



Australian Government

Department of Veterans' Affairs

# Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024

**Creating a simpler, easier  
to use system for the  
veteran community**



### Acknowledgement of Country

The Department of Veterans' Affairs acknowledges the Traditional Custodians of Country throughout Australia. We pay our respects to Elders past and present.

We recognise and celebrate Aboriginal and Torres Strait Islander people as the First Peoples of Australia and their continuing spiritual and cultural connection to land, sea and community.

### Acknowledgement of Service

We 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.

© Commonwealth of Australia 2024

Copyright Notice This publication is available for your use under a Creative Commons BY Attribution 3.0 Australia licence, with the exception of the Commonwealth Coat of Arms, the Department of Veterans' Affairs logo, photographs, images, signatures and where otherwise stated. The full licence terms are available from the Creative Commons website.

Published by the Department of Veterans' Affairs. This document is available at [www.dva.gov.au/legislationreform](http://www.dva.gov.au/legislationreform).



## Message from the Minister



The rate of veteran suicide is a national tragedy. It's why we called for a Royal Commission.

Since 2021, the Royal Commission into Defence and Veteran Suicide has been investigating the factors that have contributed to such an appalling loss of life.

The very first recommendation made by the Royal Commission in its Interim Report was for urgent action to simplify and harmonise veteran compensation and rehabilitation legislation.

Anyone who has engaged with the veteran compensation system will tell you it is complicated and difficult to understand.

This is the result of decades of piecemeal change and fringe reform built on top of a century of consolidated veterans' entitlements legislation.

Veteran claims for benefits and support are assessed under three different pieces of legislation depending on the time someone served, and the nature of their service. Often veterans have had claims dealt with under all three pieces of legislation.

This complexity has directly contributed to delays, inconsistent processing, uncertain outcomes and claims backlogs.

The Royal Commission itself said the current system is "so complicated that it adversely affects the mental health of some veterans and can be a contributing factor to suicidality".

The Albanese Government promised to act, and we have.

In October 2022, I announced the first of three consultation periods and called for public submissions. Feedback from the veteran community overwhelmingly supported the need to simplify and harmonise veteran compensation legislation.

This informed a proposed pathway to simplify veterans' compensation and rehabilitation legislation.

The proposed pathway featured:

- establishing an improved MRCA as the sole ongoing scheme
- closing out the VEA and DRCA to new compensation related claims
- grandparenting all existing arrangements to ensure there is no reduction in entitlements currently being or previously received by veterans.

In February 2023, we began public consultation on this proposed pathway which resulted in the exposure draft of the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024. Significant consultation was undertaken on this Bill in 2024 to make sure we get it right.

This Bill now before the Parliament does not save the government money, indeed the May Budget set aside an additional \$222 million for veteran and family entitlements across the first two years of operation.

This is a once in a generation opportunity to get the system right for veterans and families.

I thank all the veterans, Defence personnel, families, advocates and experts who have been involved in this process to date. Your feedback, frank and fearless as it's been, has genuinely been vital in developing the pathway to, and the nuance of, this legislation.

Our veteran community deserves better than the overly complicated and frankly, not fit for purpose system they've been putting up with.

I'm proud to put forward this Bill, that will simplify the system to make sure veterans and families can better access the services and supports they need and deserve.

A handwritten signature in blue ink that reads "Matt Keogh".

**The Hon Matt Keogh MP**

Minister for Veterans' Affairs

Minister for Defence Personnel

## What is the purpose of the Bill?

The Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024, implements the single Act model proposed in the Veterans' Legislation Reform Consultation Pathway, shaped by feedback provided by the veteran community.

The core elements of the model are:

- an improved *Military Rehabilitation and Compensation Act 2004* (MRCA) where all new claims for compensation and rehabilitation will be considered under the improved MRCA from 1 July 2026; and
- closing the *Veterans' Entitlements Act 1986* (VEA) and the *Safety, Rehabilitation and Compensation (Defence-related claims) Act 1988* (DRCA) to new claims for compensation and rehabilitation from 1 July 2026, with grandparenting of already approved VEA and DRCA compensation payments.

