<b>(379)</b>	<b>(387)</b>
<b>Total balance carried to the next period</b>	<b>414</b>	<b>431</b>	<b>263</b>	<b>289</b>
<b>Balance represented by:</b>				
Cash held in entity bank accounts	414	431	263	289
<b>Total balance carried to the next period</b>	<b>414</b>	<b>431</b>	<b>263</b>	<b>289</b>

- 1. Appropriation:** *Public Governance, Performance and Accountability Act 2013, s.78*  
**Establishing Instrument:** *PGPA Act (Military Death Claim Compensation Special Account 2015 - Establishment) Determination 2015/08*  
**Purpose:** Administration of Death Claim Compensation amounts on behalf of dependants of a Defence Force member after the member's death. The closing balance of this special account includes amounts held in trust of \$414,000 (2023: \$431,000), set out in Note 11.2A.  
**Investments:** DVA held \$1,000,000 in term deposits as a result of investments made under s58 of the PGPA Act (2023: \$510,000). This includes amounts realised and automatically reinvested in term deposits.
- 2. Appropriation:** *Public Governance, Performance and Accountability Act 2013, s.78*  
**Establishing Instrument:** *PGPA Act Determination (Department of Veterans' Affairs SOETM Special Account 2022)*  
**Purposes:**

  - To receive donations from veterans and others for the purposes of maintaining and improving OAWG facilities as either specified by the donor or for other general purposes.
  - To receive donations from veterans and others for use by the Repatriation Commission as either specified by the donor or for other general purposes in accordance with section 200 of the *Veterans' Entitlements Act 1986*. The balance at 30 June 2024 was \$130,000 (2023: \$125,000).

## Administered - Notes to and forming part of the financial statements

### 11. Other Information

#### 11.1. Current/non-current distinction for assets and liabilities

	2024	2023
	\$'000	\$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	96,990	55,851
Receivables	39,769	34,112
<b>Total no more than 12 months</b>	<b>136,759</b>	<b>89,963</b>
<b>More than 12 months</b>		
Receivables	61,595	54,945
Equity accounted investments	1,736,452	1,699,234
Non-financial assets	34,180	65,781
<b>Total more than 12 months</b>	<b>1,832,227</b>	<b>1,819,960</b>
<b>Total assets</b>	<b>1,968,986</b>	<b>1,909,923</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Personal benefits payables	76,283	102,181
Health care payables	73,524	38,863
Grants payables	2,789	51
Supplier payables	52,587	45,168
Employee provisions	2,238	1,248
Personal benefits provisions	3,825,500	1,969,500
Health care provisions	710,887	544,164
<b>Total no more than 12 months</b>	<b>4,743,808</b>	<b>2,701,175</b>
<b>More than 12 months</b>		
Employee provisions	4,194	2,952
Personal benefits provisions	43,136,800	29,437,000
Health care provisions	37,886,900	23,921,500
<b>Total more than 12 months</b>	<b>81,027,894</b>	<b>53,361,452</b>
<b>Total liabilities</b>	<b>85,771,702</b>	<b>56,062,627</b>

## Administered - Notes to and forming part of the financial statements

### 11.2. Assets Held in Trust

#### Note 11.2A: Assets Held in Trust ('Recoverable GST exclusive')

The Military Death Claim Compensation Special Account 2015 is a bare trust established by the Military Rehabilitation and Compensation Commission to administer compensation benefits paid to under age beneficiaries under the *Compensation (Commonwealth Government Employees) Act 1971*, *Safety, Rehabilitation & Compensation Act 1988*, *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* and the *Military Rehabilitation and Compensation Act 2004* with such monies held in the trust until being paid to the beneficiaries upon reaching 18 years of age.

	2024	2023
	\$'000	\$'000
<b>Military Death Claim Compensation Special Account 2015</b>		
<b>Compensation and related investments</b>		
<b>As at 1 July</b>	<b>431</b>	223
Receipts	585	336
Payments	(136)	(118)
Realised investments	533	500
PGPA Act section 58 investments <sup>1</sup>	(1,000)	(510)
<b>Total as at 30 June</b>	<b>414</b>	431
<b>Total monetary assets held in trust</b>	<b>414</b>	431

<sup>1</sup> The value of investment in the form of a term deposit at 30 June 2024 is \$1,000,000 (2023: \$510,000).

## Administered - Notes to and forming part of the financial statements

### 11.3. Explanations of Major Administered Budget Variances

The table below provides explanations for significant variances between DVA's original administered budget estimates, as published in the 2023–24 Portfolio Budget Statements, and the actual financial performance and position for the year. The budget is not audited. Variances are treated as significant when it is considered important for a reader's understanding or is relevant to an assessment of the discharge of accountability and for the analysis of DVA's performance. The nature and timing of the Commonwealth budget process can also contribute to the variances.

Explanation of major variances	Affected line items (and schedule)
Personal benefits are \$1.1 billion more than budget due to the clearing of the claims backlog.	Personal benefits (Administered Schedule of Comprehensive Income)
Grants are \$15.8 million less than budget due to several grant programs being delayed by contract negotiations.	Grants (Administered Schedule of Comprehensive Income)
The Military Compensation Scheme (MCS) provision is \$24.5 billion greater than budget due to continued growth in Permanent Impairment, Incapacity and Medical benefits. Further detail is provided in Note 8.3.	Interest expense, Movement of military compensation provisions (Administered Schedule of Comprehensive Income) Personal benefits provisions, Health care provisions (Administered Schedule of Assets and Liabilities)
Other expenses are \$15.9 million higher than budget primarily due to the recognition of costs for an asset write-down relating to the Sir John Monash Centre.	Other expenses (Administered Schedule of Comprehensive Income)
The revaluation reserve is \$27.1 million higher than budget due to the increase in the net assets of the Australian War Memorial.	Change in revaluation reserve (Administered Schedule of Comprehensive Income)
Non-financial assets are \$37.9 million lower than budget due to the downward revaluation of the Sir John Monash Centre.	Buildings, Other property, plant and equipment and Intangibles (Administered Schedule of Assets & Liabilities)
Personal benefits payable is \$16.9 million higher than budget due to the fortnightly cycle of benefit payments, with more days accrued than budgeted.	Personal benefits payables (Administered Schedule of Assets & Liabilities)
Health care payables is \$54.5 million higher than budget due to timing of payments benefits paid and increased expenditure due to the downstream effects of the claims backlog being cleared.	Health care payables (Administered Schedule of Assets & Liabilities)
Grants payables are \$2.7 million higher than budget as payments were not made in the expected timeframe.	Grants payables (Administered Schedule of Assets & Liabilities)
Supplier and other payables is \$7.4 million higher than budget primarily due to the Defence Home Ownership Assistance Scheme (DHOAS) accruals.	Supplier and other payables (Administered Schedule of Assets & Liabilities)
Employee provisions have increased by \$3.2 million due to the conversion of labour hire contractors to ongoing staff.	Employee provisions (Administered Schedule of Assets & Liabilities)

# Defence Service Homes Insurance Scheme

## financial statements 2023–24

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## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Veterans' Affairs

#### Opinion

In my opinion, the financial statements of the Defence Service Homes Insurance Scheme (the Entity) for the year ended 30 June 2024:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Secretary and General Manager;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising material accounting policy information and other explanatory information.

#### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary of the Department of Veterans' Affairs is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary of the Department of Veterans' Affairs is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of

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accounting, unless the assessment indicates that it is not appropriate.

### **Auditor's responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Lorena Skipper

Executive Director

Delegate of the Auditor-General

Canberra

11 October 2024

## Statement by the Secretary and General Manager

The accompanying financial statements of the Defence Service Homes Insurance Scheme for the year ended 30 June 2024 have been prepared in accordance with section 50B of the *Defence Service Homes Act 1918* which requires the financial statements to be prepared in such form as determined by the Minister for Finance. The Minister for Finance has approved the form of the financial statements as specified in the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*.

In our opinion, the attached financial statements for the year ended 30 June 2024 comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*, and are based on properly maintained financial records as per subsection 41(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In our opinion, at the date of this statement, there are reasonable grounds to believe that Defence Service Homes Insurance Scheme will be able to pay its debts as and when they fall due.



Alison Frame  
Secretary

11 October 2024



Wayne Perry  
General Manager, Defence Service Homes Insurance  
Scheme

11 October 2024



**Defence Service Homes Insurance Scheme**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2024*

	Notes	2024 \$'000	2023 \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Claims expense</b>				
Claims expense	3.1F	49,092	38,674	46,087
Less: Reinsurance and other recoveries	3.1A	425	(2,818)	-
<b>Net claims expense</b>		<b>49,517</b>	<b>35,856</b>	<b>46,087</b>
<b>Premium revenue</b>				
Insurance premium revenue	3.1B	72,222	65,415	70,090
Less: Reinsurance expense		(18,405)	(15,022)	(16,524)
<b>Net premium revenue</b>		<b>53,817</b>	<b>50,393</b>	<b>53,566</b>
Unexpired risk liability expense	3.1C	(3,394)	1,663	
<b>Operating expense</b>				
Employee benefits equivalent	1.1A	5,133	4,973	5,795
Fire brigade and emergency services contributions		2,228	1,937	-
Suppliers	1.1B	4,886	3,899	5,767
Amortisation		-	-	-
Acquisition costs		371	171	-
<b>Total operating expense</b>		<b>12,618</b>	<b>10,980</b>	<b>11,562</b>
<b>Underwriting result</b>		<b>(4,924)</b>	<b>1,894</b>	<b>(4,083)</b>
<b>Own-Source Income</b>				
<b>Own-source revenue</b>				
Commissions received	1.2A	3,905	4,095	3,527
Interest	1.2B	3,374	1,800	371
Resources received free of charge	1.2C	60	60	65
<b>Total own-source revenue</b>		<b>7,339</b>	<b>5,955</b>	<b>3,963</b>
<b>Total own-source income</b>		<b>7,339</b>	<b>5,955</b>	<b>3,963</b>
<b>Net contribution by/(cost of) services</b>		<b>2,415</b>	<b>7,849</b>	<b>(120)</b>
Revenue from Government	1.2D	120	120	120
<b>Surplus/(Deficit) attributable to the Australian Government</b>		<b>2,535</b>	<b>7,969</b>	<b>-</b>
Other comprehensive income		-	-	-
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>		<b>2,535</b>	<b>7,969</b>	<b>-</b>

The above statement should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 7.2.

**Defence Service Homes Insurance Scheme**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2024*

	Notes	2024 \$'000	Restated 2023 \$'000	Restated 2022 \$'000	Original Budget \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2.1A	25,103	26,629	8,540	4,725
Trade and other receivables	2.1B	37,564	41,115	61,586	71,147
Investments	2.1C	54,445	47,014	54,876	51,288
<b>Total financial assets</b>		<b>117,112</b>	<b>114,758</b>	<b>125,002</b>	<b>127,160</b>
<b>Non-financial assets</b>					
Other non-financial assets		67	64	20	30
<b>Total non-financial assets</b>		<b>67</b>	<b>64</b>	<b>20</b>	<b>30</b>
<b>Total assets</b>		<b>117,179</b>	<b>114,822</b>	<b>125,022</b>	<b>127,190</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2.3A	8,102	9,147	8,187	8,495
Unearned revenue	3.1E	40,584	36,378	32,834	36,511
Other payables	2.3B	1,498	1,151	875	
<b>Total payables</b>		<b>50,184</b>	<b>46,676</b>	<b>41,896</b>	<b>45,006</b>
<b>Provisions</b>					
Gross claims outstanding	3.1D	35,526	35,668	60,109	59,039
Unexpired risk liability	3.1G	2,195	5,741	4,248	-
<b>Total provisions</b>		<b>37,721</b>	<b>41,409</b>	<b>64,357</b>	<b>59,039</b>
<b>Total liabilities</b>		<b>87,905</b>	<b>88,085</b>	<b>106,253</b>	<b>104,045</b>
<b>Net assets</b>		<b>29,274</b>	<b>26,737</b>	<b>18,769</b>	<b>23,145</b>
<b>EQUITY</b>					
Retained surplus		29,274	26,737	18,769	23,145
<b>Total equity</b>		<b>29,274</b>	<b>26,737</b>	<b>18,769</b>	<b>23,145</b>

The above statement should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 7.2.

**Defence Service Homes Insurance Scheme**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2024*

	2024	Restated 2023	Restated 2022
	\$'000	\$'000	\$'000
<b>TOTAL EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	26,737	18,769	23,386
Adjustment for errors	2	(1)	-
Adjustment for changes in accounting policies	-	-	-
<b>Adjusted opening balance</b>	<b>26,739</b>	18,768	23,386
<b>Comprehensive income</b>			
Surplus/(Deficit) for the period	2,535	7,969	(4,617)
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	<b>2,535</b>	7,969	(4,617)
Total comprehensive income / (loss) attributable to Australian Government	2,535	7,969	(4,617)
<b>Closing balance at 30 June</b>	<b>29,274</b>	26,737	18,769
<b>Closing balance attributable to Australian Government</b>	<b>29,274</b>	26,737	18,769

The above statement should be read in conjunction with the accompanying notes.

There was no published budgeted statement of changes in equity in the PBS.

**Defence Service Homes Insurance Scheme**  
**CASH FLOW STATEMENT**  
*for the period ended 30 June 2024*

	Notes	2024 \$'000	2023 \$'000	Original Budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Premiums received		71,419	66,003	52,248
Commissions received		3,904	4,105	3,898
Interest		3,105	1,409	-
GST received		(91)	112	-
Receipts from Government		120	120	120
Reinsurance and other recoveries		8,404	26,403	-
<b>Total cash received</b>		<b>86,861</b>	<b>98,152</b>	<b>56,266</b>
<b>Cash used</b>				
Claim payments		49,234	63,115	47,194
Employees		5,133	4,973	5,795
Suppliers		5,932	2,983	5,535
Fire brigade and emergency services contributions		2,228	1,937	-
Reinsurance premiums		18,058	14,746	-
Acquisition costs		371	171	-
<b>Total cash used</b>		<b>80,956</b>	<b>87,925</b>	<b>58,524</b>
<b>Net cash from/(used by) operating activities</b>		<b>5,905</b>	<b>10,227</b>	<b>(2,258)</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash received</b>				
Investments realised		73,501	74,000	51,288
<b>Total cash received</b>		<b>73,501</b>	<b>74,000</b>	<b>51,288</b>
<b>Cash used</b>				
Purchase of investments		80,932	66,138	48,936
<b>Total cash used</b>		<b>80,932</b>	<b>66,138</b>	<b>48,936</b>
<b>Net cash from/(used by) investing activities</b>		<b>(7,431)</b>	<b>7,862</b>	<b>2,352</b>
<b>Net increase / (decrease) in cash held</b>		<b>(1,526)</b>	<b>18,089</b>	<b>94</b>
Cash and cash equivalents at the beginning of the reporting period		26,629	8,540	4,631
<b>Cash and cash equivalents at the end of the reporting period</b>	2.1A	<b>25,103</b>	<b>26,629</b>	<b>4,725</b>

The above statement should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 7.2.

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

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## Defence Service Homes Insurance Scheme

### Notes to and forming part of the Financial Statements

for the period ended 30 June 2024

#### Overview

##### Objectives of Defence Service Homes Insurance Scheme

Defence Service Homes (DSH) Insurance is a self-funded insurance scheme that provides building insurance to eligible veterans and Australian Defence Force (ADF) personnel. DSH Insurance forms part of the operations of the Client Engagement and Support Services Division of the Department of Veterans' Affairs (Department). The objective of DSH Insurance is to provide domestic building insurance in accordance with the *Defence Service Homes Act 1918* and Regulations.

DSH Insurance operates under the control of the Secretary of the Department of Veterans' Affairs. The continued existence of DSH Insurance in its present form is dependent on Government policy.

##### Basis of Preparation of the Financial Statements

The financial statements are required by Section 50B of the *Defence Service Homes Act 1918*. The financial statements are general purpose financial statements.

The statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (PGPA); and
- Australian Accounting Standards and Interpretations – Simplified Disclosures issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the PGPA Rule, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to DSH Insurance or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard.

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the statement of comprehensive income, when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

##### Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, DSH Insurance has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The value of outstanding claims and estimated future claims on unexpired premiums has been estimated by an independent actuary. The actuary has used the methods and assumptions detailed in note 3.1.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

## Defence Service Homes Insurance Scheme

### Notes to and forming part of the Financial Statements

for the period ended 30 June 2024

#### New Australian Accounting Standards

All new accounting standards, revised standards, amending standards and/or interpretations that were issued prior to the signing of the statements by the Secretary and General Manager, and are applicable to the current reporting period did not have a material effect on DSH Insurance's financial statements.

Standard	Application date	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 Jan 2023	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

Standard	Application date	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 Jan 2023	AASB 2021-2 amends AASB Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates.

The following new standards were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Secretary and General Manager which are expected to have a material impact on the entity's financial statements for future reporting periods, the impact of these standards has not yet been quantified.

Standard	Application date	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 17 Insurance Contracts	1 Jul 2026 *	The effect of AASB 17 is not yet quantified for DSH Insurance. DSH Insurance engaged External Accounting and Actuarial Experts (KPMG) to provide impact assessment report. This report was completed in November 2022. It was assessed that Exposure Draft 319 is applicable to DSH Insurance and the AASB would apply to DSH Insurance to the annual periods beginning on or after 1 July 2025. AASB 2022-8 has deferred the application date to 1 July 2026.

\* Extended to 1 July 2026 under AASB 2022-8

#### Taxation

The Defence Service Homes Insurance Scheme is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses, liabilities and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office, and
- except for receivables and payables.

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**Restatement of prior period error**

During the year an error was identified in the comparative period and opening balance sheet. Due to an administrative error, the Defence Service Homes Insurance Scheme's Statement of Financial Position at 30 June 2022 and 30 June 2023 overstated Recoveries Receivable which is part of the financial statement line-item Trade and Other Receivables by \$4,376,000 in 2022 and \$4,377,000 in 2023. This error was first recorded as at 30 June 2022 and in that year Reinsurance and Other Recoveries in the Statement of Comprehensive Income was overstated by \$4,376,000.

