

Simon Lewis PSM
Secretary, Department of Veterans' Affairs
Valedictory address to IPAA

I would like to begin by acknowledging the Ngunnawal people as the traditional owners and custodians of the land on which we meet today. I acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.

I would also like to acknowledge and welcome other Aboriginal and Torres Strait Islander people who may be attending today's event.

Aboriginal and Torres Strait Islander peoples have proudly served in every conflict and peacekeeping operation in which Australia has been involved from the Boer War to the present day and although there has never been a requirement in the Australian Defence Forces for individuals to identify their racial heritage, the Department of Veterans' Affairs provides benefits and entitlements to all eligible veterans including Indigenous veterans and their families. Today I would like to acknowledge all of our current and ex-serving Indigenous Defence personnel and our Indigenous veterans community and their families, and acknowledge the contributions that Aboriginal and Torres Strait Islander peoples continue to make in the Australian Defence Force.

I would also like to acknowledge my colleagues from the Secretaries Board who have made time in their busy diaries to come along this morning, the large cohort from my own Department, as well as many work colleagues I recognise from different parts of my career, and with whom I have shared a wide range of work experiences, many highs and a few lows.

And so for today, and I have to say, a little daunted by this impressive audience, I would like to talk about three things:

Firstly, I think I should tell you something of my story and about my career and a few lessons I have learned along the way;

Secondly, my time as Secretary of the Department of Veterans' Affairs, leading up to its current transformation program, and what I predict will be its exciting future; and

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Thirdly, a few thanks you's, and then open for questions.

So going right back, I was born in Adelaide. My Dad was one of the 993,000 Australians who served in World War Two, then returning home where he eventually met and married Mum and a year later I came along, closely followed by a sister and brother. Four other siblings arrived as we grew up in Melbourne, and then we moved to Canberra, each time following Dad's work opportunities with the Australian Public Service.

Although we were not well off, we always had enough to get by, we all received a good education, and were supported in a range of sporting and other activities - and I now look back in some wonder as to how my parents were able to achieve that with seven children. We had a stable family upbringing, we were all much loved and instilled with good values.

Despite achieving excellent academic results in my final year at St Eddies in Narrabundah, my initial efforts at university did not go well. It's true that I became an excellent pool player and won loads of money playing poker, but I am sure that dropping out of law school was a relief both to the school and to me!

In need of a job, I started work as a gardener with the ACT Parks and Gardens Service, then part of the Australian Public Service, and loved the outdoor work. I was nonetheless convinced by Dad after a few months to sit for the APS entrance examination, and was successful in joining the Bureau of Statistics as a base grade clerk in 1976.

I loved work in the ABS and was doing well. Eight years later, I had been promoted steadily, and was then acting in the equivalent of an EL2 position. During that period, I went back to Uni part-time and gained a BA in economics and statistics and then graduate diplomas in public administration and computing studies. Also during this period, I met my future wife, Anne at the ABS and we were married in 1985.

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With strong assurances from senior management of the ABS that I would advance further should I stay, and given I was enjoying the work I was doing - and knew everybody - it was a hard decision to leave the ABS, but I wanted to try different things.

I worked for nearly a year as a statistical consultant on the May committee, set up by the Hawke government, and which recommended the abolition of the two airline policy then existing in Australia. In 1986 I transferred to the Department of Defence. For three years, I worked in what was then known as the Defence Logistics Organisation, with my work mainly focussed on reviews and initiatives to improve the effectiveness and efficiency of defence logistics. As I recall, driving change across Defence at that time was quite difficult, and our efforts were often unappreciated, particularly by the military.

However, substantive promotion opportunities at that time were sparse, so I applied for a position in the Finance department and was immediately successful for a promotion in the fledgling asset sales force, set up as a Division within the Department.

It would turn out that most of the next two decades for me were spent in the Finance portfolio, either the Department or the Office of Asset Sales, which was created to manage the growing privatisation program which emerged in the mid 1990's.