## Benefits of the Bill

Moving to a single ongoing Act will provide greater clarity for veterans and their families regarding their benefits and entitlements and address the perception of the inequitable treatment of veterans under the different Acts. Adopting an improved MRCA as the single ongoing Act will mean veterans are treated equitably and not disadvantaged because of when they served. The approach will provide greater accessibility to rehabilitation and compensation entitlements in recognition of the unique nature of Australian Defence Force service.

Veterans currently with MRCA only coverage will continue to have their compensation and rehabilitation benefits governed under the improved MRCA.

Veterans with previous coverage only under the VEA may now become eligible for incapacity compensation payments, which were not available under that Act.

Incapacity compensation payments are paid to veterans under pension age who are incapacitated for service or work due to service related conditions, and are calculated based on pre-injury earnings. Under the new arrangements, veterans with VEA eligibility may also be eligible to receive compensation in respect of impairment/functional loss paid as a lump sum under the MRCA. Previously this was not possible under the VEA.

Partners of deceased VEA veterans whose death is due to service will also benefit, as they will have the choice to receive compensation as an age-based lump sum and receive increased compensation, compared to claims made under the VEA.

DRCA veterans will also be eligible for increased incapacity compensation payments (i.e. income replacement payments), as incapacity payments under the MRCA include a remuneration loading and are not reduced by a notional superannuation amount. DRCA veterans may also become eligible for the Special Rate Disability Pension (SRDP) and the Gold Card under certain circumstances.

The Bill also proposes that DRCA veterans will be able to appeal adverse decisions to the Veterans' Review Board (VRB). The Bill will also streamline the administration of the legislation through merging of the Military Rehabilitation and Compensation Commission into the Repatriation Commission, removing duplication of responsibilities, and providing greater administrative clarity about governance matters.

Over time, the proposed changes will make it easier for veterans and families to understand their entitlements, make it easier for advocates to support DVA claims and make it faster for DVA to process claims so veterans and families receive the benefits and supports they need and deserve more quickly.

## Consultation on the draft Bill

Between 28 February and 28 April 2024, we conducted national consultation on the Bill. There was significant interest in the draft legislation, with 466 pieces of feedback received. All feedback was classified as a submission unless they only asked questions for clarification and / or about personal circumstances. Three hundred and twenty three (323) submissions were received – 278 were from individuals and 45 were from organisations. These were broadly classified into three categories:

1. submissions on issues that were already included in the draft Bill or have been addressed before introduction to Parliament
2. submissions on ongoing legislative or policy issues that may be considered in the future by the Department
3. submissions on broader DVA issues that are out of scope (not directly related to the simplification and harmonisation of veterans' legislation).

A total of 26 consultations were conducted in person and online across Australia, including sessions in each capital city and Townsville. Over 230 individuals attended these sessions, including veterans, families, advocates, legal experts and representatives from ex-service organisations (including members of DVA's National Consultation Framework).

DVA also met with other stakeholders, such as the Veterans' Review Board and other Government agencies.

The following communication platforms were continued from the 2023 consultation to ensure reach across Australia and ensure the veteran community was kept informed of the consultation process:

- a dedicated email channel so people could contact DVA and submit their comments (legislation.reform@dva.gov.au)
- dedicated pages on the DVA website to provide information and facilitate consultation
- 3 public webinars delivered nationally, with one recorded and published on the DVA website
- 103 updates and posts on DVA's social media platforms
- ads in 10 newspapers, covering all capital cities and Townsville, on 9 and 30 March 2024
- written correspondence to the Minister and DVA regarding legislative reform.



**Up to 240**  
**PARTICIPANTS**  
**IN 3 WEBINARS**



**Over 230**  
**PARTICIPANTS**  
**IN 26 CONSULTATIONS**



**45**  
**ORGANISATIONS**  
**CONSULTED**



**323**  
**SUBMISSIONS**  
**RECEIVED**



**103**  
**SOCIAL MEDIA**  
**POSTS**



**699,635**  
**PEOPLE REACHED**  
**VIA SOCIAL MEDIA**



**1,138,104**  
**SOCIAL MEDIA**  
**TOTAL IMPRESSIONS**

**Note:**

***Reach** is the number of unique users who saw the content.*

***Impressions** are the number of times a post was seen by users.*

## How your feedback influenced the draft legislation

A vital part of ensuring we get this legislation right, is making sure it meets the needs of the veteran community, and the 2022, 2023, and 2024 consultation processes have shaped the Bill.