	<b>Restated</b>	<b>Restated</b>
<b>Extract of the Statement of Financial Position</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
<b>Trade and Other Receivables – Recoveries Receivable</b>		
Previously disclosed balance	45,492	65,962
Adjustment for error	(4,377)	(4,376)
<b>Restated balance</b>	<b>41,115</b>	<b>61,586</b>
<b>Retained Surplus</b>		
Previously disclosed balance	31,114	23,145
Adjustment for error	(4,377)	(4,376)
<b>Restated balance</b>	<b>26,737</b>	<b>18,769</b>
	<b>Restated</b>	<b>Restated</b>
<b>Extract of the Statement of Changes in equity</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
<b>Opening balance</b>		
Previously disclosed balance	23,145	23,386
Adjustment for error	(4,376)	-
Adjustment for other errors (rounding)	(1)	-
<b>Restated balance</b>	<b>18,768</b>	<b>23,386</b>
<b>Comprehensive Income / (Loss)</b>		
Previously disclosed balance	7,969	(241)
Adjustment for error	-	(4,376)
<b>Restated balance</b>	<b>7,969</b>	<b>(4,617)</b>
<b>Total comprehensive income / (loss) attributable to Australian Government</b>		
Previously disclosed balance	31,114	23,145
Adjustment for error	(4,377)	(4,376)
<b>Restated balance</b>	<b>26,737</b>	<b>18,769</b>
		<b>Restated</b>
<b>Extract of the Statement of Comprehensive Income</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
<b>Reinsurance and other recoveries</b>		
Previously disclosed balance	(2,818)	36,955
Adjustment for error	-	(4,376)
<b>Restated balance</b>	<b>(2,818)</b>	<b>32,579</b>



## Defence Service Homes Insurance Scheme

### Notes to and forming part of the Financial Statements

for the period ended 30 June 2024

#### Events After the Reporting Period

There were no events occurring after balance date up until the signing date of this report that had a material impact on the financial statements. There were no notable catastrophe events.

## 1. Financial Performance

This section analyses the financial performance of DSH Insurance for the year ended 30 June 2024.

### 1.1. Expenses

	2024	2023
	\$'000	\$'000
<b>Note 1.1A: Employee benefits equivalent</b>		
Wages and salaries	4,450	4,281
Superannuation		
Defined contribution plans	72	178
Defined benefit plans	605	508
Leave and other entitlements	6	6
<b>Total employee benefits</b>	<b>5,133</b>	<b>4,973</b>

#### Accounting Policy

##### Salary, Wages and Superannuation

DSH Insurance's salaries, wages, superannuation, long service leave and annual leave are paid by the Department, and are repaid to the Department as a supplier on 30 day terms. These expenses paid to the Department are recorded as wages, salaries, superannuation and leave in order to represent the nature of the expenses. Any salaries, wages, superannuation, long service leave and annual leave unpaid as at 30 June 2024 are recorded as unpaid supplier expenses.

All long service and annual leave liabilities are recorded by the Department of Veterans' Affairs.

Staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or a superannuation scheme of their choice.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. The liability is reported by the Department of Finance as an administered item.

The Department makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of DSH Insurance's employees.

### Note 1.1B: Suppliers

#### Goods and services supplied or rendered

Consultants	787	508
Contractors	1,065	805
Travel	19	57
IT services	1,089	727
Payment to DVA	1,711	1,533
Other	215	269
<b>Total goods and services supplied or rendered</b>	<b>4,886</b>	<b>3,899</b>
Goods supplied	2	2
Services rendered	4,884	3,897
<b>Total goods and services supplied or rendered</b>	<b>4,886</b>	<b>3,899</b>

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**1.2. Own-Source Income and Gains**

Own-Source Revenue	2024	2023
	\$'000	\$'000
<b>Note 1.2A: Commissions received</b>		
Insurance agency commission	3,905	4,095
<b>Total commissions received</b>	<u>3,905</u>	<u>4,095</u>

**Accounting Policy**

Commissions received revenue is recognised when it becomes due to DSH Insurance.

**Note 1.2B: Interest**

Deposits	3,374	1,800
<b>Total Interest</b>	<u>3,374</u>	<u>1,800</u>

**Note 1.2C: Resources received free of charge**

Remuneration of auditors	60	60
<b>Total resources received free of charge</b>	<u>60</u>	<u>60</u>

Other services of \$8,300 were provided by Deloitte Touche Tohmatsu during 2023-24 in relation to the Emergency Services Levy return.

**Accounting Policy**

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined, and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

**Note 1.2D: Revenue from Government**

Interest appropriations	120	120
<b>Total revenue from Government</b>	<u>120</u>	<u>120</u>

**Accounting Policy**

Amounts appropriated are recognised as revenue when DSH Insurance gains control of the appropriation. DSH Insurance receives appropriation revenue for interest equivalency payments.

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**2. Financial Position**

This section analyses the DSH Insurance's assets used to generate financial performance and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

**2.1. Financial Assets**

	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
<b>Note 2.1A: Cash and cash equivalents</b>		
Cash at bank	14,589	6,682
Short-term investments	10,514	19,947
<b>Total cash and cash equivalents</b>	<b>25,103</b>	<b>26,629</b>
<b>Note 2.1B: Trade and other receivables</b>		
		Restated
<b>Goods and services receivables</b>		
Premiums receivable	32,157	27,239
<b>Other receivables</b>		
GST receivable	122	31
Recoveries receivable	4,451	13,209
Interest receivable	839	570
Other receivable	(5)	66
<b>Total trade and other receivables</b>	<b>37,564</b>	<b>41,115</b>

Receivables past 90 days are not considered impaired as policies are cancelled after this period if not paid.

**Note 2.1C: Investments**

Deposits	54,445	47,014
<b>Total investments</b>	<b>54,445</b>	<b>47,014</b>

Monies invested in term deposits and negotiable certificates of deposit with various approved institutions under Section 58 of the *Public Governance, Performance and Accountability Act 2013*.

Amounts classified as investments are not used to meet short-term cash commitments.

The accounting policy for Cash and cash equivalents, Trade and other receivables and Investments is detailed within Note 6.2A.

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**2.2. Non-Financial Assets**

**Note 2.2A: Reconciliation of the opening and closing balances of intangibles**

**Reconciliation of the opening and closing balances of intangibles for 2024**

	Intangibles \$'000
<b>As at 1 July 2023</b>	
Gross book value	4,088
Accumulated amortisation and impairment	(4,088)
<b>Total as at 1 July 2023</b>	-
Amortisation expense	-
<b>Total as at 30 June 2024</b>	-
<b>Total as at 30 June 2024 represented by</b>	
Gross book value	4,088
Accumulated amortisation and impairment	(4,088)
<b>Total as at 30 June 2024</b>	-

**Accounting Policy**

Intangible Assets

The DSH Insurance's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

**Accounting Policy**

Deferred Acquisition Costs

A portion of acquisition costs relating to unearned premium revenue can be deferred in recognition that it represents future benefits to DSH Insurance. Deferred acquisition assets must have a probability of future economic benefit and be able to be reliably measured.

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**2.3. Payables**

	2024	2023
	\$'000	\$'000
<b>Note 2.3A: Suppliers</b>		
Trade creditors	7,380	6,558
Accrued expenses	722	2,589
<b>Total suppliers</b>	<b>8,102</b>	<b>9,147</b>

Settlement is usually made net 7 days.

**Note 2.3B: Other payables**

Reinsurance premiums	1,498	1,151
<b>Total other payables</b>	<b>1,498</b>	<b>1,151</b>

Settlement is usually made net 7 days.

The accounting policy for Suppliers and Other payables is detailed within Note 6.2A.

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**3. Insurance Underwriting Activities**

This section describes DSH Insurance's insurance underwriting activities.

**3.1. Insurance Underwriting Activities**

	2024	2023
	\$'000	\$'000
<b><u>Note 3.1A: Reinsurance and other recoveries</u></b>		
Reinsurance recoveries	(955)	2,420
Other recoveries	530	398
<b>Total reinsurance and other recoveries</b>	<b><u>(425)</u></b>	<b><u>2,818</u></b>

**Accounting Policy**

**Reinsurance Receivable**

Reinsurance receivables are recorded at discounted estimated value on paid claims and incurred claims not yet paid and recognised as a reduction in the claims expense.

**Note 3.1B: Insurance premium revenue**

Premium revenue	72,222	65,415
<b>Total insurance premium revenue</b>	<b><u>72,222</u></b>	<b><u>65,415</u></b>

**Accounting Policy**

**Premium Revenue:**

Premium revenue comprises amounts charged to policyholders, excluding amounts collected on behalf of third parties, principally GST in full. The earned portion of premiums received and receivable, including unclosed business, is recognised as revenue. Premium revenue is recognised as earned from the date of attachment of risk.

The pattern of recognition over the policy or indemnity periods is based on time which is considered to closely approximate the pattern of risks underwritten.

**Note 3.1C: Movement in unexpired risk liability**

**Deficiency recognised in the statement of comprehensive income**

Unexpired risk liability expense	(3,394)	1,663
<b>Total deficiency recognised in statement of comprehensive income</b>	<b><u>(3,394)</u></b>	<b><u>1,663</u></b>

**Calculation of deficiency**

Expected future claims per actuary report	41,741	41,012
Less: recorded unearned premiums	(39,546)	(35,272)
Less: deferred acquisition costs	151	170
Less: Unexpired risk liability provision as at 1 July	(5,741)	(4,247)
<b>Unexpired risk liability expense</b>	<b><u>(3,394)</u></b>	<b><u>1,663</u></b>

**Note 3.1D: Claims outstanding**

Gross claims outstanding	35,526	Restated 35,668
Less: reinsurers liability	(4,451)	(13,209)
<b>Net claims outstanding</b>	<b><u>31,075</u></b>	<b><u>22,459</u></b>

DSH Insurance has incurred claims during 2023-24 for which recoveries have and will be made in accordance with reinsurance treaties, which were in force at the date of loss.

## Defence Service Homes Insurance Scheme

### Notes to and forming part of the Financial Statements

for the period ended 30 June 2024

The gross claims outstanding amounts to \$35,526,364 as at 30 June 2024 (2023: \$35,667,520). In determining this amount, the actuary has applied a risk margin of 12% (2023: 12%) to the central estimate of the expected present value of future payments for claims incurred. The resulting risk margin amounts to \$3,806,400 (2023: \$3,821,520) and is included in the gross claims outstanding (\$35,526,364).

#### Accounting Policy

##### Liability Adequacy Test and Unexpired Risk Liability

AASB 1023 General Insurance Contracts requires the application of a liability adequacy test upon unearned premiums. The result of this test indicates that DSH Insurance's unearned premiums are insufficient to cover expected future claims on unexpired policies at 30 June 2024 and as such, DSH Insurance has recognised an expense of \$(3,394,363) (2023: \$1,662,877) and an adjusting decrease to the existing unexpired risk liability of \$2,195,047 bringing the closing unexpired risk liability to \$2,195,047 (2023: \$5,741,000). The probability of adequacy applied in the test is different to the probability of adequacy adopted in determining the outstanding claims liability. No specific guidance exists for the risk margin to be used in determining the adequacy of premium liabilities. The use of the 75% basis as a regulatory benchmark in Australia, is consistent with market practices.

DSH Insurance's unadjusted unearned premium liability as at 30 June 2024 was \$39,545,678 (2023: \$35,271,630) and prior to the recognition of unexpired risk liability DSH Insurance had recognised \$151,254 in deferred acquisition costs (2023: \$169,913) with the net of these two figures being \$39,394,424. Future cash flows relating to future claims under the risk associated with those premiums as advised by DSH Insurance's independent actuaries was \$41,740,726 (2023: \$41,012,295).

DSH Insurance has not taken into account the income from invested retained surpluses or agency commissions which are used to subsidise costs associated with the building insurance policies.

#### Outstanding Claims

The provision for outstanding claims has been determined on a case by case approach in respect of all claims reported. The liability for outstanding claims includes claims incurred but not yet paid, incurred but not reported (IBNRs), and incurred but not enough reported (IBNERS). The provision includes the expected administration costs of settling those claims. The valuation of DSH Insurance's outstanding claims liability provision as at 30 June 2024 was prepared by independent actuaries (KPMG). The methods used to assess the outstanding liability were Incurred Chain Ladder (ICL) and Incurred Bomhuetter Ferguson (IBF). This methodology meets Actuarial Professional Standard PS 302 *Valuation of General Insurance Claims*.

##### Actuarial Methods

The methodology for the estimation of the net outstanding claims provision as at 30 June 2024 consists of:

- Predicting future claim payment cash flows in respect of claims incurred prior to 30 June 2024. The predictions are separated by claim type (Liability, Catastrophe and Other) are made in respect of each combination of accident quarter/year and financial quarter/year of payment. The future cash flow predictions are derived from several actuarial models of the various claim processes. That is, actuarial models are constructed for numbers of claims reported and the development of case estimates and payments. The results of the models are blended based on their individual characteristics to produce a single estimate of the outstanding claims on a net of third party recoveries basis.
- Initially all estimates are made in 30 June 2024 dollars, but subsequently are increased to allow for inflation from that date to the date of payment.
- The gross of reinsurance liability for outstanding claims is estimated by:
  - discounting these inflated claim payments to allow for investment return at risk free rates;
  - adjusting for the effect of GST; and
  - adding an allowance to provide for associated claims administration expenses.
- The net outstanding claims liability is derived by allowing for expected reinsurance recoveries.
- The estimate of liability is increased by a prudential margin.

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

Actuarial Assumptions

The following assumptions have been made in determining the net outstanding claims provision as at 30 June 2024:

- **Inflation rates:** 5.50% p.a.;
- **Discount rates:** 4.22% p.a.;
- **Claims administration expenses (CAE):** 4.0% of gross outstanding claims liability;
- **Superimposed inflation:** approximately 2.0% p.a. in the actuarial model with explicit superimposed inflation assumptions;
- **Prudential margin:** 12.0% of net central estimate (including CAE) of outstanding claims liability for 75% probability of sufficiency;

The following assumptions have been made in determining the net outstanding claims provision as at 30 June 2023:

- **Inflation rates:** 5.50% p.a.;
- **Discount rates:** 4.35% p.a.;
- **Claims administration expenses (CAE):** 4% of gross outstanding claims liability;
- **Superimposed inflation:** approximately 2.0% p.a. in the actuarial model with explicit superimposed inflation assumptions;
- **Prudential margin:** 12% of net central estimate (including CAE) of outstanding claims liability for 75% probability of sufficiency;

Process for Determining Assumptions

The process for determining each of the assumptions is as follows:

- **Inflation rates:** are taken as an average of CPI (housing) and AWE inflation expectations which are based on internal and external forecasts of future rates;
- **Discount rates:** derived from a yield curve fitted to the actual yields on Commonwealth Government bonds as at 30 June 2024;
- **Claims administration expenses:** assumed based on DSH Insurance's own experience as well as industry experience;
- **Superimposed inflation:** derived from actuarial models based on the long term average of past experience for all non-catastrophe claims;
- **Prudential margin:** selected based on analysis of estimated historical variability within the portfolio;

Insurance Risk Management

Insurance risk management policies and practices are disclosed at Note 6.3 – Risk management.

Process for Determining Risk Margin

The risk margin is intended to provide an adequacy to the 75% percentile of probability of sufficiency. In determining the risk margin assumption, the analysis of the variability of historical claims data was conducted, industry benchmark was considered and judgement was applied in the selection of assumptions. The approach adopted aligns with the framework recommended by the Institute of Actuaries Risk Margin Taskforce. There is no benefit from the diversification of risks.

	2024	2023
	\$'000	\$'000
<b><u>Note 3.1E: Unearned revenue</u></b>		
Unearned premiums	40,516	36,309
Insurance agency revenue received in advance	68	69
<b>Total unearned revenue</b>	<b>40,584</b>	<b>36,378</b>



**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**Accounting Policy**

Unearned Revenue

Unearned premiums represents the estimated proportion of premiums written in the current year relating to cover provided in the subsequent year. DSH Insurance's system allows for the unearned proportion to be calculated for each individual policy in accordance with AASB 1023 General Insurance Contracts.

Revenue in Advance

Revenue in advance is recognised where the revenue has been received prior to the period in which the revenue relates. DSH Insurance recognises revenue in advance at nominal value.

**Note 3.1F: Net claims incurred**

	2024			2023		
	Current year \$'000	Prior years \$'000	Total \$'000	Current year \$'000	Prior years \$'000	Total \$'000
Gross incurred*	40,821	8,271	49,092	25,427	13,247	38,674
Less: Reinsurance and other recoveries	(1,857)	2,282	425	(7,479)	4,661	(2,818)
<b>Net claims incurred</b>	<b>38,964</b>	<b>10,553</b>	<b>49,517</b>	<b>17,948</b>	<b>17,908</b>	<b>35,856</b>

\* Claims are not subject to discount

Building insurance claims are typically resolved within one year. No claims development table is required under AASB 1023 17.7.1 (b) (iii) for lines of business typically resolved within one year.

**Accounting Policy**

Gross incurred:

Gross incurred (claims expense) represents all claims paid during the reporting period and the movement in open claims recognised through the outstanding claims liability. The gross incurred is adjusted for claims development based on actuarial modelling (see note 3.1D) to take in to account incurred but not reported (IBNRs) and incurred but not enough reported (IBNERs).

**Note 3.1G: Unexpired risk liability**

	2024 \$'000	2023 \$'000
Unexpired risk liability	2,195	5,741
<b>Total unexpired risk liability</b>	<b>2,195</b>	<b>5,741</b>
Expected future claims per actuary report	41,741	41,012
Less: recorded unearned premiums	(39,546)	(35,271)
<b>Unexpired risk liability</b>	<b>2,195</b>	<b>5,741</b>

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**4. Funding**

This section identifies DSH Insurance's funding structure.