In the early years, however, I worked on a range of asset sales problematic for one reason or another:

- The sale of Cockatoo Island, probably one of the best hospital passes thrown in a long time from the Defence Department to Finance – that Island, initially slated for \$100m in sales proceeds in the 1987 Keating May Economic Statement, was never going to be commercially sold,
- Then there was the sale of ANL, famously head-lined by the then Transport Minister Laurie Brereton, as being a business that 'you couldn't sell for a dollar' – and he was right!

- And then we had the Moomba-Sydney gas pipeline system, a system which AGL had initially set out to construct in the early 1970's but which was nationalised by Rex Connor during the Whitlam era and designed to remain forever in Government ownership. And, in order to achieve that aim, Rex Connor shackled the Pipeline assets with individual veto rights held by each of the Cooper basin gas producers and by AGL. As well as a first right of refusal on any sale held by AGL.

The hardest of these sales was the Pipeline sale. As part of a small team, we had tried to sell the pipeline in 1992, but were thwarted in short order by decisions of the NSW Supreme Court, finding in favour of AGL in terms of its contractual rights and the rejection of legislation in the Senate designed to effect the sale. The failure of this sale came at a time when my wife Anne, and I, now had two young daughters, Katrina and Jacinta. It was probably the most stressful time of my working life. From that time on I resolved to be more selective about roles I took on, and to be firmer in giving my advice, but also, Anne had to reduce her working hours to help balance our family life.

In 1993 I was given the opportunity, this time as acting Branch head, to have a second crack at the sale of the pipeline system, and after an immense amount of hard work by a small team, and through a complex series of negotiations, we managed to effect the sale around lunchtime on 30 June 1994, which was just as well, because the legislation necessary to give effect to that sale was going to lapse at midnight on that very same day.

Just three weeks before, that was looking to be a dim prospect, as we had yet to finalise agreements with any of AGL or the gas producers, and did not have ACCC agreement to the regulatory apparatus necessary to address the vertical integration competition issues. We also had issues to address with the States, given that we were seeking to put in place legislative machinery to deal with open access to essential infrastructure a year before the open access legislation recommended by Professor Hilmer was enacted. I learnt my first big lesson in the power of a deadline,

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when all the necessary approvals came through over a very short period, and I had my first asset sale.

Over the coming decade, particularly upon election of the Howard government in 1996, a wide range of asset sales were to follow, but notably for me, the second tranche of the Telstra public offer and the first and second tranches of the airport trade sales.

Subsequently I led the team running the sale of Sydney airport. The coordinated attacks by Islamic terrorists since known as 'Nine eleven' occurred just before the Office of Asset Sales was due to receive final bids of the sale. Walking to the offices of our advisers, part of the US-based Citigroup investment bank, the morning after the attacks, I was musing about what effect these attacks might have on the sale. It only took a moment upon seeing the huge security presence around the base of the office tower, to understand that the impact would be severe. The government took our advice to 'ice up' the bid process until capital and debt markets had stabilised. This pause lasted nearly a year before the sale process was re-commenced by accepting final bids from tenderers. But by then I had moved to the Budget group of the Finance department.

I found that my asset sales experience helped me immensely when I returned to the Finance Department. Not only had I learned some hard lessons from failed projects but I had also gained much experience in successfully building strong teams and delivering major projects to meet Government objectives. In most cases there was a substantial policy development component as well. In fact the range of privatisation projects had extended widely across the economy to include the air, land and sea components of the transport sector, the banking and telecommunications sectors, pharmaceutical, real estate, agriculture, you name it!

It had also helped build my resilience, and allowed me to develop my capacity to advise government, usually through the Finance Minister, but often other Ministers as well, on complex projects and also to handle external accountabilities such as

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Senate Estimates and related Parliamentary Inquiries, media and stake holder management, etc.

I had one year in Budget group. Kathryn Campbell and I, as Division heads, split the responsibility for all of the Agency Advice Units between us that year, before I was promoted to Deputy Secretary of Asset Management Group.