Your submissions have helped the Government to respond to the issues you told us are of most concern to you. Since consultation was undertaken in early 2024, the following changes have been made to the Bill:

- veterans in receipt of DRCA incapacity payments will automatically transition to MRCA incapacity payments on the date of commencement.
- where the Repatriation Medical Authority updates a Statement of Principles (SoP) between the veteran's primary and reviewable decision, the version of the SoP which is most beneficial to the veteran's circumstances will be applied
- an introduction of an instrument making power that will enable the Commission to determine circumstances where a veteran must receive financial advice before receiving a lump sum payment.

## Addressing Productivity Commission recommendations

The Productivity Commission's 2019 inquiry report – *A Better Way to Support Veterans*, made a number of recommendations relating to legislative reform. If approved, the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024, achieves, either fully or in part, the following recommendations of the Productivity Commission.

Recommendation		Outcome of recommendation if legislation is approved
<b>8.1</b>	<b>Harmonise the initial liability process</b>	Fully achieved
<b>10.2</b>	<b>Single review pathway</b>	Fully achieved
<b>13.1</b>	<b>Harmonise the DRCA with the MRCA</b>	Fully achieved the part of the recommendation that was agreed by Government through the move to a single scheme
<b>14.3</b>	<b>Interim compensation to be finalised after two years</b>	Fully achieved
<b>14.10</b>	<b>Harmonise the funeral allowance</b>	Fully achieved
<b>15.2</b>	<b>Simplify and harmonise education payments</b>	Partly achieved
<b>15.4</b>	<b>Remove and pay out smaller payments</b>	Partly achieved with current payments grandparented
<b>15.5</b>	<b>Harmonise attendant and household services</b>	Partly achieved
<b>15.6</b>	<b>Harmonise vehicle assistance</b>	Partly achieved
<b>16.4</b>	<b>Better targeted eligibility for the Gold Card</b>	Rejected
<b>19.1</b>	<b>Two schemes for veteran support</b>	Achieved in a simpler way with one scheme

The Productivity Commission also recommended the creation of a Ministerial Advisory Council (11.4). This was one of the further improvements to the veteran support system that were considered under the Veterans' Legislation Reform Consultation Pathway. The Terms of Reference for a Ministerial Advisory Council will be considered as part of the consultation that will occur soon on DVA's National Consultation Framework.

With respect to the part of recommendation 13.1 of the Productivity Commission's report (above) that proposed not extending Gold Cards to those with eligibility under the DRCA, the Government did not support such an approach.

# What the changes mean

## Single ongoing Act – amendments

The key objective of this Bill is to simplify and harmonise the legislation governing rehabilitation and compensation for veterans. This will be achieved by adapting the MRCA as the single ongoing Act for veterans' rehabilitation and compensation.

The DRCA and the VEA will be closed to new liability and compensation claims from 1 July 2026. The MRCA will be open to claims arising from service, which previously would have been determined under either the DRCA or the VEA.

Various provisions which had previously operated differently across the MRCA, the DRCA and the VEA will be harmonised. This includes retaining war widow/er auto-grants, and posthumous grants of Permanent Impairment compensation [Schedule 1].

## Single ongoing Act – enhancements

Proposed changes will see the MRCA enhanced for various entitlements. Enhancements include:

1. The introduction of a new Additional Disablement Amount (ADA), similar to the Extreme Disablement Adjustment (EDA) available under the VEA. Like EDA, the ADA would compensate veterans who are Age Pension age or older and who have a high degree of incapacity due to service-related conditions.
2. The introduction of 'presumptive liability', which means the Repatriation Commission would be able to specify injuries and diseases that can be determined on a presumptive (in other words – automatic unless proven otherwise) basis where they are known to have a common connection with military service without needing to engage with the SoP system.
3. Consolidation of household and attendant care, travel for treatment, and retention of automatic granting of VEA funeral benefits in the MRCA.
4. An increase to \$3,000 for funeral allowance for previous automatic grant categories under the VEA, and the availability of reimbursement of funeral expenses up to \$14,062 for all service-related deaths.
5. The availability to all veterans of the higher reimbursement amount, regardless of kilometres, when a private vehicle is used to travel for treatment.