**4.1. Appropriations**

**Note 4.1A: Special appropriations applied ('recoverable GST exclusive')**

Authority	Appropriation applied	
	2024 \$'000	2023 \$'000
<i>Public Governance, Performance and Accountability Act 2013 s58, Departmental</i>		
<i>Purpose: To make all payments by the Commonwealth in connection with its activities as an insurer under the Defence Service Homes Act 1918</i>	<b>72,500</b>	86,085
<b>Total special appropriations applied</b>	<b>72,500</b>	86,085

**4.2. Special Accounts**

**Note 4.2A: Special accounts (recoverable GST exclusive)**

	Defence Service Homes Insurance Account	
	2024 \$'000	2023 \$'000
<b>Balance brought forward from previous period</b>	<b>6,682</b>	4,540
Premiums received	<b>67,984</b>	65,942
Other receipts	<b>19,846</b>	32,145
Investments credited to the special account	<b>73,501</b>	78,000
<b>Total increases</b>	<b>161,331</b>	176,087
<b>Available for payments</b>	<b>168,013</b>	180,627
<b>Decreases</b>		
<b>Departmental</b>		
Claim payments	<b>(49,260)</b>	(63,115)
Reinsurance premiums paid	<b>(18,058)</b>	(14,746)
Other payments	<b>(13,606)</b>	(9,999)
PGPA Act section 58 investments	<b>(72,500)</b>	(86,085)
<b>Total Departmental</b>	<b>(153,424)</b>	(173,945)
<b>Total decreases</b>	<b>(153,424)</b>	(173,945)
<b>Total balance carried to the next period</b>	<b>14,589</b>	6,682
<b>Balance represented by:</b>		
Cash held in the Official Public Account	<b>14,589</b>	6,682
<b>Total balance carried to the next period</b>	<b>14,589</b>	6,682

**Appropriation:** *Public Governance, Performance and Accountability Act 2013, s80*

**Establishing Instrument:** *Defence Service Homes Act 1918, s40*

**Purpose:** *To make all payments by the Commonwealth in connection with its activities as insurer under Defence Service Homes Act 1918, s40.*

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

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**5. People and Relationships**

**5.1. Related Party Disclosures**

**Related party relationships:<sup>1</sup>**

DSH Insurance is an Australian Government controlled entity. Related parties to DSH Insurance are Key Management Personnel including the Portfolio Minister (the Minister for Veterans' Affairs), Secretary of Department of Veterans' Affairs, Chief Operating Officer and the General Manager DSH Insurance.

**Transactions with related parties:**

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by DSH Insurance, it has been determined that there are no related party transactions to be separately disclosed.

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<sup>1</sup> As outlined in Note 1.1A salaries, wages, superannuation, long service leave and annual leave are paid by the Department of Veterans' Affairs, including amounts paid to Key Management Personnel. An amount equal to \$69,026 of the total Wages and Salaries expense of \$4,450,000 is related to amounts charged for Key Management Personnel.

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**6. Managing Uncertainties**

This section analyses how DSH Insurance manages financial risks within its operating environment.

**6.1. Contingent Assets and Liabilities**

*Quantifiable Contingencies*

DSH Insurance had no quantifiable contingencies as at 30 June 2024 (nil at 30 June 2023).

*Unquantifiable Contingencies*

DSH Insurance had no unquantifiable contingencies as at 30 June 2024 (nil at 30 June 2023).

**6.2. Financial Instruments**

	2024	2023
	\$'000	\$'000
<b>Note 6.2A: Categories of financial instruments</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	25,103	26,629
Investments	54,445	47,014
Trade and other receivables	834	636
<b>Total financial assets at amortised cost</b>	<b>80,382</b>	<b>74,279</b>
<b>Total financial assets</b>	<b>80,382</b>	<b>74,279</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	8,102	9,147
Other payables	1,498	1,151
<b>Total financial liabilities measured at amortised cost</b>	<b>9,600</b>	<b>10,298</b>
<b>Total financial liabilities</b>	<b>9,600</b>	<b>10,298</b>

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**Accounting Policy**

**Financial Instruments**

**Financial assets**

The entity classifies its financial assets as financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

**Financial Assets at Amortised Cost**

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

**Effective Interest Method**

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

**Impairment of Financial Assets**

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

**Financial Liabilities**

Financial liabilities are measured at amortised cost.

Financial liabilities are recognised and derecognised upon 'trade date'.

**Financial Liabilities at Amortised Cost**

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

All payables are expected to be settled within 12 months except where indicated.

	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
<b><u>Note 6.2B: Net gains or losses on financial assets</u></b>		
<b>Financial assets at amortised cost</b>		
Interest revenue	<u>3,374</u>	1,800
<b>Net gains on financial assets at amortised cost</b>	<u><b>3,374</b></u>	<u>1,800</u>
<b>Net gains on financial assets</b>	<u><b>3,374</b></u>	<u>1,800</u>

The net income/expense from financial assets not at fair value through profit and loss is nil (2023: nil).

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

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**Note 6.2C: Net gains or losses on financial liabilities**

There was no gain or loss from financial liabilities (2023: nil).

**Note 6.2D: Financial assets reclassified**

During the year there has been no financial assets that have been reclassified.

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**6.3. Risk Management**

Insurance risk

The risks inherent in any single insurance contract are the possibility of the insured event occurring and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, these risks are random and unpredictable. In relation to the pricing of individual insurance contracts and the determination of the level of the outstanding claims provision in relation to a portfolio of insurance contracts, the principal risk is that the ultimate claims payments will exceed the carrying amount of the provision established.

**Note 6.3A: Sensitivity to insurance risk**

**TABLE A: Analysis of sensitivity of 30 June 2024 net provision to various changes in assumptions\***

Item	Amount	Amount	Change from final estimate		Change from final estimate		Note
	2024 \$'000		2023 \$'000	2024 \$'000	2024 %	2023 \$'000	
Net liability, including CAE and GST and excluding prudential margin	<b>32,880</b>	24,320	-	<b>0.0</b>	-	0.0	(a)
Inflation +1%	<b>33,081</b>	24,511	<b>201</b>	<b>0.6</b>	214	0.8	(b)
Inflation -1%	<b>32,679</b>	24,131	<b>(201)</b>	<b>-0.6</b>	(214)	-0.8	(b)
Discount +1%	<b>33,084</b>	24,127	<b>204</b>	<b>0.6</b>	214	0.8	(c)
Discount -1%	<b>32,673</b>	24,519	<b>(207)</b>	<b>-0.6</b>	(214)	-0.8	(c)
Superimposed inflation +1%	<b>33,081</b>	24,511	<b>201</b>	<b>0.6</b>	214	0.8	(d)
Superimposed inflation -1%	<b>32,679</b>	24,131	<b>(201)</b>	<b>-0.6</b>	(214)	-0.8	(d)

\* Figures extracted from KPMG report (Table 12.1), Defence Service Homes Insurance Scheme Outstanding Claims Liability as at 30 June 2024

Notes: (a) Net provision, including prudential margin.

	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Gross Central Estimate (including GST and claims administration expense, excluding risk margin)	<b>34,892</b>	35,030
less: Estimated Outstanding Reinsurance Recoveries	<b>2,012</b>	8,279
Central estimate (incl GST and claims administration expense)	<b>32,880</b>	26,751
less: GST	<b>2,989</b>	2,432
Central Estimate (incl claims administration expense)	<b>29,891</b>	24,320

*Equivalent net provision derived by:*

- (b) adding/subtracting 1% p.a. to each future assumed inflation rate.
- (c) adding/subtracting 1% p.a. to each future assumed discount rate.
- (d) adding/subtracting 1% to superimposed inflation assumption.
- (e) increasing/reducing IBNR claims in each of the PPCI models by 10%.

## **Defence Service Homes Insurance Scheme**

### **Notes to and forming part of the Financial Statements**

*for the period ended 30 June 2024*

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#### Underwriting risks

##### *Selection and pricing of risks*

Risks insured are limited to dwelling houses owned by persons eligible under the *Defence Service Homes Act 1918*. Insurance policies are written in accordance with management practices and regulations taking into account DSH Insurance's underwriting standards.

Pricing of risks is controlled by use of in-house pricing models relevant to market in which DSH Insurance operates. Experienced underwriters and actuaries maintain historical pricing and claims analysis and this is combined with a knowledge of current developments in the market.

##### *Concentration risk*

DSH Insurance manages exposure to concentration risk by issuing policies across all Australian locations. Reinsurance is purchased to reduce potential exposure to catastrophe losses.

##### *Claims management and claims provisioning risk*

DSH Insurance's approach to determining the outstanding claims provision and the related sensitivities are set out in note 3.1B.

DSH Insurance seeks to ensure the adequacy of its outstanding claims provision by reference to the following controls:

- Experienced claims managers work with underwriters on coverage issues and operate within the levels of delegation issued to them in respect of the settlement of claims.
- Processes exist to ensure that all claims advices are captured and updated on a timely basis and with a realistic assessment of the ultimate claims cost.
- The aggregate outstanding claims provision for DSH Insurance is reviewed by an external actuary annually.

Despite the rigour involved in the establishment and review of the outstanding claims provision, the provision is subject to significant uncertainty for the reasons set out in note 3.1D.

##### *Reinsurance counterparty risk*

DSH Insurance reinsures a portion of risks underwritten to control exposure to insurance losses, reduce volatility and protect capital. DSH Insurance's strategy in respect of the selection, approval and monitoring of reinsurance arrangements is addressed by the following protocols:

- Treaty or facultative reinsurance is placed in accordance with the requirements of DSH Insurance's reinsurance management strategy.
- Reinsurance arrangements are regularly reassessed to determine their effectiveness based on current exposures, historical losses and potential future losses.
- Exposure to reinsurance counterparties and the credit quality of those counterparties is actively monitored.

Strict controls are maintained over reinsurance counterparty exposures. Reinsurance is placed with counterparties that have a Standard & Poor's credit rating of A- or above. Credit risk exposures are calculated regularly and compared with authorised credit limits, and the arrangements discontinued from the day the counterparty's Credit rating falls below A-. At 30 June 2024 DSH Insurance had no receivables with reinsurance counterparties below A-.

#### **Accounting Policy**

##### Reinsurance Arrangements

DSH Insurance purchases reinsurance each year for dwelling per risk, catastrophe risk and legal liability risk. Premium ceded to reinsurers is recognised as an expense and is measured at nominal value in accordance with the pattern of reinsurance service received.



**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**7. Other Information**

This section provides other disclosures relevant to DSH Insurance's financial information environment for the year.

**7.1. Current/Non-Current Distinction for Assets and Liabilities**

	2024	Restated 2023
	\$'000	\$'000
<b>Note 7.1A: Current/non-current distinction for assets and liabilities</b>		
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	25,103	26,629
Trade and other receivables	37,564	41,115
Investments	54,445	47,014
Other assets	67	64
<b>Total no more than 12 months</b>	<b>117,179</b>	<b>114,822</b>
<b>Total assets</b>	<b>117,179</b>	<b>114,822</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	8,102	9,146
Other payables	1,498	1,152
Gross claims outstanding	35,526	35,668
Other provisions	2,195	5,741
Unearned revenue	40,584	36,378
<b>Total no more than 12 months</b>	<b>87,905</b>	<b>88,085</b>
<b>More than 12 months</b>		
Liability Claims	-	-
<b>Total more than 12 months</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>87,905</b>	<b>88,085</b>

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

**7.2. Explanations of Major Budget Variances**

The following tables provide a comparison between the 2023–24 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2023-24 financial statements. The Budget is not audited.

Variances are considered to be ‘major’ based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- the variance between budget and actual is greater than 2% of the relevant category (Income, Expenses and Equity totals); or
- an item below this threshold but is considered important for the reader’s understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of an entity.

<b>Variance</b>	<b>Affected Items on Statements</b>
<u>Claims</u> Claims expenses were higher than budget (\$3m) due to four significant weather catastrophe events during the financial year. This can be contributed to higher claims expenses for the financial year.	<i>Claims expense (Statement of Comprehensive Income), Gross claims outstanding (Statement of Financial Position) Claim payments (Cash Flow Statement)</i>
<u>Insurance Premium Revenue</u> Premium revenue was better than budgeted (\$2m). DSH Insurance reviews its premium rates annually. Due to the increase in reinsurance costs and frequency of catastrophe events DSH insurance increased premium rates during the current year. This has resulted in better premium results.	<i>Insurance premium revenue (Statement of Comprehensive Income), Unearned revenue (Statement of Financial Position), Premiums received (Cash Flow Statement)</i>
<u>Reinsurance expense</u> Reinsurance premiums were slightly higher than budgeted due to overall reinsurance market conditions.	<i>Reinsurance expense (Statement of Comprehensive Income), Other Payables (Statement of Financial Position), Reinsurance premiums (Cash Flow Statement)</i>
<u>Investments</u> Investments balance increased due to investing surplus funds. The funds were received mainly from premium revenue and reinsurance recoveries.	<i>Investments (Statement of Financial Position), Investments realised, Purchase of investments (Cash Flow Statement)</i>
<u>Interest</u> The rate of return on the investment portfolio has been significantly higher than budgeted due to ongoing interest rates increases and effective investment portfolio management during the year.	<i>Interest (Statement of Comprehensive Income), Interest (Cash Flow Statement)</i>
<u>Staffing</u> A number of contracted labour hire positions were converted to full time non-ongoing APS positions, additionally increase in salaries was also budgeted in line with Enterprise Agreement. However, due to staff movements during the year the actual expenditure was less than budgeted.	<i>Employee benefits equivalent, Suppliers (Statement of Comprehensive Income), Employees, Suppliers (Cash Flow Statement)</i>
<u>Fire Brigade and Emergency Services Contribution</u> The Fire Brigade and Emergency Services was not budgeted separately. It was budgeted as part of suppliers but is recorded as a separate expense for disclosure.	<i>Fire brigade and emergency services contributions (Statement of Comprehensive Income), Fire brigade and emergency services contributions (Cash Flow Statement), Other non-financial assets (Statement of Financial Position)</i>
<u>Suppliers</u> The cost for 2023-24 suppliers was lower than budgeted due to the conversion of labour-hire staffing levels (see Staffing details	<i>Suppliers (Statement of Comprehensive Income), Suppliers (Statement of Financial Position)</i>

**Defence Service Homes Insurance Scheme**  
**Notes to and forming part of the Financial Statements**  
*for the period ended 30 June 2024*

<b>Variance</b>	<b>Affected Items on Statements</b>
above) to non-going FTEs. The budget also included Fire Brigade and Emergency Services Contribution as discussed above.	
<u>Commission</u> DSH Insurance sells policies through the agency agreement. The higher than budgeted commission revenue is due to selling a greater number of policies by DSH Insurance.	<i>Commissions Received (Statement of Comprehensive Income)</i>
<u>Acquisition Costs</u> The variance is predominantly due to marketing expenses higher than previous financial year.	<i>Acquisition costs and Suppliers (Statement of Comprehensive Income), Acquisition costs (Cash Flow Statement)</i>
<u>Unexpired Risk Liability</u> As a result of the Actuarial Valuation performed at year-end DSH Insurance has been required to recognise an adjustment (decrease) to the Unexpired Risk Liability Provision. This is due to the actuarial assessment of an increase in claim costs for the unexpired risk period, growth in premium, and increase in reinsurance costs for DSH Insurance. DSH Insurance does not budget for Unexpired Risk Liability. DSH Insurance was holding more than the requirements for current financial year, hence an adjustment is recognised.	<i>Movement in Unexpired Risk Liability (Statement of Comprehensive Income), Unexpired Risk Liability (Statement of Financial Position)</i>
<u>Gross Claims Outstanding</u> The Gross Claims were budgeted higher due to prior experience of high claims expenses resulting due to severe weather events. This financial year there have been severe weather events, but the claims costs remained low. The Gross Claims outstanding has been calculated by actuaries.	<i>Movement in Provisions (Statement of Financial Position), Gross Claims Outstanding.</i>
<u>Cash</u> The variance is due to cash flow requirements at the start of July 2024 and timing of the investments maturing.	<i>Movement in Cash (Statement of Financial Position), Cash and cash equivalents at the beginning of reporting period, (Cash Flow Statement)</i>
<u>Trade and Other Receivables</u> The variance is due to lower balance of reinsurance recoveries due to effective reinsurance recoveries and no major weather catastrophe reinsurance events during the year and higher balance of premiums receivable at 30 June 2024.	<i>Movement in Trade and Other Receivables (Statement of Financial Position), Cash and cash equivalents at the beginning of reporting period, (Cash Flow Statement)</i>

# 07

## Appendices

## Appendix A – Veteran and claim statistics

### Veteran statistics

#### Total clients by age group and location

**TABLE A1: TOTAL DVA CLIENTS BY AGE GROUP AND STATE AS AT 30 JUNE 2024**

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Overseas	Total
Under 18	932	483	2,357	252	434	86	54	99	46	4,743
19–24	4,556	2,912	5,831	1,067	1,190	264	697	1,486	16	18,019
25–29	4,986	2,481	6,819	1,475	1,683	238	1,036	1,043	32	19,793
30–34	5,942	2,653	7,615	1,568	2,008	345	861	1,182	112	22,286
35–39	5,695	2,585	7,103	1,453	2,046	374	753	1,340	159	21,508
40–44	4,952	2,499	6,580	1,342	2,084	527	623	1,282	172	20,061
45–49	4,309	2,332	6,222	1,183	1,792	505	416	1,198	202	18,159
50–54	5,198	2,822	7,596	1,419	2,401	618	509	1,411	242	22,216
55–59	4,797	2,919	7,121	1,484	2,443	627	425	1,220	216	21,252
60–64	5,271	3,435	7,589	1,755	2,388	754	301	1,113	207	22,813
65–69	5,254	3,624	7,365	1,903	2,569	692	210	762	182	22,561
70–74	9,007	6,270	10,824	3,190	3,670	1,076	201	840	197	35,275
75–79	12,936	9,414	14,241	4,109	5,373	1,484	225	1,099	328	49,209
80–84	4,655	2,716	5,398	1,204	1,929	488	89	504	132	17,115
85–89	4,033	2,474	3,683	903	1,536	360	27	376	111	13,503
90 or over	7,330	5,206	4,737	1,927	2,129	609	39	410	158	22,545
<b>Total</b>	<b>89,864</b>	<b>54,845</b>	<b>111,087</b>	<b>26,239</b>	<b>35,686</b>	<b>9,049</b>	<b>6,467</b>	<b>15,368</b>	<b>2,512</b>	<b>351,117</b>

Total DVA clients consists of any person who is in receipt of a pension/allowance from DVA, has one or more accepted service related disabilities or holds a current treatment, pharmaceutical or concession card issued by DVA.

Clients of unknown age are included in the total but not reported separately.