The third tranche of the Telstra public offer program was a particularly difficult sale. I knew it would be difficult years before it got underway, which was why I advised the then Secretary Ian Watt that I was not interested and suggested alternative leads. However when the time for sale came, Ian could be very persuasive and eventually convinced me. At its darkest point, I seem to recall advising the Secretary and the Minister that we had spent around \$50m and were at risk of not selling a share. We were at that time only several weeks out from a go/no go decision as to whether launch the offer and issue the prospectus, and lacked Telstra support for the offer and a range of other key approvals. But again demonstrating how powerful a deadline could be, all fell into place in a very short timeframe to enable a successful launch and then sale.

Now just recently, I had the chance to go to the movies with Anne, and we saw the Darkest Hour, a movie focussed on Churchill around the time of Dunkirk in world war two. It made me think about circumstances in our own lives, obviously on much smaller scales, where we have had our own darkest hours and how we have dealt with them at those times. Reflecting on my own experience leading projects at these dark times, and lots of projects have dark times, I would offer the following thoughts:

- firstly, try to keep a clear head – even if you are absolutely under the pump, find some time to think without distraction
- Be persistent and resilient - if your strategy remains sound, stick the course
- Maintain a sense of optimism – you're not dead till you're dead!
 - o This is particularly important to the broader team – if they feel all is lost, then their performance will drop and the team will dissipate

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- o Even the little things can count –for example cancelling team meetings because of a crisis might seem sensible if time is precious but is unlikely to have a great effect on team performance or morale
- and lastly, try to create some personal life balance – for me, my wife and two daughters, my large close extended family and a group of friends I've considered good mates for four decades now, provide ballast to whatever storms may be blowing professionally. Everyone needs to have ballast of some sort in their lives.

Just to round out my career background, I transferred from Finance to Defence as Deputy Secretary Defence Support in 2009. It certainly helped me that I had worked previously in the Defence Department, but also positioned me well two years later to compete for the role of Associate Secretary of the Department of Defence, from which position I was then promoted to Secretary of the Department of Veterans' Affairs.

Turning now to my second topic, my time with DVA. I was honoured indeed to have been appointed by Prime Minister Gillard in April 2013 as Secretary, and considered myself particularly fortunate to have been appointed in the lead-up to the ANZAC centenary, which meant that I would be Secretary during a period where the Department would be responsible for a range of services commemorating the centenary of key World War One events such as:

- the departure of the convoy of Australian and New Zealand forces from Albany in October 1914,
- the Gallipoli landings in April 1915,
- The battles of Pozieres and Fromelle in 1916,
- Polygon Wood and Beersheba in 1917,
- and Villers Bretonneux in 1918.

And just three weeks ago, preceding the centenary commemoration of the battle of Villers Bretonneux, was the opening of the Sir John Monash Centre, less than three

years from the time that the then Prime Minister, Tony Abbott had announced its construction.

The Centenary of Anzac has been Australia's most important period of national commemoration. Marking 100 years since our involvement in the First World War, the Anzac Centenary has been a time to honour the service and sacrifice of our original ANZACs, and the generations of Australian servicemen and women who have defended our values and freedoms, in wars, conflicts and peace operations throughout a Century of Service.

The Anzac Centenary national program administered by DVA has been founded on three objectives:

- o Education [leading to an improved understanding of Australians' experiences of war, ranging from matters of national strategy to impacts on families and individuals];
- o Engagement [enabling greater personal connection to the service, sacrifice and other experiences of war of Australian servicemen and women, especially through commemorative and community involvement];
- and
- o Empowerment [providing greater capacity for communities and individuals to commemorate the Anzac Centenary in ways of their choosing].

But this program has not just been about events of one hundred years ago. This year, for example major events being held to commemorate Australian military service include the 75th anniversary of the Battle of the Atlantic, the 50th anniversary of the Battles at Fire Support Bases Coral and Balmoral, and the 65th anniversary of the Korean War Armistice.