6. Standardisation of allowances and other payments, including: acute support packages, Victoria Cross and decoration allowances, education schemes, prisoner of war ex gratia payments, and additional compensation for children of severely impaired veterans.
7. Enhancement of the Commission's ability to grant special assistance to veterans and their dependants [Schedule 2].
8. Veterans in receipt of DRCA incapacity payments will automatically transition to MRCA incapacity payments on the date of commencement.
9. Where the Repatriation Medical Authority updates a SoP between the veteran's primary and reviewable decision, the version of the SoP which is most beneficial to the veteran's circumstances will be applied.
10. An introduction of an instrument making power that will enable the Commission to determine circumstances where a veteran must receive financial advice before receiving a lump sum payment.

## Review of compensation decisions

An important benefit of this reform will see the review of compensation decisions standardised across the three Acts. This includes aligning appeal pathways for decisions under the DRCA, to the MRCA. This means that initial review of decisions made under the DRCA would be through the Veterans' Review Board, rather than the Administrative Appeals Tribunal [Schedule 3].

## Merging commissions

It is proposed that the powers and functions of the Repatriation Commission and the Military Rehabilitation and Compensation Commission are consolidated, with the Repatriation Commission (originally established in 1920) continuing. This change would give administration of all veterans' rehabilitation and compensation legislation to the Repatriation Commission [Schedule 4].

## Repatriation Medical Authority and Specialist Medical Review Council

To enable the change, governance of the Repatriation Medical Authority and the Specialist Medical Review Council will be transferred into the MRCA. There would be no change to the functions or powers of either body [Schedule 5].



Disability compensation payments

When a veteran receiving a disability compensation payment (DCP) dies, the payment and allowances stop at the end of the fortnightly pay period before the date of death. Schedule 6 changes the final date of payment of DCP (and associated allowances) to be the veteran's date of death [Schedule 6].

Application and transition

The interaction between the law now, and the law as it will be once reforms commence, are contained in Schedule 7. In addition, transitional provisions are also included, which help the transition from one set of rules to another. For example, the transitional provisions outline how undetermined claims on the day of commencement will be handled [Schedule 7].

Consequential Amendments

Consequential amendments are changes that need to be made to other Acts as a result of the reforms being made to veterans' legislation. These changes ensure that existing laws are aligned with and support the implementation of new legislation [Schedule 8].

You can read more about what the changes mean on the DVA website. Scan the QR code or visit [www.dva.gov.au/legislationreform](http://www.dva.gov.au/legislationreform).



Examples of how the changes work

To find out how the proposed changes may impact you, the following scenarios have been prepared. While certain scenarios may be commonly encountered, they will not apply to all, as individual circumstances are unique. Please note the scenarios are illustrative only and have been calculated using the 1 July 2024 rates. For more scenarios and further information visit our website at [www.dva.gov.au/scenarios](http://www.dva.gov.au/scenarios).






Scenario 1







Greg, 60 (deceased)

- Passes away from service-related condition
- Leaves behind partner and 16-year-old child

Greg's partner lodges a claim

Current VEA			
GREG'S PARTNER		GREG'S CHILD 16YO	
<b>\$1,136</b> f/n VEA War Widow(er)'s Pension	life ✓ 	<b>\$399</b> f/n VEA education allowance	while in full time education ✓ 
		<b>\$2,000</b> Funeral Benefit 	

Under MRCA			
GREG'S PARTNER		GREG'S CHILD 16YO	
<b>\$1,136</b> f/n MRCA Wholly Dependent Partner	OR <b>\$686,041</b> Aged-based lump sum	 <b>\$108,567</b> lump sum	<b>\$399</b> f/n MRCA education allowance
<b>\$159,178</b> Additional Death Benefit	life ✓ 	<b>\$361</b> f/n MRCA compensation payment	while in full time education ✓ 
		 <b>\$14,639</b> Funeral Benefit up to	




## Scenario 2




### Erin, 62

- Previously received \$321,000 PI payment for service-related conditions
- Erin's service is DRCA only