## Number of living veterans

**TABLE A2: ESTIMATED NUMBERS OF LIVING AUSTRALIAN (EX-) SERVICE PERSONNEL  
2019–20 TO 2023–24**

	At 30 June 2020	At 30 June 2021	At 30 June 2022	At 30 June 2023	At 30 June 2024
Second World War <sup>1</sup>	10,800	7,800	5,500	3,800	2,500
Korean War, Malayan Emergency and FESR <sup>2</sup>	8,900	8,200	7,500	6,800	6,100
Vietnam War <sup>3</sup>	39,300	38,000	36,700	35,400	34,000
Other pre-1972 conflicts	4,000	3,700	3,400	3,100	2,800
Cambodia, Gulf War, Namibia, Somalia, Yugoslavia, Rwanda and Bougainville	10,100	10,100	10,000	9,900	9,800
Post-1999 conflicts <sup>4</sup>	57,900	57,800	57,600	57,500	57,300
Peacetime Defence Force <sup>5</sup>	142,100	140,100	137,900	135,600	133,200
<b>Total service with VEA eligibility<sup>6</sup></b>	<b>272,000</b>	<b>264,500</b>	<b>257,600</b>	<b>251,000</b>	<b>244,600</b>
Full-time service post 1945 not included in VEA total <sup>7</sup>	248,400	245,700	242,600	239,300	235,700
Reservists <sup>8</sup>	102,100	103,100	104,100	105,000	105,900
<b>Total Australian service<sup>9</sup></b>	<b>622,500</b>	<b>613,300</b>	<b>604,300</b>	<b>595,200</b>	<b>586,200</b>

FESR = Far East Strategic Reserve; VEA = *Veterans' Entitlements Act 1986*

1. Based on nominal roll data.
2. Where the veteran has service in more than one conflict, they are recorded by most recent conflict.
3. Based on nominal roll data.
4. Includes East Timor, Solomon Islands, Afghanistan and Iraq. This category previously included Bougainville, which is now included in the preceding category. Figures are based on June 2014 Department of Defence data.
5. Based on Australian Defence Force (ADF) data: those with 3 or more years of service from 1972 to 1994. Those with peacetime service after 1994 are not included.
6. Total includes those potentially eligible for a service pension and/or disability pension. Components will not add exactly to total due to rounding and overlaps.
7. A research project was initiated to estimate all living persons with post-1945 full-time service in the ADF. By necessity, input data was obtained from different sources:
  - Age profile at recruitment is graphically estimated from Phillip J Hoglin, *Early Separation in the Australian Defence Force*, Figure 4.1, Distribution of Ab Initio Enlistment Ages, page 39.
  - National service recruitment data is sourced from the Defence discussion paper *National Service – Have a Debate but Make Sure It Is an Informed One*.
  - The full-time enlistments data for each year from 1975 to 1998 were measured graphically from Joan Beaumont, *Australian Defence: Sources and Statistics* Volume VI, Figure 6.3, Permanent ADF Enlistments and Separations, page 252.
  - The full-time enlistments data for each year from 1996 to 2017 were sourced from published Defence annual reports obtained from the Department of Defence website.
  - Australian Bureau of Statistics mortality rates are used. Numbers are calculated by amalgamating successive years of recruits from 1945 onwards and amortising the resulting population by single year age for each year.
8. Includes all living persons who have ever served as a reservist in the ADF with neither continuous full-time nor qualifying service.
9. The growth in *Military Rehabilitation and Compensation Act 2004* (MRCA) clients and the expansion of benefits to the widest possible number of (ex-)service ADF personnel necessitated redefinition of the total to include those who were not otherwise eligible under the VEA. This figure includes all living persons who have ever served in the ADF either full time or as reservists.

## Benefit recipients

**TABLE A3: SUMMARY OF BENEFIT NUMBERS BY TYPE OF BENEFIT JUNE 2019 TO JUNE 2024**

	At 30 June 2019	At 30 June 2020	At 30 June 2021	At 30 June 2022	At 30 June 2023	At 30 June 2024
<b>Treatment population</b>	207,160	250,611	263,165	276,205	283,907	292,344
Gold Card	122,536	117,072	112,146	107,665	104,148	103,737
White Card	84,624	133,539	151,019	168,540	179,759	188,607
<b>VEA pension and allowances</b>						
Service pension includes	94,029	88,764	84,060	79,218	74,553	70,576
veterans	48,958	46,244	43,844	41,481	39,216	37,280
partners	45,071	42,520	40,216	37,737	35,337	33,296
Income support supplement	38,403	34,571	30,984	27,730	24,662	22,010
SSA age pension	3,338	3,379	3,427	3,638	3,803	3,818
Veterans payment	470	709	854	991	968	997
Commonwealth Seniors Health Card	4,092	3,954	3,670	3,553	3,472	3,380
Disability compensation payment	83,363	81,918	80,252	77,967	76,126	75,727
War widow/ers pension	53,899	49,000	44,391	40,101	36,013	32,818
POW recognition supplement <sup>1</sup>	131	107	86	64	49	38
Orphan's pension	148	136	143	155	167	158
Attendant allowance	229	210	193	169	147	137
Rent assistance	12,256	11,480	10,894	14,949	14,018	13,444
Remote area allowance	578	522	466	420	370	333
Decoration allowance	233	219	199	176	155	141
Recreation transport allowance	622	551	492	442	395	368
Vehicle Assistance Scheme	44	49	40	39	34	30
Funeral benefit	3,302	3,296	2,127	2,380	2,449	2,291
Veterans' Children Education Scheme	2,106	2,073	1,960	1,805	1,688	1,684
Clothing allowance	286	265	253	228	213	201
<b>Military compensation payments</b>						
Permanent impairment (DRCA) <sup>2</sup>	15,116	16,181	17,922	19,104	19,967	21,565
Permanent impairment (MRCA) <sup>2</sup>	16,021	22,564	28,027	31,883	36,174	45,246
Incapacity (DRCA)	1,920	2,305	2,528	2,667	2,778	2,989
Incapacity (MRCA)	4,717	5,913	6,912	7,607	8,113	8,969

	At 30 June 2019	At 30 June 2020	At 30 June 2021	At 30 June 2022	At 30 June 2023	At 30 June 2024
Wholly dependent partner (MRCA) <sup>2</sup>	150	168	194	217	244	284
Eligible young person (MRCA) <sup>2</sup>	144	168	191	216	239	279
MRCA Education and Training Scheme	751	1,103	1,542	2,141	2,821	4,048
<b>Defence Service Homes</b>						
Homes insured	52,243	51,415	50,492	48,752	47,160	46,086
Housing loan subsidies	3,925	3,173	2,521	2,065	1,622	1,335

DRCA = *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*; MRCA = *Military Rehabilitation and Compensation Act 2004*; SSA = *Social Security Act 1991*

- 1 Prisoner of War (POW) Recognition Supplement is a payment that provides special recognition of surviving former Australian prisoners of war, both veteran and civilian. The payment commenced in September 2011.
- 2 Clients receiving a commuted or periodic (MRCA only) payment.

## Veterans with accepted disability

**TABLE A4: NUMBER OF VETERANS WITH ACCEPTED DISABILITY BY ACT JUNE 2019 TO JUNE 2024**

	At 30 June 2019	At 30 June 2020	At 30 June 2021	At 30 June 2022	At 30 June 2023	At 30 June 2024
VEA	86,565	84,935	82,973	81,196	79,311	78,414
DRCA	54,181	56,279	57,617	59,282	61,093	64,121
MRCA	36,827	43,116	48,916	53,596	60,535	72,602

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

## Claims, service and liability provision statistics

Tables A5 to A11 provide an overview of the claims processed under the *Veterans' Entitlements Act 1986* (VEA), *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA), and *Military Rehabilitation and Compensation Act 2004* (MRCA) in 2023–24.

Prior to 2021–22, claims received and on hand were reported separately under each of the Acts where the veteran's service meant that more than one Act may apply to their claim. This resulted in single claims being counted multiple times – under MRCA, DRCA and VEA. It was not until a decision was made on the claim that the actual Acts that applied were determined. The improved reporting approach now counts claims only once, and instead distinguishes between those claims that may be 'dual Act' (VEA and DRCA) or 'tri Act' (VEA, DRCA and MRCA) based on the veteran's service period.

For disability compensation payment claims received under the VEA, the reporting category of 'dual Act' is provided. This represents those veterans who only have service prior to 1 July 2004 and may have their liability claims investigated under the VEA and/or the DRCA.

Similarly, for liability claims received under the MRCA, the reporting category of 'tri Act' is provided. This represents those veterans who have service both before and after 1 July 2004 and may have their claims investigated under 2 or 3 Acts.



The use of a veteran's service information to categorise liability claims received, and claims on hand under the 3 Acts, is reflected as 'service eligibility' in Tables A6, A8, and A10.

The number of determinations is provided under each of the Acts. Where one claim is decided under 2 or more Acts, then that claim will be counted under each relevant Act based on the decision made.

## Veterans' Entitlements Act 1986

### Claims processed

**TABLE A5: VEA CLAIMS AND APPLICATIONS PROCESSED, 2022-23 AND 2023-24**

	2022-23	2023-24
Income support new claims	4,925	5,222
Income support change of circumstances	47,638	51,311
Funeral benefit applications	1,723	1,701

VEA = *Veterans' Entitlements Act 1986*

The claim and application categories and results (above) align with performance measures for 1.1-1, 1.1-2, and 1.4-1 respectively.

'Income support new claims' includes the following claim types: Service Pension Age, Service Pension Invalidity, Service Pension Partner, Income Support Supplement, Income Support Supplement – Invalidity, Veteran Payment, Veteran Payment Partner, Qualifying Service, Gold Card – ADF, Gold Card – BNT/BCOF, Orange Card, Commonwealth Seniors Health Care Card and Pension Bonus Payment. Pension claims made under the *Social Security Act 1991* are not included.

'Change of circumstances' includes personal changes relevant to the rate of income support payable (e.g. relationship status, accommodation, financial circumstances).

### Compensation claims

**TABLE A6: VEA COMPENSATION CLAIMS, 2022-23 AND 2023-24**

	2022-23	2023-24
<b>Disability compensation payment</b>		
<b>Gross claims received<sup>1</sup></b>		
Gross claims received – VEA only	1,724	1,090
Gross claims received – dual Act (DRCA/VEA)	2,830	4,484
<b>Net claims received<sup>2</sup></b>		
Net claims received – VEA only	1,546	793
Net claims received – dual Act (DRCA/VEA)	2,741	4,342
Conditions determined <sup>3</sup>	14,914	19,625
Proportion of conditions accepted	46.6%	51.18%
Disposals (claims) <sup>4</sup>	7,853	10,494
Determinations (claims)	5,706	7,555
Average time taken to process in days (claims)	480	520

	2022-23	2023-24
Applications for increases in disability compensation payment determined	1,457	1,709
Proportion of increases in disability compensation payment accepted	68.8%	63.45%
<b>Claims on hand at 30 June<sup>5</sup></b>		
VEA only	1,743	880
Dual Act (DRCA/VEA)	4,522	5,958
<b>War widow/ers and dependants</b>		
Gross claims received	560	569
Net claims received <sup>2</sup>	503	376
Claims determined	511	563
Proportion of claims accepted	63.4%	64.3%
Claims on hand at 30 June <sup>5</sup>	161	169

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

- 1 Includes applications for disability compensation payment, applications for increases in disability compensation payment and assessments/reviews.
- 2 Net claims does not include claims that have been withdrawn. A claim can be withdrawn for a number of reasons. Most commonly, this occurs when DVA combines multiple claims that are lodged online on the same day by the same claimant into a single claim with multiple conditions, with the consent of the claimant.
- 3 While a claim can be lodged with one or more conditions, each condition is determined separately.
- 4 Includes claims both determined and withdrawn.
- 5 Includes claims both in progress and not yet commenced.

## Top 15 most frequently claimed conditions

**TABLE A7: TOP 15 CLAIMED CONDITIONS UNDER THE VEA 2023-24**

Condition	Accepted	% accepted	Not accepted	Total
Tinnitus	1,463	76.2	457	1,920
Sensorineural hearing loss	1,404	77.44	409	1,813
Osteoarthritis	1,310	49.16	1,355	2,665
Thoracolumbar spondylosis	672	54.46	562	1,234
Posttraumatic stress disorder	493	71.14	200	693
Depressive disorder	438	68.01	206	644
Non-melanotic malignant neoplasm of the skin	391	79.63	100	491
Solar keratosis	348	75.98	110	458
Alcohol use disorder	331	68.53	152	483

Condition	Accepted	% accepted	Not accepted	Total
Sprain and strain	330	63.58	189	519
Anxiety disorder	180	60.81	116	296
Erectile dysfunction	158	62.2	96	254
Fracture	134	57.51	99	233
Rotator cuff syndrome	111	23.92	353	464
Bruxism	104	50.24	103	207
<b>Total (top 15)</b>	<b>7,867</b>	<b>63.58</b>	<b>4,507</b>	<b>12,374</b>
<b>Total (all VEA IL conditions)</b>	<b>9,782</b>	<b>57.97</b>	<b>7,093</b>	<b>16,875</b>

VEA = Veterans' Entitlements Act 1986; IL = initial liability

Note: The top 15 conditions approved under VEA represent 80.4% of all VEA approved conditions in the 2023–24 financial year (7,867 of 9,782).

### Explanatory notes: 'top 15' tables

- Conditions that have been determined under more than one Act have been counted per determination, so they may appear more than once in the result set; therefore, combined MRCA, DRCA and VEA totals are not an accurate reflection of the financial year claims data.
- Only conditions with a valid statements of principles (SOPs) code and condition are counted for the purpose of these figures. Conditions without SOPs codes are not included as there is no way to accurately map claimed conditions to SOPs conditions.
- A condition can be assessed under multiple Acts but can be approved under one or more Acts.
- All the claims that were determined in 2023–24 were considered for this dataset.
- This data is current as of 25 July 2024.

## Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988

### DRCA claims

TABLE A8: DRCA CLAIMS, 2022–23 AND 2023–24

	2022–23	2023–24
<b>Liability</b>		
<b>Gross claims received<sup>1</sup></b>		
Gross claims received – DRCA only	2,319	2,878
<b>Net claims received<sup>2</sup></b>		
Net claims received – DRCA only	2,169	2,623
Conditions determined <sup>3</sup>	22,267	30,048
Proportion of conditions accepted	56.8%	62.9%
Disposals (claims) <sup>4</sup>	11,210	14,998

	2022-23	2023-24
Determinations (claims) <sup>5</sup>	9,057	12,061
Average time taken to process in days (claims)	460	480
Claims on hand at 30 June <sup>6</sup>	2,234	2,504
<b>Permanent impairment</b>		
Gross claims received	13,711	21,244
Net claims received <sup>2</sup>	12,939	18,591
Claims determined	7,388	12,149
Proportion of claims accepted	44.7%	40.65%
One-off lump-sum payments	3,485	5,142
Claims on hand at 30 June <sup>5</sup>	12,387	18,477
<b>Incapacity compensation</b>		
Gross claims received	634	666
Net claims received <sup>2</sup>	463	483
Claims determined	443	549
Proportion of claims accepted	94.6%	93.44%
Claims on hand at 30 June <sup>6</sup>	147	93
Compensation paid	\$139.4 million	\$157.4 million
Payees	3,121	3,334
<b>Compensation for dependants</b>		
Compensation paid	\$63.8 million	\$38.6 million
Payees	118	69

DRCA = *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*

- 1 Under the service eligibility model, claims received under DRCA are generally counted under dual Act (shown in Table A6) or under tri Act (shown in Table A10).
- 2 Net claims does not include claims that have been withdrawn. A claim can be withdrawn for a number of reasons. Most commonly, this occurs when DVA combines multiple claims that are lodged online on the same day by the same claimant into a single claim with multiple conditions, with the consent of the claimant.
- 3 While a claim can be lodged with one or more conditions, each condition is determined separately.
- 4 Includes claims both determined and withdrawn.
- 5 Total claims decided under DRCA, including those that were received and on hand as a dual Act or tri Act claim.
- 6 Includes claims both in progress and not yet commenced.

## Top 15 most frequently claimed conditions

**TABLE A9: TOP 15 MOST FREQUENTLY CLAIMED CONDITIONS UNDER THE DRCA 2023–24**

Condition	Accepted	% accepted	Not accepted	Total
Sensorineural hearing loss	2,132	82.13	464	2,596
Tinnitus	2,046	79.06	542	2,588
Osteoarthritis	1,986	55.38	1,600	3,586
Sprain and strain	1,970	88.7	251	2,221
Thoracolumbar spondylosis	923	56.49	711	1,634
Posttraumatic stress disorder	615	70.45	258	873
Depressive disorder	598	68.34	277	875
Fracture	581	82.76	121	702
Non-melanotic malignant neoplasm of the skin	563	72.46	214	777
Solar keratosis	435	71.08	177	612
Alcohol use disorder	338	55.32	273	611
Anxiety disorder	314	68.11	147	461
Cervical spondylosis	306	49.51	312	618
Rotator cuff syndrome	273	40.69	398	671
Cut, stab, abrasion and laceration	255	88.54	33	288
<b>Total (top 15)</b>	<b>13,335</b>	<b>69.77</b>	<b>5,778</b>	<b>19,113</b>
<b>Total (all DRCA IL conditions)</b>	<b>18,004</b>	<b>66.44</b>	<b>9,093</b>	<b>27,097</b>

DRCA = *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*; IL = initial liability

Note: The top 15 conditions approved under the DRCA represent 74% of all DRCA approved conditions in the 2023–24 financial year (13,335 of 18,004).

### Explanatory notes: 'top 15' tables

- Conditions that have been determined under more than one Act have been counted per determination, so they may appear more than once in the result set; therefore, combined MRCA, DRCA and VEA totals are not an accurate reflection of the financial year claims data.
- Only conditions with a valid statements of principles (SOPs) code and condition are counted for the purpose of these figures. Conditions without SOPs codes are not included as there is no way to accurately map claimed conditions to SOPs conditions.
- A condition can be assessed under multiple Acts but can be approved under one or more Acts.
- All the claims that were determined in 2023–24 were considered for this dataset.
- This data is current as of 25 July 2024.

