



Australian Government
Department of Veterans' Affairs

Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024 – Exposure Draft

**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.

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Published by the Department of Veterans' Affairs. This document is available at www.dva.gov.au/legislationreform.

Message from the Minister



The Australian community rightfully expects that Defence personnel, veterans and their families are well looked after. This is an important task and responsibility of government – a solemn commitment and one we take very seriously.

The Royal Commission into Defence and Veteran Suicide has called for

the simplification and harmonisation of veteran compensation legislation. This has been both agreed and pursued by the Albanese Government. We want to get this right.

The Australian Government recognises that the veteran compensation system is overly complicated. It can be difficult to understand, stressful to navigate and complex to administer, resulting in delays, backlogs and confusion for veterans and families.

The Government recognises that reform is needed to simplify and harmonise legislation governing compensation, rehabilitation and other supports for veterans and families so they can get the support that they need and deserve.

In 2023, the Australian Government engaged closely with the veteran community on a proposed pathway to simplify the veterans' legislative framework, to better support veterans and their families in the future.

This draft legislation has been developed taking into account the views of veterans, families and ex-service organisations.

The draft legislation seeks to simplify the veteran compensation system, with all claims to be considered under **a single Act**, transforming the veterans' entitlement scheme to one solid foundation instead of three.

Moving to a single Act will make it easier for veterans and families to understand their entitlements and receive the support they need, when they need it. This will also contribute to streamlining and speeding up claims processing within the Department of Veterans' Affairs (DVA).

Critical safeguards will be in place including grandparenting existing arrangements so there is no change in compensation payments currently being received by veterans and to ensure that current payment rates are maintained and indexed as they would be under the current system.

This is without a doubt, the biggest improvement of veterans' compensation and rehabilitation laws for more than a century and it is important our veterans and their families help guide the decisions that impact them.

I encourage you to join one of our consultation sessions, which will be promoted on the DVA website. Take the time to understand what this change means for you (www.dva.gov.au/scenarios) if the legislation is approved and provide your feedback to help us shape the veteran entitlement support system for future veterans and their families.

Australian veterans deserve the best, and this important reform seeks to simplify the complexities of the current system to make sure veterans and their families receive the support they need and deserve. I look forward to hearing your views so that we can move towards creating a system that delivers a better future for our veterans and families.

A handwritten signature in blue ink that reads "Matt Keogh". The signature is written in a cursive, flowing style.

The Hon Matt Keogh MP
Minister for Veterans' Affairs
Minister for Defence Personnel



New legislation to benefit Veterans

The Government is seeking comments on the exposure draft of the Veterans' Entitlements, Treatment & Support (Simplification and Harmonisation) Bill 2024 that, if passed by Parliament, would implement a new model for veterans' compensation commencing on 1 July 2026.

What is the purpose of the Bill?

The Bill would implement the single Act model proposed in the Veterans' Legislation Reform Consultation Pathway, shaped by the feedback provided by the veteran community in 2023.

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; 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, with grandparenting of already approved VEA/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 would 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 would also benefit, as they would 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 would also be potentially 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 draft legislation also proposes that DRCA veterans would be able to appeal adverse decisions to the Veterans' Review Board (VRB). The draft legislation would also streamline the administration of the legislation through merging of the Military Rehabilitation and Compensation Commission (MRCC) into the Repatriation Commission (RC), removing duplication of responsibilities, and providing greater administrative clarity about governance matters.

Over time, the changes proposed in the draft legislation would reduce the burden on veterans and their families, advocates and DVA, associated with submitting and processing claims ensuring better service for veterans' and families.

How your feedback on the Pathway 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. The 2023 consultation process has shaped the proposal you see in front of you today.

Your submissions helped the Government to respond to the issues you told us are of most concern to you. A summary of the feedback and the submissions received during the consultation process are available at www.dva.gov.au/legislationreform.

Addressing recommendations from the Productivity Commission

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 draft legislation achieves, either fully or in part, the following recommendations of the Productivity Commission.

Recommendation	Outcome of recommendation if legislation is approved
8.1 Harmonise the initial liability process	Fully achieved
10.2 Single review pathway	Fully achieved
13.1 Harmonise the DRCA with the MRCA	Fully achieved the part of the recommendation that was agreed by Government through the move to a single scheme
14.3 Interim compensation to be finalised after two years	Fully achieved
14.10 Harmonise the funeral allowance	Fully achieved
15.2 Simplify and harmonise education payments	Partly achieved
15.4 Remove and pay out smaller payments	Partly achieved with current payments grandparented
15.5 Harmonise attendant and household services	Partly achieved
15.6 Harmonise vehicle assistance	Partly achieved
19.1 Two schemes for veteran support	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 approach to the new Single Ongoing Act.