Privileged though I have been to oversight this program over the past five years, for me the real highlight of being appointed Secretary has been the opportunity to help mobilise the creative energies of staff across the Department of Veterans' Affairs to

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understand the need for accelerated change, and at least as importantly, to convince the Government of the need to invest in the transformation of the Department.

Not long after I arrived, we organised a capability review into DVA, and a year later a functional efficiency review was also conducted, both confirming that, whilst DVA staff had a very high commitment to the DVA mission of supporting our veterans, substantial changes were required to the Department's operating model, Information and Communications Technology (ICT), organisational design, and culture in order to help our staff to meet the changing needs of our veteran community, and particularly the needs of younger veterans. Much of this was told to us directly by staff of DVA, who provided extensive input to both reviews,

These reviews highlighted that DVA's IT systems, over 200 in number and some dating back to the early 80's, were at critical risk of failure. Further, the stove-piped nature of most client service delivery functions and the inability to provide online services and support were significant limitations to helping our veterans. In general terms, staff were able to only focus on their own area of business, be that compensation, hearing aids, home appliances, etc but not the overall needs of the client - which could be frustrating to many clients.

Early consultation and engagement with the veteran community also highlighted the need to tackle three difficult problems affecting the veteran community; namely homelessness, incarceration, and veteran suicide. Compounding this complexity was the complexity of DVA legislation with three principal Acts governing veteran entitlements, which made it difficult for DVA staff, clients and their advocates alike to establish entitlements to DVA services and benefits.

Yet a further challenge was that approximately one in five ADF members were clients of the Department at time of their discharge and approximately another one in five would become clients as veterans post-discharge, which meant that most veterans were not clients of DVA. For many that would not matter, but for some, it

would and yet DVA did not know who they were and had no way of reaching out to them.

When surveyed, our clients continued to indicate a high level of satisfaction with DVA services, with 83 per cent satisfied or very satisfied, in the most recent survey. However when drilling down further into these client survey numbers, it was apparent that the percentage had reduced significantly from the previous survey result of 89%.

More importantly it was the younger cohort, from operations post-1999, who were the least satisfied, with nearly one in two dissatisfied. DVA's client mix is rapidly changing. DVA still has 25% of its clients over 85 years of age, (versus 2% across the broader community) but of course, many of these older veterans or their widows, who have been generally very satisfied with DVA services, are now rapidly passing on. With the numbers of younger veterans increasing, we could expect that the satisfaction trend line would continue to worsen unless we took action to better serve this younger cohort.

In essence, DVA's business case for transformation was based then, on the need to tackle the above challenges, and to better set the department up for meeting the needs of veterans, and particularly younger veterans, in the 21st century.

DVA adopted a strategic partnering approach to deliver the business case. This approach continues to be important to us. Key partners include:

- o the Department of Human Services: to deliver ICT transformation and business process reform to support underlying technological change and digitisation of services;
- o the Department of Defence: to deliver transformation outcomes with a particular focus on improving the transition process for clients;
- o the Department of Social Services for grants program management;
- o the Department of Health: to facilitate liaison and cooperation on health-related matters relating to transformation; and

- o PricewaterhouseCoopers (PWC): providing specialised advisory services to design, setup and manage the transformation Program Management Office.

DVA's transformation will, of course, be a multi-year journey. The Government accepted our second pass business case in the budget before last, and this paved the way for Veteran Centric Reform. In that budget, the Government provided \$166m over four years, to initiate the transformation program.

Importantly, our transformation is also aligned with broader government reform agendas such as leveraging whole of Government ICT capabilities as much as possible. DVA will not be building its own expensive systems, but through our delivery partners, will be adapting and re-using those already available, particularly within DHS. Early improvements will be driven through DHS's Welfare Payment Infrastructure Transformation Program, and progressively all veteran income support payments will be managed through this program.