# Military Rehabilitation and Compensation Act 2004

## MRCA claims

**TABLE A10: MRCA CLAIMS, 2022-23 AND 2023-24**

	2022-23	2023-24
<b>Liability</b>		
<b>Gross claims received</b>		
Gross claims received – MRCA only	21,186	26,747
Gross claims received – tri Act (MRCA/DRCA/VEA)	14,427	16,973
<b>Net claims received<sup>1</sup></b>		
Net claims received – MRCA only	20,499	25,658
Net claims received – tri Act (MRCA/DRCA/VEA)	13,847	16,023
Conditions determined <sup>2</sup>	69,486	115,543
Proportion of conditions accepted	82.4%	85.56%
Disposals (claims) <sup>3</sup>	33,951	49,698
Determinations (claims)	30,713	45,260
Average time taken to process in days (claims)	441	368
<b>Claims on hand at 30 June<sup>4</sup></b>		
MRCA only	22,204	17,498
Tri Act (MRCA/DRCA/VEA)	19,292	17,031
<b>Permanent impairment</b>		
Gross claims received	13,913	22,331
Net claims received <sup>1</sup>	13,172	20,480
Claims determined	9,495	17,375
Proportion of claims accepted	87.4%	87.93%
One-off lump-sum payments	7,270	14,120
Claims on hand at 30 June <sup>4</sup>	10,476	12,876
<b>Incapacity compensation</b>		
Gross claims received	3,070	3,541
Net claims received <sup>1</sup>	2,631	2,999
Claims determined	2,705	3,156
Proportion of claims accepted	96.7%	96.1%
Claims on hand at 30 June <sup>4</sup>	591	602
Compensation paid	\$336.9 million	\$409.1 million

	2022-23	2023-24
Payees	10,308	11,287
<b>Compensation for dependants</b>		
Compensation paid	\$182.4 million	\$387.8 million
Payees	1,725	3,391

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

- 1 Net claims does not include claims that have been withdrawn. A claim can be withdrawn for a number of reasons. Most commonly, this occurs when DVA combines multiple claims that are lodged online on the same day by the same claimant into a single claim with multiple conditions, with the consent of the claimant.
- 2 While a claim can be lodged with one or more conditions, each condition is determined separately.
- 3 Includes claims both determined and withdrawn.
- 4 Includes claims both in progress and not yet commenced.

## Top 15 most frequently claimed conditions

**TABLE A11: TOP 15 MOST FREQUENTLY CLAIMED CONDITIONS UNDER THE MRCA 2023-24**

Condition	Accepted	% accepted	Not accepted	Total
Tinnitus	10,616	99.50	53	10,669
Osteoarthritis	9,481	98.36	158	9,639
Sprain and strain	9,237	93.72	619	9,856
Thoracolumbar spondylosis	5,830	98.73	75	5,905
Sensorineural hearing loss	5,555	99.25	42	5,597
Rotator cuff syndrome	4,695	98.20	86	4,781
Depressive disorder	3,478	94.56	200	3,678
Posttraumatic stress disorder	2,332	89.87	263	2,595
Anxiety disorder	2,101	94.43	124	2,225
Erectile dysfunction	2,096	92.42	172	2,268
Fracture	2,085	90.65	215	2,300
Alcohol use disorder	1,781	93.29	128	1,909
Chondromalacia patella	1,746	93.87	114	1,860
Labral tear	1,418	95.10	73	1,491
Cervical spondylosis	1,347	76.32	418	1,765
<b>Total (top 15)</b>	<b>63,798</b>	<b>95.88</b>	<b>2,740</b>	<b>66,538</b>
<b>Total (all MRCA IL conditions)</b>	<b>90,168</b>	<b>92.14</b>	<b>7,689</b>	<b>97,857</b>

MRCA = *Military Rehabilitation and Compensation Act 2004*; IL = initial liability

Note: The top 15 conditions approved under the MRCA represent 70.7% of all MRCA approved conditions in the 2023-24 financial year (63,798 of 90,168).

### Explanatory notes: 'top 15' tables

- Conditions that have been determined under more than one Act have been counted per determination, so they may appear more than once in the result set; therefore, combined MRCA, DRCA and VEA totals are not an accurate reflection of the financial year claims data.
- Only conditions with a valid statements of principles (SOPs) code and condition are counted for the purpose of these figures. Conditions without SOPs codes are not included as there is no way to accurately map claimed conditions to SOPs conditions.
- A condition can be assessed under multiple Acts but can be approved under one or more Acts.
- All the claims that were determined in 2023–24 were considered for this dataset.
- This data is current as of 25 July 2024.

### Travel for treatment

**TABLE A12: TRAVEL FOR TREATMENT BY SERVICE TYPE 2019–20 TO 2023–24**

	2019–20	2020–21	2021–22	2022–23	2023–24
<b>Claims for reimbursement<sup>1</sup></b>	156,202	147,480	150,701	140,248	149,479
<b>Trips – reimbursed<sup>2</sup></b>				376,266	393,467
<b>Arranged transport trips</b>	1,046,071	693,345	595,511	563,095	564,956
<b>Ambulance trips<sup>3</sup></b>	82,477	77,325	65,171	57,847	55,867

1 Each claim for reimbursement may contain up to 10 separate trips.

2 This is new reporting that was included in the 2023–24 Annual Report; therefore data from financial years prior to 2022–23 is not incorporated. Claims for reimbursement processed manually are excluded; due to system limitations, individual trip data is not available.

3 There are a small number of ambulance services delivered under special circumstances each year; however, these are processed manually and cannot be individually reported due to system limitations.

### Explanatory notes: travel for treatment

- Data for financial year 2023–24 is current as at the date of extraction (15 July 2024); actual numbers vary due to delays in client and provider claims being submitted.
- The title has been updated to 'Travel for treatment' to better reflect transport services available to DVA clients.

## Adjustments to the Military Rehabilitation and Compensation Act liability provisions

Tables A13 and A14 show the movement in the long-term liability for income support and compensation and health and other care services under the DRCA and MRCA over the past 2 years, based on the advice of the Australian Government Actuary. The movement is recognised as a gain or expense in DVA's financial statements. Due to the nature of the liability provision, significant adjustments can occur between years.



**TABLE A13: MOVEMENT IN DRCA AND MRCA LIABILITY UNDER OUTCOME 1, 2022-23 AND 2023-24**

	2022-23			2023-24		
	DRCA (\$'000)	MRCA (\$'000)	Total (\$'000)	DRCA (\$'000)	MRCA (\$'000)	Total (\$'000)
Changes in valuation assumptions	2,653,500	5,934,200	<b>8,587,700</b>	1,063,000	13,171,200	<b>14,234,200</b>
Movements in income support and compensation payments	(314,200)	765,400	<b>451,200</b>	(514,000)	1,028,000	<b>514,000</b>
Interest rate	19,600	(172,800)	<b>(153,200)</b>	148,200	659,400	<b>807,600</b>
<b>Total movement</b>	<b>2,358,900</b>	<b>6,526,800</b>	<b>8,885,700</b>	<b>697,200</b>	<b>14,858,600</b>	<b>15,555,800</b>

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

**TABLE A14: MOVEMENT IN DRCA AND MRCA LIABILITY UNDER OUTCOME 2, 2022-23 AND 2023-24**

	2022-23			2023-24		
	DRCA (\$'000)	MRCA (\$'000)	Total (\$'000)	DRCA (\$'000)	MRCA (\$'000)	Total (\$'000)
Changes in valuation assumptions	998,700	4,287,800	<b>5,286,500</b>	514,900	12,679,700	<b>13,194,600</b>
Movements in health and other care services	(50,000)	1,422,300	<b>1,372,300</b>	(62,600)	2,185,500	<b>2,122,900</b>
Interest rate	(58,400)	(1,937,400)	<b>(1,995,800)</b>	(5,200)	(1,244,800)	<b>(1,250,000)</b>
<b>Total movement</b>	<b>890,300</b>	<b>3,772,700</b>	<b>4,663,000</b>	<b>447,100</b>	<b>13,620,400</b>	<b>14,067,500</b>

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

## Appendix B – Staffing overview

### Management of human resources

**TABLE B1: ALL ONGOING EMPLOYEES CURRENT REPORT PERIOD, 2023–24**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	109	4	113	198	15	213	0	0	0	0	0	0	0	0	0	326
Qld	242	6	248	499	59	558	1	0	1	0	0	0	0	0	0	807
SA	90	0	90	176	22	198	0	0	0	0	0	0	0	0	0	288
Tas	31	2	33	50	17	67	0	0	0	0	0	0	0	0	0	100
Vic	137	7	144	215	22	237	0	0	0	0	0	0	0	0	0	381
WA	64	2	66	212	28	240	0	0	0	0	0	0	0	0	0	306
ACT	199	7	206	391	55	446	2	0	2	0	0	0	0	0	0	654
NT	6	0	6	15	1	16	0	0	0	0	0	0	0	0	0	22
External territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
<b>Total</b>	<b>879</b>	<b>28</b>	<b>907</b>	<b>1,756</b>	<b>219</b>	<b>1,975</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,885</b>

**TABLE B2: ALL NON-ONGOING EMPLOYEES CURRENT REPORT PERIOD, 2023–24**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	40	1	41	95	6	101	1	0	1	0	0	0	0	0	0	143
Qld	65	1	66	123	26	149	1	0	1	0	0	0	0	0	0	216
SA	22	3	25	47	10	57	1	0	1	0	0	0	0	0	0	83
Tas	12	1	13	9	2	11	0	0	0	0	0	0	0	0	0	24
Vic	65	3	68	99	14	113	0	0	0	0	0	0	0	0	0	181
WA	10	1	11	33	5	38	0	0	0	0	0	0	0	0	0	49
ACT	21	5	26	36	7	43	0	1	1	0	0	0	0	0	0	70
NT	2	0	2	4	1	5	0	0	0	0	0	0	0	0	0	7
External territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>237</b>	<b>15</b>	<b>252</b>	<b>446</b>	<b>71</b>	<b>517</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>773</b>

**TABLE B3: ALL ONGOING EMPLOYEES PREVIOUS REPORT PERIOD, 2022-23**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	95	2	97	157	17	174	0	0	0	0	0	0	0	0	0	271
Qld	169	3	172	362	55	417	0	0	0	0	0	0	0	0	0	589
SA	65	0	65	123	17	140	0	0	0	0	0	0	0	0	0	205
Tas	28	1	29	45	13	58	0	0	0	0	0	0	0	0	0	87
Vic	107	7	114	161	21	182	0	0	0	0	0	0	0	0	0	296
WA	50	2	52	142	22	164	0	0	0	0	0	0	0	0	0	216
ACT	187	8	195	356	64	420	0	0	0	0	0	0	0	0	0	615
NT	3	0	3	9	1	10	0	0	0	0	0	0	0	0	0	13
External territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	2
<b>Total</b>	<b>705</b>	<b>23</b>	<b>728</b>	<b>1,356</b>	<b>210</b>	<b>1,566</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,294</b>

**TABLE B4: ALL NON-ONGOING EMPLOYEES PREVIOUS REPORT PERIOD, 2022-23**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	32	1	33	55	2	57	0	0	0	0	0	0	0	0	0	90
Qld	91	2	93	154	9	163	0	0	0	0	0	0	0	0	0	256
SA	21	0	21	40	7	47	0	0	0	0	0	0	0	0	0	68
Tas	10	2	12	16	3	19	0	0	0	0	0	0	0	0	0	31
Vic	69	0	69	103	5	108	0	0	0	0	0	0	0	0	0	177
WA	28	0	28	61	3	64	0	0	0	0	0	0	0	0	0	92
ACT	20	4	24	38	10	48	0	0	0	0	0	0	0	0	0	72
NT	2	0	2	3	0	3	0	0	0	0	0	0	0	0	0	5
External territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>273</b>	<b>9</b>	<b>282</b>	<b>470</b>	<b>39</b>	<b>509</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>791</b>

**TABLE B5: AUSTRALIAN PUBLIC SERVICE ACT ONGOING EMPLOYEES CURRENT REPORT PERIOD, 2023-24**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	
SES 3	1	0	1	3	0	3	0	0	0	0	0	0	0	0	0	4
SES 2	2	0	2	11	0	11	0	0	0	0	0	0	0	0	0	13
SES 1	16	0	16	31	0	31	0	0	0	0	0	0	0	0	0	47
EL 2	76	1	77	127	10	137	0	0	0	0	0	0	0	0	0	214
EL 1	152	9	161	302	31	333	0	0	0	0	0	0	0	0	0	494
APS 6	230	8	238	452	68	520	2	0	2	0	0	0	0	0	0	760
APS 5	223	5	228	497	63	560	0	0	0	0	0	0	0	0	0	788
APS 4	101	2	103	204	24	228	0	0	0	0	0	0	0	0	0	331
APS 3	64	2	66	122	19	141	0	0	0	0	0	0	0	0	0	207
APS 2	5	1	6	1	0	1	0	0	0	0	0	0	0	0	0	7
APS 1	2	0	2	1	1	2	1	0	1	0	0	0	0	0	0	5
Other <sup>1</sup>	7	0	7	5	3	8	0	0	0	0	0	0	0	0	0	15
<b>TOTAL</b>	<b>879</b>	<b>28</b>	<b>907</b>	<b>1,756</b>	<b>219</b>	<b>1,975</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,885</b>

1 Includes Medical Officers and Statutory Office Holders

**TABLE B6: AUSTRALIAN PUBLIC SERVICE ACT NON-ONGOING EMPLOYEES CURRENT REPORT PERIOD, 2023-24**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	
SES 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 2	3	2	5	3	1	4	0	1	1	0	0	0	0	0	0	10
EL 1	22	5	27	15	1	16	0	0	0	0	0	0	0	0	0	43
APS 6	125	40	165	42	8	50	0	0	0	0	0	0	0	0	0	215
APS 5	107	5	112	81	3	84	1	0	1	0	0	0	0	0	0	197
APS 4	146	8	154	67	1	68	2	0	2	0	0	0	0	0	0	224
APS 3	41	10	51	25	1	26	0	0	0	0	0	0	0	0	0	77
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other <sup>1</sup>	2	1	3	4	0	4	0	0	0	0	0	0	0	0	0	7
<b>TOTAL</b>	<b>446</b>	<b>71</b>	<b>517</b>	<b>237</b>	<b>15</b>	<b>252</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>773</b>

1 Includes Medical Officers and Statutory Office Holders

**TABLE B7: AUSTRALIAN PUBLIC SERVICE ACT ONGOING EMPLOYEES PREVIOUS REPORT PERIOD, 2022–23**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	
SES 3	0	0	0	2	0	2	0	0	0	0	0	0	0	0	0	2
SES 2	3	0	3	7	0	7	0	0	0	0	0	0	0	0	0	10
SES 1	14	0	14	20	0	20	0	0	0	0	0	0	0	0	0	34
EL 2	65	1	66	113	7	120	0	0	0	0	0	0	0	0	0	186
EL 1	153	6	159	254	41	295	0	0	0	0	0	0	0	0	0	454
APS 6	189	7	196	378	58	436	0	0	0	0	0	0	0	0	0	632
APS 5	168	3	171	354	64	418	0	0	0	0	0	0	0	0	0	589
APS 4	53	3	56	116	20	136	0	0	0	0	0	0	0	0	0	192
APS 3	48	2	50	102	19	121	0	0	0	0	0	0	0	0	0	171
APS 2	6	1	7	2	0	2	0	0	0	0	0	0	0	0	0	9
APS 1	1	0	1	0	1	1	0	0	0	0	0	0	0	0	0	2
Other <sup>1</sup>	5	0	5	8	0	8	0	0	0	0	0	0	0	0	0	13
<b>TOTAL</b>	<b>705</b>	<b>23</b>	<b>728</b>	<b>1,356</b>	<b>210</b>	<b>1,566</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,294</b>

1 Includes Medical Officers and Statutory Office Holders

**TABLE B8: AUSTRALIAN PUBLIC SERVICE ACT NON-ONGOING EMPLOYEES PREVIOUS REPORT PERIOD, 2022–23**

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	Full time	Part time	Total time	
SES 3	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
SES 2	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
SES 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 2	1	3	4	0	2	2	0	0	0	0	0	0	0	0	0	6
EL 1	9	0	9	14	6	20	0	0	0	0	0	0	0	0	0	29
APS 6	29	1	30	42	5	47	0	0	0	0	0	0	0	0	0	77
APS 5	128	2	130	237	13	250	0	0	0	0	0	0	0	0	0	380
APS 4	62	1	63	107	6	113	0	0	0	0	0	0	0	0	0	176
APS 3	28	1	29	62	7	69	0	0	0	0	0	0	0	0	0	98
APS 2	15	0	15	7	0	7	0	0	0	0	0	0	0	0	0	22
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other <sup>1</sup>	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>273</b>	<b>9</b>	<b>282</b>	<b>470</b>	<b>39</b>	<b>509</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>791</b>

1 Includes Medical Officers and Statutory Office Holders

**TABLE B9: AUSTRALIAN PUBLIC SERVICE ACT EMPLOYEES BY FULL-TIME AND PART-TIME STATUS CURRENT REPORT PERIOD, 2023-24**

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	4	0	4	0	0	0	4
SES 2	13	0	13	0	0	0	13
SES 1	47	0	47	0	0	0	47
EL 2	204	11	215	6	4	10	225
EL 1	457	42	499	37	6	43	542
APS 6	684	76	760	167	48	215	975
APS 5	720	68	788	189	8	197	985
APS 4	305	26	331	215	9	224	555
APS 3	186	21	207	66	11	77	284
APS 2	6	1	7	0	0	0	7
APS 1	4	1	5	0	0	0	5
Other <sup>1</sup>	8	1	9	6	1	7	16
<b>TOTAL</b>	<b>2,638</b>	<b>247</b>	<b>2,885</b>	<b>686</b>	<b>87</b>	<b>773</b>	<b>3,658</b>

<sup>1</sup> Includes Medical Officers and Statutory Office Holders

**TABLE B10: AUSTRALIAN PUBLIC SERVICE ACT EMPLOYEES BY FULL-TIME AND PART-TIME STATUS PREVIOUS REPORT PERIOD, 2022-23**

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total ongoing	Full time	Part time	Total non-ongoing	
SES 3	2	0	2	1	0	1	3
SES 2	10	0	10	1	0	1	11
SES 1	34	0	34	0	0	0	34
EL 2	178	8	186	1	5	6	192
EL 1	407	47	454	23	6	29	483
APS 6	567	65	632	71	6	77	709
APS 5	522	67	589	365	15	380	969
APS 4	169	23	192	169	7	176	368
APS 3	150	21	171	90	8	98	269
APS 2	8	1	9	22	0	22	31
APS 1	1	1	2	0	0	0	2
Other <sup>1</sup>	13	0	13	0	1	1	14
<b>TOTAL</b>	<b>2,061</b>	<b>233</b>	<b>2,294</b>	<b>743</b>	<b>48</b>	<b>791</b>	<b>3,085</b>