Lodges new claim for shoulder injury

Current DRCA	
	<b>\$44,833</b> lump sum

Under MRCA	
<b>\$79<sup>f/n</sup></b> MRCA OR <b>\$34,872</b> Aged-based lump sum	life 

## Scenario 4






### Matthew, 68

- Receives \$309.35 f/n 50% Disability Compensation Payments

Lodges claim for worsening conditions

Matthew's new assessment is 70 impairment points with a lifestyle rating of 6

Current VEA	
<b>\$950<sup>f/n</sup></b> VEA Extreme Disablement Adjustment DCP	life 

Under MRCA	
<b>\$950<sup>f/n*</sup></b> MRCA life 	OR <b>\$487<sup>f/n*</sup></b> MRCA + <b>\$155,168</b> lump sum life 

\*Includes grandparented DCP of \$309 and Additional Disablement Amount (ADA) of \$178. The new ADA is reduced by DCP, PI and 60% of Commonwealth funded superannuation.

## Scenario 3



### Gabby, 47

- Full-time service (prior to 1 July 2004)
- Stops work due to service-related conditions

Lodges claim for incapacity payment for lost wages (based on rank and pay)

Current DRCA	
<b>\$2,100<sup>f/n</sup></b> DRCA	<b>5%</b> notional super contribution deducted

Under MRCA	
<b>\$2,976</b> f/n MRCA	<b>\$382<sup>f/n</sup></b> MRCA Includes Remuneration Allowance
<del><b>5%</b> notional super contribution deducted</del>	

## Scenario 5



### Bruce, 68

- Receives \$249.02 f/n 40% Disability Compensation Payments

Lodges claim for worsening conditions

Current VEA	
<b>\$370<sup>f/n</sup></b> VEA	60% Disability Compensation Payments

Under MRCA	
<b>\$380<sup>f/n*</sup></b> MRCA	OR <b>\$249<sup>f/n*</sup></b> MRCA + <b>\$43,808</b> lump sum

\*Includes grandparented DCP \$249

## Scenario 6



### David, 54

- Full-time service (prior to 1 July 2004)
- Receiving DRCA incapacity payments

Following the Exposure Draft consultation, the Bill, as introduced, will see David's current DRCA incapacity payments transferred automatically under the MRCA. The impact of this is demonstrated in the outcomes below.

Current DRCA	
\$1,395 <sup>f/n</sup> DRCA	5% <sup>notional super</sup> contribution deducted
Under MRCA	
\$2,231 <sup>f/n</sup> MRCA	\$382 <sup>f/n</sup> MRCA ✓ Includes Remuneration Allowance <del>5%<sup>notional super</sup> contribution deducted</del>

## When would the new model commence?

It is proposed that the new model for veterans' compensation will commence on 1 July 2026.

This commencement date will ensure that veterans have time to consider their individual circumstances, including allowing them to determine whether claims should be made under the current arrangements or when the new model commences. It is also important to allow sufficient time to train veteran advocates and delegates appropriately. The change of the review pathway for DRCA to VRB will commence 60 days after passage of the Bill.

## Where can you find the legislation and other material

The Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024, has been published on DVA's website at [www.dva.gov.au/legislationreform](http://www.dva.gov.au/legislationreform), along with a range of material that will help you understand how the new model will be implemented if passed by Parliament.

These materials include:

- an Explanatory Memorandum
- copies of the MRCA, DRCA and VEA marked up with proposed changes
- scenarios
- fact sheets
- a Frequently Asked Questions document



## What's next?

The Bill will be considered by Parliament.

### Download

To download a copy of this information booklet, visit [www.dva.gov.au/legislationreform](http://www.dva.gov.au/legislationreform).

### Translations

If you require translation services, please contact the Translation and Interpreting Service ([www.tisnational.gov.au/en](http://www.tisnational.gov.au/en)) on 131 450. It's a free service. Just provide our name (DVA), the 1800 VETERAN phone number (1800 838 372) and your DVA file number, if you have one.

# OPEN ARMS

Veterans & Families Counselling



1800 011 046 [OpenArms.gov.au](http://OpenArms.gov.au)

Defence  
Family  
Helpline



1800 624 608

Defence  
All-hours  
Support Line



1800 628 036