In November 2017, DVA's online client `portal, called 'MyService', was expanded to allow all veterans with a Defence electronic service record to register and submit Initial Liability claims. As at 9 April, there are over 3,300 registered users who have lodged claims.

Functionality will continue to expand for this new portal in line with client feedback.

Transformation across all business areas is typified by our work in digitising paper files. The Digitisation Boost commenced in early October 2017 and now over seventeen million client file pages are now available for immediate access to staff. We no longer transport 30,000 physical files between offices across Australia each month.

We want our services to be widely known and easily accessible when they are needed. As part of transformation, DVA has developed a strategy to enable the tailoring of services to client segments. It will provide an informed view of how DVA

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services its clients in the future and guide a consistent client experience. Through the tailoring of services and targeting of veteran cohorts in need of early intervention, DVA intends to improve veteran health.

One Pilot DVA is running seeks to improve transition support to Australian Defence Force members and their families to civilian life.

The Pilot includes Special Operational Forces members and their families in the first instance. The Pilot is trialing a MyService solution aimed at providing a one-system solution for all ADF members needing to register a claim and a dedicated Case Manager, as needed.

Another Pilot is Defence-led through Joint Health Command and includes representatives from DVA and the Commonwealth Superannuation Corporation.

This Pilot is seeking to develop a single process to improve the complex and fragmented medical assessment processes which separating ADF members can experience and is being run from Holsworthy Army Barracks.

The process aims to provide greater security for transitioning members, minimise duplication between agencies and reduce requirements for multiple assessments after discharge.

Participation is voluntary and ADF members undergo review by a DVA representative and if appropriate, are assessed by a specialist occupational physician.

The Pilot which is showing promise, will be evaluated to assess effectiveness and scalability for other Defence health arrangements.

A further Pilot is about reaching out and engaging with veterans, former serving members and their families who may not have had prior contact with DVA.

Australia Post is one of Australia's most recognisable organisations, and partnering with them gives DVA a new opportunity to engage with potential and existing DVA clients and their families.

Information about DVA programs and services are available via a range of brochures, Australia Post's existing iMac facilities, as well as in-store print and digital posters, and the Australia Post concierge.

Finally, we are piloting new ways of reaching out to veterans and their families by providing additional information points throughout rural and regional Australia where no permanent government shopfronts exist.

The DHS Mobile Service Centres act as an 'office on wheels' for a range of government services, including Centrelink, Medicare, Child Support and Australian Hearing. Staff in these Centres have been trained to deliver a veteran information service.

Improving the Transition from Military to Civilian Life is a key focus. Each year, approximately 5,500 to 6,000 ADF members leave the military. The Government is committed to ensuring transition is as seamless as possible.

A joint Transition Taskforce has been established to identify barriers to effective transition and report back to portfolio Ministers with solutions. The Taskforce engaged and sought the views of approximately 600 current and former serving ADF members and family members throughout 2017, as well as the perspectives of ex-service organisations and government stakeholders.

Through this consultation, the Taskforce confirmed the individual experience of transition varies and is impacted by the reason members are leaving, their willingness to leave, length of service and level of preparation for civilian life.

The Taskforce has provided a report and action plan to government, including recommendations to improve the transition process.

Early engagement with ADF members is a key element of our transformation journey.

The Model aims to ensure current and former ADF members are known to DVA now and in the future thus facilitating earlier access to DVA services and support.

- o ADF members who joined after 1 January 2016, and those who separated from the ADF after 27 July 2016, are now all being registered with DVA.
- o This includes 12,000 current and former members with whom DVA did not have an existing relationship.
- o When members do approach DVA in the future, we will already know them and be in a better position to help more quickly.

We have substantially improved our coordination with State and Territory governments through the establishment of both Ministerial and officials forums, meeting on a regular basis to tackle issues around homelessness, incarceration and suicide of veterans. DVA has also substantially increased the scope of mental health support for veterans, for instance we now provide immediate access to mental health treatment services, without the need to establish liability, to anyone who has served a day in the full-time ADF. DVA is also running several pilot studies aimed at suicide prevention. Further roll-out will be based on evidence and outcomes from the current pilots.