<sup>1</sup> Includes Medical Officers and Statutory Office Holders

**TABLE B11: AUSTRALIAN PUBLIC SERVICE ACT EMPLOYMENT TYPE BY LOCATION CURRENT REPORT PERIOD, 2023–24**

	Ongoing	Non-ongoing	Total
NSW	326	143	469
Qld	807	216	1,023
SA	288	83	371
Tas	100	24	124
Vic	381	181	562
WA	306	49	355
ACT	654	70	724
NT	22	7	29
External territories	0	0	0
Overseas	1	0	1
<b>Total</b>	<b>2,885</b>	<b>773</b>	<b>3,658</b>

**TABLE B12: AUSTRALIAN PUBLIC SERVICE ACT EMPLOYMENT TYPE BY LOCATION PREVIOUS REPORT PERIOD, 2022–23**

	Ongoing	Non-ongoing	Total
NSW	271	90	361
Qld	589	256	845
SA	205	68	273
Tas	87	31	118
Vic	296	177	473
WA	216	92	308
ACT	615	72	687
NT	13	5	18
External territories	0	0	0
Overseas	2	0	2
<b>Total</b>	<b>2,294</b>	<b>791</b>	<b>3,085</b>

**TABLE B13: AUSTRALIAN PUBLIC SERVICE ACT INDIGENOUS EMPLOYMENT CURRENT REPORT PERIOD, 2023–24**

	Total
Ongoing	54
Non-ongoing	7
<b>Total</b>	<b>61</b>

**TABLE B14: AUSTRALIAN PUBLIC SERVICE ACT INDIGENOUS EMPLOYMENT PREVIOUS REPORT PERIOD, 2022–23**

	Total
Ongoing	32
Non-ongoing	6
<b>Total</b>	<b>38</b>

**TABLE B15: AUSTRALIAN PUBLIC SERVICE ACT EMPLOYMENT ARRANGEMENTS CURRENT REPORT PERIOD, 2023–24**

	SES	Non-SES	Total
DVA Enterprise Agreement 2024–2027	0	3,583	3,583
Individual flexibility arrangement	0	16	16
Public Service Subsection 24(1) Individual SES Employee Determination	53	0	53
<b>Total</b>	<b>53</b>	<b>3,599</b>	<b>3,652</b>



**TABLE B16: AUSTRALIAN PUBLIC SERVICE ACT EMPLOYMENT SALARY RANGES BY CLASSIFICATION LEVEL (MINIMUM/MAXIMUM) CURRENT REPORT PERIOD, 2023–24**

	Minimum salary	Maximum salary
SES 3	371,806	399,122
SES 2	258,706	299,567
SES 1	222,869	240,631
EL 2	148,277	166,893
EL 1	122,949	135,013
APS 6	97,735	110,982
APS 5	88,923	92,670
APS 4	79,764	85,074
APS 3	70,632	75,875
APS 2	62,572	68,443
APS 1	53,806	60,274
Other <sup>1</sup>	150,280	453,200
<b>Minimum/Maximum range</b>	<b>53,806</b>	<b>453,200</b>

<sup>1</sup> Includes Medical Officers and Statutory Office Holders

**TABLE B17: AUSTRALIAN PUBLIC SERVICE ACT EMPLOYMENT PERFORMANCE PAY BY CLASSIFICATION LEVEL CURRENT REPORT PERIOD, 2023–24**

	Number of employees receiving performance pay	Aggregated (sum total) of all payments made	Average of all payments made	Minimum payment made to employees	Maximum payment made to employees
SES 3	0	0	0	0	0
SES 2	0	0	0	0	0
SES 1	0	0	0	0	0
EL 2	0	0	0	0	0
EL 1	0	0	0	0	0
APS 6	0	0	0	0	0
APS 5	0	0	0	0	0
APS 4	0	0	0	0	0
APS 3	0	0	0	0	0
APS 2	0	0	0	0	0
APS 1	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Executive remuneration

**TABLE B18: INFORMATION ABOUT REMUNERATION FOR KEY MANAGEMENT PERSONNEL**

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Alison Frame	Secretary	633,527	0	86,883	99,335	17,086	0	0	836,830
Teena Blewitt <sup>2</sup>	Deputy Secretary	360,980	0	36,295	72,008	10,185	0	0	479,468
Andrew Kefford <sup>1,2</sup>	Deputy Secretary	336,585	0	33,669	64,160	9,318	0	0	443,731
Alison McLaren <sup>1</sup>	Deputy Secretary	270,124	0	26,048	42,449	6,977	0	0	345,598

1 Key management personnel for part year

2 Acted as Secretary during year

Note: Figures have been rounded to the nearest dollar

**TABLE B19: INFORMATION ABOUT REMUNERATION FOR SENIOR EXECUTIVES**

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0 – \$220,000	25	113,452	0	1,849	19,012	2,953	0	0	138,029
\$220,001 – \$245,000	5	192,198	0	1,696	34,221	5,011	0	0	233,211
\$245,001 – \$270,000	9	217,192	0	2,839	36,714	5,726	0	0	262,471
\$270,001 – \$295,000	11	231,648	0	3,750	41,073	5,914	0	0	282,385
\$295,001 – \$320,000	5	259,235	0	3,864	41,104	6,428	0	0	310,632
\$320,001 – \$345,000	3	277,562	0	4,570	40,156	5,595	0	0	327,883
\$345,001 – \$370,000	5	294,155	0	3,355	53,328	7,512	0	0	359,019
\$370,001 – \$395,000	0	0	0	0	0	0	0	0	0
\$395,001 – \$420,000	1	353,969	0	0	42,507	8,929	0	0	405,405
\$420,001 – \$445,000	0	0	0	0	0	0	0	0	0
\$445,001 – \$470,000	0	0	0	0	0	0	0	0	0
\$470,001 – \$495,000	1	366,741	0	28,491	71,137	9,302	0	0	475,672
\$495,001 – ....	0	0	0	0	0	0	0	0	0

**TABLE B20: INFORMATION ABOUT REMUNERATION FOR OTHER HIGHLY PAID STAFF**

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$250,001 – \$270,000	7	217,933	0	2,568	30,225	4,344	0	0	255,070
\$270,001 – \$295,000	7	244,663	0	318	34,886	3,954	0	0	283,821
\$295,001 – \$320,000	2	197,150	0	85,104	17,142	2,766	0	0	302,161
\$320,001 – \$345,000	0	0	0	0	0	0	0	0	0
\$345,001 – \$370,000	0	0	0	0	0	0	0	0	0
\$370,001 – \$395,000	0	0	0	0	0	0	0	0	0
\$395,001 – \$420,000	2	309,784	0	52,326	42,008	2,134	0	0	406,252
\$420,001 – \$445,000	0	0	0	0	0	0	0	0	0
\$445,001 – \$470,000	0	0	0	0	0	0	0	0	0
\$470,001 – \$495,000	0	0	0	0	0	0	0	0	0
\$495,001 – ...	0	0	0	0	0	0	0	0	0

## Appendix C – Resource summary tables

TABLE C1: AGENCY RESOURCE STATEMENT, 2023–24

	Actual available appropriation for 2023–24	Payments made 2023–24	Balance remaining 2023–24
	\$'000 (a)	\$'000 (b)	\$'000 (a) – (b)
<b>Departmental</b>			
Annual appropriations – ordinary annual services <sup>1,2</sup>	656,842	588,470	68,372
Annual appropriations – other services – non-operating <sup>3</sup>	6,121	-	6,121
<b>Total departmental annual appropriations</b>	<b>662,963</b>	<b>588,470</b>	<b>74,493</b>
Special accounts	134,183	168,013	(33,830)
<b>Total special accounts</b>	<b>134,183</b>	<b>168,013</b>	<b>(33,830)</b>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	120	120	-
<b>Total departmental resourcing (A)</b>	<b>797,026</b>	<b>756,363</b>	<b>40,663</b>
<b>Administered</b>			
Annual appropriations – ordinary annual services <sup>1</sup>	227,628	162,235	65,393
Annual appropriations – other services – non-operating <sup>3</sup>	7,645	7,645	-
<b>Total administered annual appropriations</b>	<b>235,273</b>	<b>169,880</b>	<b>65,393</b>
Administered special appropriations	12,493,199	12,590,781	(97,582)
<b>Total administered special appropriations</b>	<b>12,493,199</b>	<b>12,590,781</b>	<b>(97,582)</b>
Special accounts <sup>4</sup>	177	353	(176)
<b>Total special accounts receipts</b>	<b>177</b>	<b>353</b>	<b>(176)</b>
<i>less payments to corporate entities from annual/special appropriations</i>	49,785	49,785	-
<b>Total administered resourcing (B)</b>	<b>12,678,864</b>	<b>12,711,229</b>	<b>(32,365)</b>
<b>Total resourcing and payments for DVA (A + B)</b>	<b>13,475,890</b>	<b>13,467,592</b>	<b>8,298</b>

1 Appropriation Act (No. 1) and Appropriation Act (No. 3). This also includes prior-year departmental appropriations and budgeted section 74 external revenue.

2 Departmental capital budgets are not separately identified in Appropriation Bill (Nos 1 and 3) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

3 Appropriation Act (No. 2) and Appropriation Act (No. 4).

4 Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts.

**TABLE C2: EXPENSES FOR OUTCOME 1**

Outcome 1: Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons and their dependants through access to income support, compensation and other support services, including advice and information about entitlements.	Budget* 2023–24	Actual expenses 2023–24	Variation 2023–24
	\$'000 (a)	\$'000 (b)	\$'000 (a) – (b)
Program 1.1: Veterans' Income Support and Allowances			
<b>Administered expenses</b>			
Special appropriations	1,784,415	1,785,060	(645)
<b>Total expenses for Program 1.1</b>	<b>1,784,415</b>	<b>1,785,060</b>	<b>(645)</b>
Program 1.2: Veterans' Disability Support			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act Nos 1 and 3)	14,785	14,724	61
Special appropriations	1,715,822	1,716,632	(810)
<b>Total expenses for Program 1.2</b>	<b>1,730,607</b>	<b>1,731,356</b>	<b>(749)</b>
Program 1.3: Assistance to Defence Widow/ers and Dependants			
<b>Administered expenses</b>			
Special appropriations	991,264	996,532	(5,268)
<b>Total expenses for Program 1.3</b>	<b>991,264</b>	<b>996,532</b>	<b>(5,268)</b>
Program 1.4: Assistance and Other Compensation for Veterans and Dependants			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act Nos 1 and 3)	10,411	7,306	3,105
Special appropriations	5,562	5,460	102
Departmental expenses			
Special accounts	63,149	153,424	(90,275)
<b>Total expenses for Program 1.4</b>	<b>79,122</b>	<b>166,190</b>	<b>(87,068)</b>
Program 1.5: Veterans' Children Education Scheme			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act Nos 1 and 3)	19,893	15,997	3,896
<b>Total expenses for Program 1.5</b>	<b>19,893</b>	<b>15,997</b>	<b>3,896</b>

Outcome 1: Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons and their dependants through access to income support, compensation and other support services, including advice and information about entitlements.	Budget* 2023–24	Actual expenses 2023–24	Variation 2023–24
	\$'000 (a)	\$'000 (b)	\$'000 (a) – (b)
<b>Program 1.6: Military Rehabilitation and Compensation Acts Payments – Income Support and Compensation</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act Nos 1 and 3)	26,108	18,798	7,310
Special appropriations	3,639,479	3,718,680	(79,201)
Special accounts	30	18	13
<b>Total expenses for Program 1.6</b>	<b>3,665,617</b>	<b>3,737,496</b>	<b>(71,879)</b>
<b>Program 1.7: Adjustment to Military Rehabilitation and Compensation Acts Liability Provision – Income Support and Compensation</b>			
<b>Administered expenses</b>			
Expenses not requiring appropriation in the budget year <sup>1</sup>	(2,533,100)	15,555,800	(18,088,900)
<b>Total expenses for Program 1.7</b>	<b>(2,533,100)</b>	<b>15,555,800</b>	<b>(18,088,900)</b>
<b>Outcome 1 totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act Nos 1 and 3)	71,197	56,825	14,372
Special appropriations	8,136,542	8,222,364	(85,822)
Special accounts	30	18	13
Expenses not requiring appropriation in the budget year <sup>1</sup>	(2,533,100)	15,555,800	(18,088,900)
<b>Administered total</b>	<b>5,674,669</b>	<b>23,835,007</b>	<b>(18,160,338)</b>
<b>Departmental expenses</b>			
Departmental appropriation	396,863	312,879	83,984
Expenses not requiring appropriation in the budget year <sup>1</sup>	28,410	41,947	(13,537)
Special accounts	63,149	153,424	(90,275)
<b>Departmental total</b>	<b>488,422</b>	<b>508,250</b>	<b>(19,828)</b>
<b>Total expenses for Outcome 1</b>	<b>6,163,091</b>	<b>24,343,257</b>	<b>(18,180,166)</b>
	<b>2023–24</b>	<b>2023–24</b>	<b>2023–24</b>
Average staffing level (number)	2,199	2,193	6

\* Full-year budget, including any subsequent adjustment made to the 2023–24 budget at the 2024–25 budget.

<sup>1</sup> Expenses not requiring appropriation in the budget year are made up of the movements in the military compensation provision, depreciation expenses, and audit fees.

**TABLE C3: EXPENSES FOR OUTCOME 2**

Outcome 2: Maintain and enhance the physical and mental wellbeing and quality of life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health service entitlements.	Budget* 2023-24	Actual expenses 2023-24	Variation 2023-24
	\$'000 (a)	\$'000 (b)	\$'000 (a) – (b)
<b>Program 2.1: General Medical Consultations and Services</b>			
<b>Administered expenses</b>			
Special appropriations	709,828	724,197	(14,369)
<b>Total expenses for Program 2.1</b>	<b>709,828</b>	<b>724,197</b>	<b>(14,369)</b>
<b>Program 2.2: Veterans' Hospital Services</b>			
<b>Administered expenses</b>			
Special appropriations	1,050,642	1,103,025	(52,383)
<b>Total expenses for Program 2.2</b>	<b>1,050,642</b>	<b>1,103,025</b>	<b>(52,383)</b>
<b>Program 2.3: Veterans' Pharmaceutical Benefits</b>			
<b>Administered expenses</b>			
Special appropriations	354,110	341,308	12,802
<b>Total expenses for Program 2.3</b>	<b>354,110</b>	<b>341,308</b>	<b>12,802</b>
<b>Program 2.4: Veterans' Community Care and Support</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act Nos 1 and 3)	59,690	26,554	33,136
Special appropriations	1,032,169	988,684	43,485
<b>Total expenses for Program 2.4</b>	<b>1,091,859</b>	<b>1,015,238</b>	<b>76,621</b>
<b>Program 2.5: Veterans' Counselling and Other Health Services</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act Nos 1 and 3)	9,285	8,027	1,258
Special appropriations	802,121	752,949	49,172
<b>Total expenses for Program 2.5</b>	<b>811,406</b>	<b>760,976</b>	<b>50,430</b>
<b>Program 2.6: Military Rehabilitation and Compensation Acts – Health and Other Care Services</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act Nos 1 and 3)	2,503	1,398	1,105
Special appropriations	429,822	424,444	5,378
<b>Total expenses for Program 2.6</b>	<b>432,325</b>	<b>425,842</b>	<b>6,483</b>



Outcome 2: Maintain and enhance the physical and mental wellbeing and quality of life of eligible persons and their dependants through health and other care services that promote early intervention, prevention and treatment, including advice and information about health service entitlements.	Budget* 2023–24 \$'000 (a)	Actual expenses 2023–24 \$'000 (b)	Variation 2023–24 \$'000 (a) – (b)
<b>Program 2.7: Adjustment to Military Rehabilitation and Compensation Acts Liability Provision – Health and Other Care Services</b>			
<b>Administered expenses</b>			
Expenses not requiring appropriation in the budget year <sup>1</sup>	(594,900)	14,067,500	(14,662,400)
<b>Total expenses for Program 2.7</b>	<b>(594,900)</b>	<b>14,067,500</b>	<b>(14,662,400)</b>
<b>Outcome 2 totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act Nos 1 and 3)	71,478	35,979	35,499
Special appropriations	4,378,692	4,334,607	44,085
Expenses not requiring appropriation in the budget year <sup>1</sup>	(594,900)	14,067,500	(14,662,400)
<b>Administered total</b>	<b>3,855,270</b>	<b>18,438,086</b>	<b>(14,582,816)</b>
<b>Departmental expenses</b>			
Departmental appropriation	169,375	133,410	35,965
Expenses not requiring appropriation in the budget year <sup>1</sup>	11,431	17,886	(6,455)
<b>Departmental total</b>	<b>180,806</b>	<b>151,296</b>	<b>29,510</b>
<b>Total expenses for Outcome 2</b>	<b>4,036,076</b>	<b>18,589,382</b>	<b>(14,553,306)</b>
	<b>2023–24</b>	<b>2023–24</b>	<b>2023–24</b>
Average staffing level (number)	919	935	(16)

\* Full-year budget, including any subsequent adjustment made to the 2023–24 budget at the 2024–25 budget.

<sup>1</sup> Expenses not requiring appropriation in the budget year are made up of the movements in the military compensation provision, depreciation expenses, and audit fees.

