



## Reform of Veterans' Compensation Legislation

At the beginning of 2024, consultation was undertaken with the veteran community and other stakeholders on the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024, which sets out a proposed pathway to simplify and harmonise the legislative framework. Feedback received has informed the reform package, which includes these main elements:

**Single Ongoing Act** — From 1 July 2026, all new compensation claims will be dealt with under a single compensation Act, the *Military Rehabilitation and Compensation Act 2004* (MRCA), regardless of when the veteran served or when they were injured or became ill. There will be no reduction in entitlements determined under pre-existing arrangements (under the *Veterans' Entitlements Act 1986* (VEA) and/or the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA)).

**Incapacity Payments** — In response to feedback received during consultation on the draft Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024, veterans receiving incapacity payments under the DRCA at the commencement date of the single ongoing Act will transition to the more generous arrangements for incapacity payments under the MRCA.

**Single Review Pathway** — In advance of the broader changes to move to a single-ongoing Act, a consistent review pathway will be established by providing veterans under the DRCA with access to appeal adverse decisions to the Veterans' Review Board (VRB). If dissatisfied with the decision of the VRB, veterans may then apply to have the matter heard by the Administrative Appeals Tribunal (AAT).

**Ministerial Advisory Council (MAC)** — Initially proposed by the Productivity Commission in its 2019 report, the establishment of a MAC will provide advice directly to the Minister and Assistant Minister on the lifetime wellbeing of veterans and the administration and stewardship of services provided to current and ex-serving members and their families. The MAC is expected to supplement the existing DVA National Consultative Framework.

### Why is this important?

- In its interim report, the Royal Commission into Defence and Veteran Suicide found the legislation governing compensation and rehabilitation for veterans to be “so complicated that it adversely affects the mental health of some veterans and can be a contributing factor to suicidality”.
- The complexity of the existing tri-Act model makes it difficult for veterans, families and representatives to navigate the system, and causes processing inefficiencies and delays for DVA.
- The Government recognised that reform was needed to simplify and harmonise legislation governing compensation, rehabilitation and other supports for veterans and families so they can get the support that they are entitled to.
- This reform will create a simpler, easier to use system for veterans and families, and produce an overall harmonised scheme of entitlements going forward.

- This is in addition to the \$40.1 million provided in the MYEFO 2023-24 measure (*Reform of Veterans' Compensation Legislation – implementation*) to implement reforms to the veterans' compensation legislation framework including advocacy training.

## Who will benefit?

The package of compensation and rehabilitation entitlements under the new legislative framework will benefit the veteran community as a whole, when compared to the current arrangements. Approximately 10,000 veterans and dependants will be affected in the first year of reform implementation.

## Date of effect?

The single ongoing Act, including changes to incapacity payments will commence from 1 July 2026, subject to passage of legislation, with the DRCA single review pathway to commence earlier, at 60 days after the Bill receives Royal Assent.

## How much will this cost?

\$222 million over four years from 2024-25.