We are using data-driven insights to better engage with our clients in a proactive way. Where in the past we had to wait for veterans to come to us, we are now using analytics to help identify veterans at risk so we can get them help early to prevent chronic health problems.

Transformation is being delivered in line with best practice internal and external governance and assurance mechanisms.

Implementation is a complex and long-term challenge. In addition to making significant inroads into preparing DVA's business and workforce culture to deliver immediate and future goals, we are working with partners to deliver what has been promised this year. We are currently on track to deliver.

For the year ahead, the Government announcement in last week's Budget to continue funding of the DVA transformation with a further \$112m is very welcome indeed.

Under our transformation agenda, the future DVA will be an agency focused on policy, stakeholder relationships and service commissioning. In the future, most of our clients will be able to self-manage through online means, much like most of us do our banking and purchasing today. This will enable staff of the future DVA to focus more on those clients with complex and multiple needs, based on an integrated whole-of-client view and effective case management systems. The DVA of the future will continue to play a critical role in policy development to drive the agenda and provide guidance for better policy outcomes for veterans. Veterans will be better able to access their benefits and needed services and interact with the Department in ways of their choosing, but it will also be an exciting opportunity for DVA staff who are keen to better deliver on DVA's mission.

As I finish up my remarks on DVA and its transformation journey, the last point I would like to make is that, as we come to the end of the ANZAC centenary, we are also celebrating the centenary of the establishment of the Department itself, initially known as the Repatriation Department in 1918. It is important for us to understand our past as we map our future, because what we learn is that although the DVA mission of supporting those who have served really has not changed much over the past century, the ways in which that support has been provided to veterans have changed substantially over the decades. Our current transformation is the latest of many changes in service delivery.

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On a personal note, as many of you will already know, I am delighted that the Government has appointed Liz Cosson to replace me as Secretary. After some persuasion, I convinced Liz to transfer back to DVA as my Deputy two years ago, and during that time she has done a marvellous job, both in over-sighting DVA's current service delivery business as well as championing its transformation program, and I am very confident that Liz is the right person to take DVA on the next phase of its transformation journey. And for those who track gender balance across portfolios, then my departure makes a big contribution, not just because the Secretaries Board with nine and nine now has gender parity, but Liz will also assume the roles of President of the Repatriation Commission and Chair of the Military Rehabilitation and Compensation Commission, both counting as separate statutory appointments in this portfolio.

My chief of staff, Tara, suggested that I might like to also offer one helpful tip to public servants coming along to today's session, and so taking up her suggestion, I offer a tip in the area of briefing Ministers. Now I do not like 'pulling' briefs and have done so rarely both in DVA and in prior organisations. But when it has been needed, the most common reason has been what I perceived to be insufficient articulation of the downside of any recommended course of action. Now I can understand why public servants can become keen advocates for proposed courses of action but this does not take away their obligations to advise the Minister comprehensively and objectively regarding the options, the pro's and con's, and strategies for mitigating risks and likely criticisms. Only then can we say that the Minister has received balanced advice supporting our recommendations, and have him or her ready to back us if these articulated risks and/or criticisms emerge. And of course, all important advice must be in writing.

Turning to my final brief point, before I open for any questions, I would like to offer a few thanks.

First and foremost, I would like to put on record how extremely grateful I am to my wife, Anne, who has supported me so steadfastly throughout my career and who has

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had to make many sacrifices of her own in order to do so. A big thanks also to my two daughters who have had to deal with a distracted or absent dad more than I would have liked. As a general proposition, the further you advance in your career, the more you rely on others. That has certainly been my experience. So to every one who has helped me, not just over my past five years with DVA but throughout the course of my APS career, thank you so much.

And finally, thanks to every one, for coming along today.