**TABLE C4: EXPENSES FOR OUTCOME 3**

Outcome 3: Acknowledgement and commemoration of those who served Australia and its allies in wars, conflicts and peace operations through promoting recognition of service and sacrifice, preservation of Australia's wartime heritage, and official commemorations.	Budget* 2023-24	Actual expenses 2023-24	Variation 2023-24
	\$'000 (a)	\$'000 (b)	\$'000 (a) – (b)
<b>Program 3.1: War Graves</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act No. 1)	27,760	24,439	3,321
Special accounts	35	32	3
Expenses not requiring appropriation in the budget year <sup>1</sup>	3,462	29,529	(26,067)
<b>Total expenses for Program 3.1</b>	<b>31,257</b>	<b>54,000</b>	<b>(22,743)</b>
<b>Program 3.2: Commemorative Activities</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act No. 1)	24,401	16,508	7,893
<b>Total expenses for Program 3.2</b>	<b>24,401</b>	<b>16,508</b>	<b>7,893</b>
<b>Outcome 3 totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act No. 1)	52,161	40,947	11,214
Special accounts	35	32	3
Expenses not requiring appropriation in the budget year <sup>1</sup>	3,462	29,527	(26,065)
<b>Administered total</b>	<b>55,658</b>	<b>70,506</b>	<b>(14,848)</b>
<b>Departmental expenses</b>			
Departmental appropriation	17,748	21,323	(3,575)
Expenses not requiring appropriation in the budget year <sup>1</sup>	2,532	2,859	(327)
<b>Departmental total</b>	<b>20,280</b>	<b>24,182</b>	<b>(3,902)</b>
<b>Total expenses for Outcome 3</b>	<b>75,938</b>	<b>94,688</b>	<b>(18,750)</b>
	<b>2023-24</b>	<b>2023-24</b>	<b>2023-24</b>
Average staffing level (number)	147	149	(2)

\* Full-year budget, including any subsequent adjustment made to the 2023-24 budget at the 2024-25 budget.

<sup>1</sup> Expenses not requiring appropriation in the budget year are made up of depreciation expenses and audit fees.

## Appendix D – Data Matching Program

The Data Matching Program is a program of computer matching of identity and income data held by certain government agencies, including DVA, to detect incorrect payments in the income support system.

The legal authority for the data matching is contained in the *Data-matching Program (Assistance and Tax) Act 1990* (Data-matching Act). The Office of the Australian Information Commissioner oversees the implementation of the Act through guidelines for the conduct of the Data Matching Program.

Section 12 of the Data-matching Act requires participating agencies to provide annual and 3-yearly reports to parliament on the operation of the program. DVA's most recent 3-yearly report was submitted in 2022, so this year's report is an annual report, focusing on the operation of the program within DVA during 2023–24.

For a full explanation of the progress of the Data Matching Program within DVA, this report should be read in conjunction with previous data-matching annual reports.

### Overview

The Data Matching Program identifies cases where there is a risk of incorrect payment through:

- detection of invalid tax file numbers
- identity matching, which detects fictitious or assumed identities
- payment matching, which detects people who may be in receipt of incorrect or dual payments from the same or different agencies, where the receipt of one payment precludes or limits payment of the other
- income matching, which detects instances where the income information disclosed to DVA differs from the income declared to the Australian Taxation Office (ATO).

The ATO provides details of identity and tax data of people in receipt of income support payments for comparison with the details provided by the other agencies. Data-matching between DVA and the ATO is facilitated by Services Australia.

As of August 2023, the quarterly Data Matching Program was suspended by the ATO while they conduct a review of information sharing between agencies. There is no indication from the ATO on when the Data Matching Program will resume.

As the program did not recommence during the 2023–24 financial year, this has had an impact on results for the 2023–24 period.

### Data-matching investigations

This section provides a summary of how DVA acts on discrepancies identified through data matching.

#### *Invalid tax file numbers*

DVA actions all discrepancies found through detection of invalid tax file numbers by contacting the client and obtaining the correct number.

#### *Identity matching*

DVA actions all discrepancies found through identity matching by correcting administrative errors, investigating anomalies that may potentially be fraudulent or seeking the correct identity details from the client and providing those details to the ATO so that the ATO can correct its records.

### *Payment matching*

DVA runs payment matching in one data-matching cycle each year, solely to confirm the validity of the checks and balances conducted currently within the department.

### *Income matching*

Income matching is run in every cycle by the department. Income discrepancies are selected during this process for further investigation.

### *Deselection of cases*

There are no exclusions from data matching within the department. However, deselection is applied to ensure that the same discrepant case is not picked up in more than one cycle each year.

### *Analysis*

Discrepant cases are analysed before any investigation is undertaken to ensure the integrity of the data provided, to identify areas for improvement of selection, and to ensure all data-matching business rules are applied.

### *Investigations*

All investigations of discrepancies involve examination of the client's DVA electronic records and then, if necessary, hard-copy records. Any administrative errors are corrected at this stage without the client needing to be contacted.

If the discrepancy remains after the initial checking, the client is sent correspondence in accordance with section 11 of the Data-matching Act, requesting further information and documentation to assist with the investigation. Clients are given 28 days under the Data-matching Act to comply, then a further 7 days based on the *Evidence Act 1995*.

In cases where the initial investigation has revealed potential fraud, the investigator may use section 11(4), where a section 11 letter is not sent as it may prejudice the effectiveness of an investigation into the possible commission of an offence.

Based on the information that the client provides, the payment rate is corrected and, where appropriate, overpayments are calculated, raised and recovered.

Further information may be obtained from Commonwealth, state or territory government or private agencies to help ascertain the correct client details.

The client's right to privacy is protected at all times by application of the Australian Privacy Principles (under the *Privacy Act 1988*), which governs the collection, storage, use and disclosure of personal information.

## **Actions under the Data-matching Act**

This section contains information required by paragraphs 9(i) and 9(vi) of the Data-matching Program (Assistance and Tax) Guidelines.

Table D1 details the discrepancies for 2023–24 and the ensuing actions.

While the program was suspended, overpayments and other actions detailed in Table D1 for discrepancies identified in previous financial years continued to be investigated and actioned.

**TABLE D1: ACTIONS UNDER THE DATA-MATCHING ACT, 2023–24**

Discrepancies and actions	2023–24
Total number of records read	0
Matches that resulted in discrepancies <sup>1</sup>	0
Proportion of matches that resulted in discrepancies	0
Number of discrepancies referred for investigation	0
Number of discrepancies referred for investigation that resulted in a notice under section 11 of the Data-matching Act being sent	0
Number of cases where the section 11 letter was followed up by action being undertaken <sup>2</sup>	0
Proportion of discrepancies that resulted in action being undertaken	0
Proportion of discrepancies which did not proceed to action after a section 11 letter was sent	0
Number of overpayments raised <sup>3</sup>	39
Cases where debt was fully recovered <sup>4</sup>	47
Number of pensions reduced	40
Number of pensions cancelled or suspended	12
Number of pensions that were continued	18
Number of pensions that were increased	7

1 Discrepancies include those resulting from detection of invalid tax file numbers, identity matching, payment matching and income matching. The number of discrepancies does not represent the number of pensioners: more than one discrepancy may be detected in respect of the same pensioner.

2 Refers to the action set out in section 10 of the Data-matching Act – a pension was reduced, cancelled, increased or continued.

3 Overpayments raised include some for cases where section 11 action took place in a previous financial year.

4 Figure includes debts fully recovered from previous financial years.

## Prosecutions

Reviews of entitlement by the department may bring to notice cases where an offence may have been committed under the *Veterans' Entitlements Act 1986*, the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1998*, the *Military Rehabilitation and Compensation Act 2004*, the *Social Security Act 1990*, the *Criminal Code Act 1995*, or the *Crimes Act 1914*.

The department's role in the prosecution process is to investigate cases where it appears an offence may have been committed and to forward these cases, if warranted, to the Commonwealth Director of Public Prosecutions (CDPP) for a decision as to whether prosecution action should proceed. Depending on the type of investigation required, a case may be referred to the Australian Federal Police for further investigation.

Any suspected fraud cases detected are referred to the Personnel, Security and Investigations Section within the People Services Branch for an initial case assessment, prioritisation and further action, if appropriate.

Where sufficient evidence is obtained from an investigation, the Personnel, Security and Investigations Section makes recommendations to senior management on the appropriateness of referring the matter to the CDPP.

Table D2 details the prosecutions prompted by the Data Matching Program for 2023–24.

**TABLE D2: PROSECUTIONS PROMPTED BY THE DATA MATCHING PROGRAM, 2023–24**

Cases	2023–24
Cases referred to the Fraud Investigation Section identified through data matching	0
Cases referred to the CDPP identified through data matching	0
Successfully prosecuted	N/A
Dismissed by the CDPP due to insufficient evidence or not in the public interest	N/A
Cases with the CDPP pending consideration	0
Cases still under investigation by the Fraud Investigation Section	0
Cases finalised by the Fraud Investigation Section without CDPP referral <sup>1</sup>	0

CDPP = Commonwealth Director of Public Prosecutions

<sup>1</sup> Figures may include cases that were identified in previous financial years.

## Costs and benefits

This section contains information required by paragraph 9(i) of the Data-matching Program (Assistance and Tax) Guidelines.

The department's involvement in the program has shown substantial savings can be gained through comparison of data held by different agencies.

## Expenses

**TABLE D3: COSTS TO DVA OF OPERATING THE DATA MATCHING PROGRAM, 2023–24**

Detail	2023–24
Salary costs	\$121,975
Administrative overheads	\$36,915
Support costs for data-matching processing system	\$0
<b>Total</b>	<b>\$158,890</b>

## Projected savings

DVA calculates savings for clients whose payments are suspended, cancelled or reduced. For clients in receipt of a pension, it is assumed that they would have continued to receive the same rate of payment for 52 fortnights. These savings are in line with the methodology used by Services Australia to calculate savings.

Tables D4 and D5 set out the pension adjustments resulting in projected savings, and the total savings achieved for 2023–24. Table D6 also includes a progressive savings total since the inception of the program.

**TABLE D4: PENSION ADJUSTMENTS RESULTING IN PROJECTED SAVINGS, 2023–24**

Pension adjustments	2023–24
Number of pensions reduced	40
Number of pensions suspended/cancelled	12
<b>Total</b>	<b>52</b>

**TABLE D5: TOTAL SAVINGS ACHIEVED THROUGH THE DATA MATCHING PROGRAM, 2023–24**

Detail	2023–24
Number of pensions cancelled/reduced/suspended <sup>1</sup>	52
Number of potential overpayments identified <sup>2</sup>	36
Number of overpayments raised <sup>3</sup>	39
Number of debts fully recovered	47
Value of overpayments raised	\$579,241.50
Debts waived or written off	–\$524.55
<b>Subtotal</b>	<b>\$578,716.95</b>
Value of projected savings	\$1,003,084.68
<b>Total gross savings</b>	<b>\$1,581,801.63</b>
Departmental expenses	–\$158,890
<b>Net savings</b>	<b>\$1,422,911.63</b>

- 1 The number of cases that result in projected savings. Although a person's pension may be cancelled, reduced or suspended, an overpayment may not necessarily exist.
- 2 Where a case officer believes there may be an overpayment, a potential debt identifier is registered. The figure reflects the number of potential debts identified.
- 3 The discrepancy between the number of overpayments identified and the number of overpayments raised is due to several factors:
  - Where a potential overpayment has been identified, further investigation may result in a determination that no debt existed.
  - Debts may be raised and consequently recovered separately for both members of a couple.
  - Overpayments raised during each financial year may have been identified in previous financial years.

Table D6 shows the progressive savings total since the inception of the program.

**TABLE D6: CUMULATIVE SAVINGS ACHIEVED THROUGH THE DATA MATCHING PROGRAM, 2021–22 TO 2023–24**

Detail	2021–22	2022–23	2023–24
Value of overpayments raised	\$543,327	\$871,571	\$579,241.50
Debts waived or written off	–\$9,460	\$0.00	–\$524.55
Value of projected savings	\$284,484	\$697,884	\$1,003,084.68
Total gross savings	\$818,261	\$1,569,455	\$1,581,801.63
Departmental expenses	–\$221,385	–\$196,700	–\$158,890
Net savings	\$596,876	\$1,372,755	\$1,422,911.63
Cumulative net savings	\$37,666,579	\$39,039,334	\$40,462,245.63



## Appendix E – Market research, direct mail and media advertising

In 2023–24, DVA undertook advertising, market research and direct mailing activities to assist the development of its policies and programs, and to inform the public about support services, entitlements and commemorative activities. DVA did not make any payments to polling organisations in 2023–24.

During 2023–24, DVA conducted the following advertising campaign: Veteran Employment Campaign. Further information on this advertising campaign is available at <https://www.veteranemployment.gov.au/campaign-and-media> and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.

Table E1 reports DVA's payments to market research, media advertising and direct mail organisations in accordance with the Australian Electoral Commission disclosure threshold. Payments of less than \$16,300 have not been included.

**TABLE E1: PAYMENTS TO MARKET RESEARCH, DIRECT MAIL AND MEDIA ADVERTISING AGENCIES, 2023–24**

Organisation	Service provided	Amount paid (GST inc.) (\$)
<b>Market research organisations</b>		
Ipsos Public Affairs Pty Ltd	Veteran employment campaign	469,659
	<b>Total</b>	<b>469,659</b>
<b>Direct mail organisations</b>		
Canprint Communications Pty Ltd	Remembrance Day mail-out	102,201
Fujifilm Data Management Solutions Australia	ANZAC Day mail-out	60,886
IVE Group Australia Pty Ltd	<i>VetAffairs</i> newspaper mail-out	348,247
National Mailing & Marketing Pty Ltd	Vietnam War 50th anniversary mail-out	127,402
	<b>Total</b>	<b>638,736</b>
<b>Media advertising agencies</b>		
Cox Inall Ridgeway Pty Ltd	Veteran employment campaign	110,000
Embrace Society Pty Ltd	Veteran employment campaign	66,000
Fujifilm Data Management Solutions Australia	ANZAC Day advertising	31,629
Horizon Communication Group Pty Ltd	Veteran employment campaign	407,000
The Monkeys Pty Ltd	Veteran employment campaign	1,043,790
Universal McCann	DSH Insurance products and services advertising	191,583
Universal McCann	Prime Minister's National Veteran Employment Awards advertising	44,000
Universal McCann	Veteran employment campaign	1,263,981
Universal McCann	Vietnam War 50th anniversary advertising	283,604
	<b>Total</b>	<b>3,441,587</b>
	<b>Grand total</b>	<b>4,549,982</b>

## Appendix F – Carer recognition

The *Carer Recognition Act 2010* sets out the Statement for Australia's Carers, which establishes the principle that carers should have the same rights, choices and opportunities as other Australians. The Act includes reporting and consultation obligations for all public service agencies involved in the development, implementation, provision or evaluation of care supports, otherwise known as public service care agencies.

### Awareness and understanding

DVA has in place several policies and guidelines to ensure we meet our obligations and to enable staff to access carer arrangements and information as needed. DVA has a dedicated 'Information for Carers' intranet page that includes the Statement for Australia's Carers to ensure staff have an awareness and understanding of the statement and principles.

A carer awareness self-paced learning package is available for download from DVA's website at [www.dva.gov.au/providers/notes-fee-schedules-and-guidelines/training-and-research/training-providers/carer#access-the-carer-awareness-training](http://www.dva.gov.au/providers/notes-fee-schedules-and-guidelines/training-and-research/training-providers/carer#access-the-carer-awareness-training). The package provides support material for all interested individuals and organisations, including contracted service providers, to assist them in understanding the issues and needs of carers, the Act and how to comply with the legislation.

DVA's standard deed of agreement includes an obligation for contractors to comply with relevant laws and relevant Australian Government and departmental policies.

### Human resource policies

The department supports staff with caring responsibilities and considers the Statement for Australia's Carers when developing policies. The DVA Enterprise Agreement 2024–2027 (EA) provides access to paid and unpaid leave. The EA also provides for employees to request flexible working arrangements to help balance work and caring responsibilities. EA provisions include access to personal leave for caring purposes, flex-time, flexibility with start and finish times, part-time work and arrangements such as working from home and job-sharing.

The department's People Services Branch supports employees who have caring responsibilities by assisting them to access relevant EA provisions, providing advice to managers and promoting available resources such as the Employee Assistance Program.

### Reflecting the principles

DVA provides respite services to members of the veteran community and their carers through the Veterans' Home Care program. The procedure manuals for assessment agencies and service providers delivering this program refer to the rights of carers and the Statement for Australia's Carers.

Open Arms – Veterans & Families Counselling provides 24-hour free and confidential mental health support. Any Australian Defence Force member with at least one day of full-time service can access support, as can their immediate family.

Information for carers, including links to the contact details for a range of carer services, is provided on DVA's website at [www.dva.gov.au/get-support/health-support/care-home-or-aged-care/services-support-you-home/respice-care](http://www.dva.gov.au/get-support/health-support/care-home-or-aged-care/services-support-you-home/respice-care).

## Consultation with carers and providers

The National Aged and Community Care Forum (NACCF) is one element of the National Consultation Framework, a comprehensive consultative structure designed to facilitate communication between the veteran and ex-service community, the Repatriation Commission, the Military Rehabilitation and Compensation Commission, and DVA.

The NACCF provides a link between ex-service organisations, service providers and DVA. It disseminates information on health, aged and community care issues, mental and social health policy and the future aged care needs of veterans, war widow/ers and other members of the ex-service and defence community, including carers. It is a conduit for developing and proposing better practice residential and community care arrangements for the ex-service community; seeks to influence future policy directions regarding ageing for the ex-service community; monitors developments in the aged care industry and the aged care needs of the ex-service community, including access to residential care; and considers how DVA can better support people at home with community support.

## Appendix G – Work health and safety

A range of initiatives were delivered to employees to provide a healthy and safe workplace:

- DVA's health and wellbeing intranet pages link employees to tools, resources and training to address key aspects of wellbeing. Offerings include mindfulness, resilience, suicide awareness, and preventing musculoskeletal injuries.
- DVA provides staff with access to an annual influenza vaccination. In 2023–24, 1,700 staff received a vaccination through this initiative.
- In 2023–24 we launched the evidence-based mental health coaching workplace program NewAccess for all employees. This is a free and confidential coaching service accessible without a GP referral or mental health treatment plan. This program received over 100 enquiries, with 51 resulting in coaching programs.
- Social workers are located in state offices and continue to provide workplace support to employees responding to difficult and aggressive customers, including suicide awareness and self-care.
- Access to TelusHub, the online resource centre of our Employee Assistance Program (EAP), provides valuable resources for employees regarding financial, mental and physical matters.
- The Royal Commission into Defence and Veteran Suicide concluded its hearings. Additional employee support was provided by our EAP provider during the hearings.
- DVA delivered a wellbeing workshop to address concerns raised in the Australian Public Service (APS) Census regarding burnout.
- In 2023–24, 268 ergonomic workstation assessments were completed by qualified providers for employees.
- Safe Work Month activities were undertaken via online safety seminars, Safety Toolbox discussions and promotion of health and safety in all DVA workplaces.
- Annual workplace inspections were undertaken in all offices.