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 *Military Rehabilitation and Compensation Act 2004* (MRCA) so that it is the 'single ongoing Act' for veterans' rehabilitation and compensation.

The *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) and the *Veterans' Entitlements Act 1986* (VEA) will be closed to new liability and compensation claims from 1 July 2026.

The MRCA will be open to claims arising from service prior to 1 July 2004, 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 standardised. 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.
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 travel 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].

Review of compensation decisions

An important benefit of this reform would 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 from commencement, initial review of decisions made under the DRCA would be through the Veterans' Review Board (VRB), rather than the Administrative Appeals Tribunal (AAT) [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 (RMA) and the Specialist Medical Review Council (SMRC) would need to be transferred into the MRCA. Importantly, 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.



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. For more scenarios and further information visit our website at 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	
\$1,116 f/n VEA War Widow(er)'s Pension	life ✓	\$399 f/n VEA education allowance
	✓ while in full time education	\$2,000 Funeral Benefit

Under MRCA			
GREG'S PARTNER	GREG'S CHILD 16YO		
\$1,116 f/n MRCA OR \$664,986 Wholly Dependent Partner Aged-based lump sum	\$104,291 lump sum	\$399 f/n MRCA education allowance	\$14,062 Funeral Benefit up to
\$152,908 Additional Death Benefit	life ✓	\$346 f/n MRCA compensation payment	✓ while in full time education

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

 **\$43,067**
lump sum

Under MRCA

\$48^{f/n}_{MRCA}  
OR
\$21,270
Aged-based lump sum

Scenario 4



Matthew, 68

- Receives \$304.00 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

\$933^{f/n}_{VEA}  
Extreme Disablement Adjustment DCP

Under MRCA

\$933^{f/n*}_{MRCA}   OR  **\$488**^{f/n*}_{MRCA} + **\$149,056** lump sum
 

*Includes grandparented DCP \$304 and the new Additional Disablement Amount \$184

Scenario 3



Gabby, 47




- Full-time service (prior to 1 July 2024)
- Stops work due to service-related conditions

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

Current DRCA

\$2,008^{f/n}_{DRCA} **5%** notional super contribution deducted

Under MRCA

 **\$2,962**
f/n MRCA   **\$366**^{f/n}_{MRCA}
Includes Remuneration Allowance
~~**5%** notional super contribution deducted~~

Scenario 5



Bruce, 68




- Receives \$244.74 f/n 40% Disability Compensation Payments

Lodges claim for worsening conditions

Current VEA

\$363^{f/n}_{VEA}
60% Disability Compensation Payments

Under MRCA

\$370^{f/n*}_{MRCA} OR **\$244**^{f/n*}_{MRCA} +  **\$42,083** lump sum
 

*Includes grandparented DCP \$240

When would the new model commence?

It is proposed that the new model for veterans' compensation commences on 1 July 2026. Drafting the proposed legislation is the first step. Following the consultation process, amendments will be made if required before the Bill is introduced to Parliament. Allowing sufficient time to inform the veteran community on what the changes mean is also an important factor when determining the commencement date. We want to 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.

Where can you find the draft legislation and other material

Draft legislation has been published on DVA's website at www.dva.gov.au/legislationreform, along with a range of material that will help you understand how the new model will be implemented if approved.

These materials include:

- An Explanatory Memorandum
- Copies of the MRCA, DRCA and VEA marked up with proposed changes
- Case studies
- A Frequently Asked Questions document



Do you want to know more?

There are several ways you can find out more information or get involved in the consultation process for legislation reform.

Information Sessions

- Webinars will be conducted to provide an opportunity for veterans and their families, individuals who have provided feedback previously, and the general public to hear more about proposed legislation changes and ask questions. Visit www.dva.gov.au/legislationreform for further details.
- Meetings will be held in all State and Territory capitals, and Townsville with ex-service organisations and other key stakeholders.
- DVA will also engage with the ex-service community through regular National Consultation Framework scheduled activities.

What's next?

At the end of this consultation process, feedback on the legislation will be reviewed, and the draft legislation will be finalised for introduction into Parliament.

How you can provide feedback

It is important that we hear from veterans and their families, and other key stakeholders, about the proposed legislative changes. Comments on the draft legislation may be made anonymously and will not be published without your permission. Comments close on 28 April 2024.

Website

You can submit your feedback via the DVA website during the consultation period. Scan the QR code or visit www.dva.gov.au/legislationreform-feedback.



Email

You can submit your feedback via email to legislation.reform@dva.gov.au.

Download

To download a copy of this information booklet, visit www.dva.gov.au/legislationreform.

Post

You can submit your feedback via post:
GPO Box 9998 Brisbane QLD 4001


Translations

If you require translation services, please contact the Translation and Interpreting Service (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.

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