### Wellbeing

Wellbeing activities are available to all employees, providing access to annual flu vaccinations, eyesight and hearing tests, subsidised eyewear, and a healthy lifestyle subsidy. Encouraging employees to take action for their own wellbeing in fitness and healthy lifestyle activities, the healthy lifestyle subsidy can also be utilised to fit out an employee's home-based office with ergonomic office equipment (chairs and footstools).

Ergonomic assessments are conducted where appropriate for employees working from home and in the office.

Free and confidential counselling sessions are available to staff through our EAP provider. These sessions have been broadly publicised as one of the supports available to staff for both work-related and personal issues. Our EAP provider offers MyCoach for people leaders to support and enhance our people leader capabilities when managing teams.

The NewAccess workplace program is a free and confidential coaching service accessible to all DVA employees. This program, developed by Beyond Blue in conjunction with Comcare, provides low-intensity cognitive behavioural therapy through a series of coaching sessions.

Information collated from surveys and the APS Census provides data to identify emerging trends. This information continues to inform evidence-based decision-making, including flexible work arrangements and remote work, leadership communication, wellbeing and social connections, family and domestic violence, workloads, and work related to the Royal Commission into Defence and Veteran Suicide. Employees value flexibility in their working life, linking this to a better work-life balance and higher productivity at work.

## **Work health and safety training and awareness**

A range of resources were delivered to support employees to maintain personal health and wellbeing. For example:

- Mandatory online training was provided for all new starters and existing staff, including contractors.
- Trauma Informed Care Practices and Principles training launched in March 2024.
- Regular news articles on health and wellbeing were published on the DVA intranet.
- Psychosocial resources were published and promoted on the intranet.
- Additional resources providing guidance on managing unacceptable client behaviour were launched on the intranet.
- Nationally accredited training was provided for employees undertaking corporate citizen roles (Health and Safety Representatives, Harassment Contact Officers, First Aid Officers and Emergency Wardens). There has been an increase in the number of employees performing these roles to accommodate flexible work arrangements.
- Networking forums for Health and Safety Representatives, Workplace Harassment Contact Officers, Emergency Wardens and First Aid Officers were held to increase knowledge sharing and consistency.
- Mental Health First Aid training was offered to employees as part of our commitment to mental health and wellbeing.

## **Employee Assistance Program**

The EAP, delivered by Telus Health, provides telephone and face-to face access to confidential individual counselling that supports the psychological wellbeing of employees and their families. In addition to individual counselling, a Manager's Hotline, online information, onsite trauma and critical incident counselling, conflict resolution and mediation support services were available.

In 2023–24, the EAP usage rate was 13.6% of the total DVA workforce. DVA employees accounted for 95.5% of EAP users, with 4.5% non-DVA employees (family members). The primary reasons for accessing the EAP were categorised as mental health concerns (43.8%) and workload concerns (22.6%).

## **Early intervention**

Early intervention is available to all employees and provides tailored support for employees experiencing illness or injury. This may include engaging workplace rehabilitation providers, workplace assessments and fitness for duty medical assessments.

## Workers' compensation

The department's Comcare workers' compensation premium for 2023–24 increased by 58% to \$4.3 million. The increase from the previous year was due to several key factors: an increase in accepted claims, including historical cases accepted through the Administrative Appeals Tribunal process; and the department receiving a penalty compared to a bonus the previous year. Additionally, the premium has risen due to an increase in the department's average staffing level. An additional cost of \$267,000 was applied to the final 2023–24 premium, reflecting the department's actual payroll for the period.

## Intervention management and compliance activities

Four incidents were reported to Comcare under section 38 of the *Work Health and Safety Act 2011* (Cth) but no action was taken by the regulator. Two compliance inspections were conducted with no findings, and one proactive inspection regarding our Incident Management System resulted in no non-conformances and only minor recommendations from the regulator.

## Outcomes

Through active engagement and consultation, we continue to maintain healthy and safe workplaces for our employees.

Management of psychosocial risks and hazards was improved with the addition of resources, training, and workshops focusing on building capabilities and providing resources to employees to address burnout.

## Appendix H – Ecologically sustainable development and environmental performance

### Environmental commitment statement

DVA is committed to integrating sustainability into its operations, and to minimising the impact of our operations on the environment by:

- complying with relevant legislation and policies
- actively participating in whole-of-government priorities including Australian Public Service (APS) Net Zero 2030 and the Commonwealth Climate Disclosure policy
- minimising our carbon footprint, using resources effectively, minimising waste and reducing energy consumption
- increasing visibility of environmental considerations, and building a culture in which environmental factors are considered in key decision-making as required by the DVA Environmental Policy
- continuously improving our environmental sustainability performance.

### DVA Environmental Policy

The DVA Environmental Policy incorporates the principles of ecologically sustainable development (ESD). The policy seeks to guide key decision-making with the aim of:

- ensuring the department's property holdings (leased/owned) are sustainably managed, and that existing contamination risks are managed
- ensuring environmental impacts are understood and managed appropriately
- recognising and managing the heritage values of owned and managed property
- fostering a culture of environmental sustainability in managing all elements of the department's property holdings.

### Environmental impact of operations

While DVA continues to look for ways to reduce the impact of its operations, a significant increase in the tempo of DVA's work as a result of the Royal Commission into Defence and Veteran Suicide has led to a corresponding need for a larger vehicle fleet and increased air travel.

Key activities undertaken to reduce our environmental impact in line with the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) include the following.

#### Fleet and fuel usage

At the conclusion of 2023–24, DVA had 37 fleet vehicles, which it is progressively replacing with battery electric vehicles (BEVs) as leases for current vehicles conclude. Fourteen vehicles are cost-effective hybrids, and 2 are BEVs (43% of the fleet). The use of e10 fuel is encouraged. DVA uses in-vehicle asset management systems to monitor fleet usage and identify underutilised vehicles. DVA will upgrade its garaging locations with EV charging points when appropriate to facilitate the move to BEVs.

#### Staff travel

DVA's domestic travel policy supports travel if it can be demonstrated that teleconferencing and videoconferencing are not appropriate options and that there exists a demonstrated business need for travel.

## Environmentally friendly purchasing

The department seeks to promote consideration of environmental factors in our purchasing decisions. For example, in 2023–24 (as in 2022–23), 100% of the standard copy/printer paper purchased had a recycled component.

## Greenslopes remediation

Remediation of the former Australian Red Cross Hall contaminated site at Greenslopes, Brisbane, addresses several principles of ESD.

- **Integration** – Contamination on the site rendered it unusable for the local community for 10 years. The remediation of the contaminated site is being assessed by environmental scientists, and the site is expected to be deemed suitable for a return to community use in 2024–25 to contribute to the economic, environmental and social wellbeing of veterans, families and the broader community.
- **Precautionary** – The site contains a number of contamination sources, principally heavy concentrations of asbestos, a number of organochlorine pesticides (OCPs), lead and other trace contaminants. Remediation of the site has eliminated any risk associated with the contamination.
- **Intergenerational** – Remediation will return the site to community service for future generations to enjoy following a prolonged period of disuse.

## Providing and caring for official commemorations

The Office of Australian War Graves (OAWG) is committed to enabling best practice in the effective and sustainable use of resources. As the agent of the Commonwealth War Graves Commission, it achieves the management of the commemorative estate in an environment characterised by climate change.

In 2023–24 OAWG updated irrigation to a more sustainable and efficient option at the Adelaide River War Cemetery in the Northern Territory. OAWG continued to reduce the use of herbicides and biocides and continued to integrate new pest and weed management approaches by expanding the use of an enzyme-based headstone cleaning product, phasing out the use of biocides. This means that headstones will have a more aged or heritage look reflecting almost a century of commemoration in 76 war cemeteries and plots in Australia, Papua New Guinea and Solomon Islands.

The changes made to asset management and the horticultural program are measured and carefully thought out to meet environmental needs in ways that would not have been envisioned when commemoration was established in Australia in 1917. The OAWG mission remains the same: to commemorate those who have died in war and veterans who return and die of causes related to their war service.

## Environmental performance indicators

This year, DVA is reporting energy efficiency performance in line with the suggested format under section 516A of the EPBC Act. The significant growth in DVA's operations as a result of the recommendations of the Royal Commission into Defence and Veteran Suicide has driven an increase in energy usage, which is reflected in the increases in environmental performance indicators.



**TABLE H1: ENVIRONMENTAL PERFORMANCE INDICATORS, 2022–23 AND 2023–24**

Theme	Performance measure	Indicators	2022–23	2023–24
Energy efficiency	Total consumption of energy – this includes all energy consumed when undertaking the functions of the agency, such as energy consumed for office buildings and transportation. However, data for free-standing fuels and electricity usage are not available for the Office of Australian War Graves remote sites.	Amount of electricity purchased/consumed	2,614 MWh	2,866 MWh
		Amount of gas purchased/consumed	0	0
		Amount of other fuels purchased/consumed	26,636 L	34,535 L
		Air travel distances (km)	12.34 million km	17.56 million km

## APS Net Zero

The Australian Government has committed to reducing emissions generated by government operations to net zero by 2030. Further information is available on the Department of Finance APS Net Zero Emissions by 2030 website.

DVA has implemented the standardised annual report format to be used across the Australian Government, to facilitate reporting against this goal. Further information on reporting requirements is provided in Resource Management Guide 135 – Annual Reporting Content Requirements.

**TABLE H2: GREENHOUSE GAS EMISSIONS INVENTORY, LOCATION-BASED METHOD, 2023–24**

Emission source	Scope 1 t CO <sub>2-e</sub>	Scope 2 t CO <sub>2-e</sub>	Scope 3 t CO <sub>2-e</sub>	Total t CO <sub>2-e</sub>
Electricity (location-based approach)	N/A	1,871.726	226.139	2,097.865
Natural gas	0.000	N/A	0.000	0.000
Solid waste*	N/A	N/A	14.001	14.001
Refrigerants*†	0.000	N/A	N/A	0.000
Fleet and other vehicles	88.700	N/A	22.038	110.738
Domestic commercial flights	N/A	N/A	1,399.349	1,399.349
Domestic hire car*	N/A	N/A	20.385	20.385
Domestic travel accommodation*	N/A	N/A	256.585	256.585
Other energy	0.000	N/A	0.000	0.000
<b>Total t CO<sub>2-e</sub></b>	<b>88.700</b>	<b>1,871.726</b>	<b>1,938.498</b>	<b>3,898.924</b>

Note: This table presents emissions related to electricity usage using the location-based accounting method. CO<sub>2-e</sub> = carbon dioxide equivalent.

\* Indicates emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

† Indicates optional emission source for 2023–24 emissions reporting.

**TABLE H3: ELECTRICITY GREENHOUSE GAS EMISSIONS, 2023–24**

Emission source	Scope 2 t CO <sub>2-e</sub>	Scope 3 t CO <sub>2-e</sub>	Total t CO <sub>2-e</sub>	Percentage of electricity use
Electricity (location-based approach)	1,871.726	226.139	2,097.865	100.00%
Market-based electricity emissions	1,436.214	177.310	1,613.525	61.87%
Total renewable electricity	-	-	-	38.13%
Mandatory renewables <sup>1</sup>	-	-	-	18.72%
Voluntary renewables <sup>2</sup>	-	-	-	19.41%

Note: This table presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO<sub>2-e</sub> = carbon dioxide equivalent.

- 1 Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.
- 2 Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

### Emissions inventory caveats

- Not all waste data was available at the time of the report and a portion of waste data was estimated based on site averages.
- Fuel and electricity data relating to OAWG operations was not available at the time of the report.
- Emissions from electricity consumed by electric and plug-in hybrid vehicles has only been reported for electricity directly purchased by DVA. Emissions associated with electricity consumption from public charging stations have not been reported for 2023–24.
- Emissions from hire cars for 2023–24 have been sourced from third-party providers and may be incomplete. Hire car uses with pick-up dates outside of 2023–24 are not included.
- Amendments to data may be required in future reports as the quality of data is expected to improve over time as emissions reporting matures.

### Climate disclosure pilot

DVA has a responsibility to manage climate-related risks and support the government policy on climate change, Australian Public Service (APS) Net Zero 2030.

The aim is to improve the approach to climate-related risk management, including by participating in and engaging with the Climate Risk and Opportunity Management Program.

DVA's People and Culture Committee will support the Audit and Risk Committee and Executive Board in managing, monitoring and reporting of climate-related risks.

Climate risk has been integrated into the Risk Management Framework. This will support staff to consider and manage climate-related risks in the context of their work.



# 08

## Aids to access

## List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement
<b>17AD(g)</b>	<b>Letter of transmittal</b>		
17AI	vi	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
<b>17AD(h)</b>	<b>Aids to access</b>		
17AJ(a)	iv–v	Table of contents (print only).	Mandatory
17AJ(b)	239–247	Alphabetical index (print only).	Mandatory
17AJ(c)	236–237	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	230–235	List of requirements.	Mandatory
17AJ(e)	Inside Cover	Details of contact officer.	Mandatory
17AJ(f)	Inside Cover	Entity's website address.	Mandatory
17AJ(g)	Inside Cover	Electronic address of report.	Mandatory
<b>17AD(a)</b>	<b>Review by accountable authority</b>		
17AD(a)	1–7	A review by the accountable authority of the entity.	Mandatory
<b>17AD(b)</b>	<b>Overview of the entity</b>		
17AE(1)(a)(i)	10–14	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	15–17	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	10	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	10	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(aa)(i)	11	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	11	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	11	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	11–13	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
<b>17AD(c) Report on the Performance of the entity</b>			
<b><i>Annual performance Statements</i></b>			
17AD(c)(i); 16F	33–61	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
<b>17AD(c)(ii) Report on Financial Performance</b>			
17AF(1)(a)	86–87	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	206–211	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.
<b>17AD(d) Management and Accountability</b>			
<b><i>Corporate Governance</i></b>			
17AG(2)(a)	vi	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	vi	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	vi	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	vi	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	64–67	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	83	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
<b><i>Audit Committee</i></b>			
17AG(2A)(a)	69	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	70	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	70	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	70	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	70	The remuneration of each member of the entity's audit committee.	Mandatory
<b><i>External Scrutiny</i></b>			
17AG(3)	71–73	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	73–74	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	71–72	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	79	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
<b><i>Management of Human Resources</i></b>			
17AG(4)(a)	78–80	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	195–200	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender (d) statistics on staff location	Mandatory
17AG(4)(b)	195–201	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as Indigenous.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(c)	201	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	202	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	202	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	78–79	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	N/A	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments.	If applicable, Mandatory
<b>Assets Management</b>			
17AG(5)	N/A	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory
<b>Purchasing</b>			
17AG(6)	80	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
<b>Reportable consultancy contracts</b>			
17AG(7)(a)	81	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	81	A statement that “During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”.	Mandatory
17AG(7)(c)	80–81	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	81	A statement that “Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.”	Mandatory



PGPA Rule Reference	Part of Report	Description	Requirement
<b>Reportable non-consultancy contracts</b>			
17AG(7A)(a)	81–82	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	81–82	A statement that <i>“Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.”</i>	Mandatory
<b>17AD(daa) Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</b>			
17AGA	81–82	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
<b>Australian National Audit Office Access Clauses</b>			
17AG(8)	N/A	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
<b>Exempt contracts</b>			
17AG(9)	N/A	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
<b>Small business</b>			
17AG(10)(a)	82–83	A statement that <i>“[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”</i>	Mandatory
17AG(10)(b)	82–83	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	82–83	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>“[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”</i>	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
<b>Financial Statements</b>			
17AD(e)	85–180	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
<b>Executive Remuneration</b>			
17AD(da)	203–205	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory
<b>17AD(f) Other Mandatory Information</b>			
17AH(1)(a)(i)	218	If the entity conducted advertising campaigns, a statement that <i>“During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”</i>	If applicable, Mandatory
17AH(1)(a)(ii)	N/A	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	83	A statement that <i>“Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”</i>	If applicable, Mandatory
17AH(1)(c)	79–80	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	74–75	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	N/A	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	83	Information required by other legislation	Mandatory

## Acronyms and abbreviations

AAT	Administrative Appeals Tribunal
ADF	Australian Defence Force
APS	Australian Public Service
APSC	Australian Public Service Commission
ARC	Audit and Risk Committee
ATO	Australian Taxation Office
BEV	battery electric vehicle
CDPP	Commonwealth Director of Public Prosecutions
CP	corporate plan
CWGC	Commonwealth War Graves Commission
Defence	Department of Defence
DRCA	<i>Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988</i>
DSH Insurance	Defence Service Homes Insurance Scheme
DVA	Department of Veterans' Affairs
EA	Enterprise Agreement 2024–2027
EAP	Employee Assistance Program
EB	Executive Board
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
FOI	freedom of information
FOI Act	<i>Freedom of Information Act 1982</i>
ICT	information and communications technology
IFA	individual flexibility arrangement
Interim Report	Royal Commission into Defence and Veteran Suicide: Interim Report
MRCA	<i>Military Rehabilitation and Compensation Act 2004</i>
MRCC	Military Rehabilitation and Compensation Commission
NACCF	National Aged and Community Care Forum
OAIC	Office of Australian Information Commissioner
OAWG	Office of Australian War Graves
OLSC	Office of Legal Services Coordination
Open Arms	Open Arms – Veterans & Families Counselling

PBS	portfolio budget statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
POW	prisoner of war
PTSD	posttraumatic stress disorder
Royal Commission	Royal Commission into Defence and Veteran Suicide
RMA	Repatriation Medical Authority
Strategy	Australia's Disability Strategy 2021–2031
SES	Senior Executive Service
SME	small and medium enterprise
SMRC	Specialist Medical Review Council
SOPs	statements of principles
SRC Minister	Safety, Rehabilitation and Compensation Minister
VEA	<i>Veterans' Entitlements Act 1986</i>
VRB	Veterans' Review Board
WPI-Private	Wage Price Index – Private Sector



# 09

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