



Australian Government

Department of Veterans' Affairs

Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Act 2025

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



Core Elements of the Act

The VETS Act will implement a 'single Act' model from 1 July 2026, whereby:

- all new claims for compensation and rehabilitation will be considered under an improved *Military Rehabilitation and Compensation Act 2004* (MRCA)
- the *Veterans' Entitlements Act 1986* (VEA) and the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) will be closed to new compensation related claims
- VEA and DRCA compensation payments being received at 1 July 2026 will be grandparented, protecting existing entitlements – except DRCA incap – more on this later.



MRCA Improvements

- Compensation for severely injured veterans over pension age, and their dependants
- Removal of minimum distance requirements under the MRCA when travelling by private vehicle to get treatment, attend a specialist medical examination, etc
- Extended coverage for liability:
 - Ability to accept claims for conditions which occur on duty (such as heart attacks and strokes), irrespective of underlying causality
 - Ability to prescribe conditions which can be accepted on a 'presumptive' basis



MRCA Improvements (cont'd)

- Improvements to Permanent Impairment compensation processes, including:
 - Treating doctors can provide a meaningful estimate of when an impairment met the requisite criteria for PI compensation
 - Posthumously convert the weekly rate of PI compensation payable to deceased veteran(s) where the veteran has not exercised their choice
- More beneficial Statement of Principles to apply in review/appeal
- Greater flexibility for directing payments to carers of young dependants
- Protection for persons in vulnerable circumstances



For current VEA Veterans and Families

- VEA compensation and Disability Compensation Payments at commencement date will continue and be indexed
- No change to auto-grants of war widow/er's pension
- Additional compensation payable for a service-related death
- Increased funeral compensation - \$3,000
- Access to earnings-based incapacity payments (for those of working age)
- Impairment compensation can be taken as a lump sum
- Eligible for Household Services and Attendant Care Services



For current DRCA Veterans and Families

- Automatic transition to MRCA incapacity payments - resulting in removal of the additional five per cent deduction and inclusion of a remuneration loading allowance
- Can appeal decisions to the Veterans' Review Board – from 21 April 2025
- Access to Special Rate Disability Pension, Additional Disablement Amount, Veteran Gold Card, and education assistance for children, in certain circumstances
- MRCA transition threshold test:
 - New condition accepted under the MRCA, or
 - At least 5-point increase in the person's overall impairment
- Whole-of-person assessment will apply



Consultation

Consultation on the Royal Commission recommendation
17 October – 14 November 2022

Consultation on proposed pathway 16 February – 12 May 2023



Consultation

The feedback provided in the 2022 and 2023 consultation processes informed the development of the exposure draft VETS Bill, which was open for public consultation between 28 February – 28 April 2024

CONSULTATION ACTIVITY



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.



Senate Amendments

1. Recognises differing caring arrangements for children of severely impaired veterans by providing for the apportionment of additional compensation payments made under s80 of the MRCA.
2. A Senate Committee will review the changes enacted by the VETS Act 12 months after it commences. This will establish a framework to assess the effectiveness of the reforms.
3. Gives effect to recommendation 122 of the Final Report of the Defence and Veterans' Suicide Royal Commission, through establishing a new statutory entity, the Defence and Veterans' Services Commission (DVSC).
4. Under the terms of an agreed Opposition amendment, the Senate Foreign Affairs, Defence and Trade Legislation Committee will review the legislation establishing the DVSC and report by 29 August 2025.

When will the changes commence?

- The Act commences 1 July 2026. This allows sufficient time:
 - to inform the veteran community on what the changes mean
 - for Veterans to determine whether claims should be made under current arrangements or the new
 - to train advocates and delegates
 - to make the required system changes
- The 'Single Review Pathway' begins 21 April 2025
 - DRCA veterans will be able to appeal claim decisions to the Veterans' Review Board.
- DVSC will commence operation on 29 September 2025



Communications about the changes

- Information about the changes will be distributed in phases through:
 - *VetAffairs* newspaper and DVA e-news
 - DVA social media channels (Facebook, Instagram, You Tube and LinkedIn)
 - In person and online information sessions
 - Engagement with Ex-Service Organisations
 - Defence channels, publications and transition seminars
 - Advocate newsletter and training
- All messaging will direct those interested to the dedicated Legislation Reform website (www.dva.gov.au/legislationreform), which has been updated with new features and information



Communication Phases

PHASE	THEME	TIMING	FOCUS
1	Bill passage	February – June 2025	Confirming that the Bill has passed and next steps
2	Single Review Pathway	March – April 2025	What is the Single Review Pathway and what will it mean for veterans
3	Education & Engagement	March 2025 – June 2026	What will the new Act mean for me? Educational topics released regularly Information sessions held Advocates trained
4	Wrapping up the VEA and DRCA	January 2026 – June 2026	VEA and DRCA closing to new claims from 1 July 2026
5	Commencement of the VETS Act	July 2026	All claims are now processed under a single Act – the improved MRCA
6	Review of the VETS Act	July 2027	Providing information about the review and its outcomes



Website

What is the VETS Act and what will it do?

The VETS Act provides greater clarity for veterans and veteran families about their benefits and entitlements.



How will the VETS Act benefit veterans and families?

Adopting an improved MRCA as the single ongoing Act will ensure more consistent compensation outcomes for veterans and families.



Resources

Links to the Bill, Explanatory Memorandum, Senate Committee Report and material to help you understand the changes, including fact sheets and frequently asked questions.



Scenarios

Examples to demonstrate how the changes may impact you



Consultation process

A vital part of ensuring we got this change in legislation right was consulting with the veteran community. This outlines the consultation that was undertaken.



- Pages on legislation reform website are designed to be printed
- The DVA website, including CLIK and forms will be updated from commencement of the new arrangements
- Information relating to the VEA and DRCA will remain on DVA's website as many clients will still have claims operating under the VEA and DRCA after 01 July 2026 due to grandparenting arrangements



Scenarios



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



\$44,833
lump sum

Under MRCA

\$79^{f/n}
MRCA

OR

\$34,872

Aged-based lump sum



life



- **Erin** lodges a claim for her shoulder injury
- **DVA** accepts liability and conducts a needs assessment which includes a claim lodged by **Erin** for Permanent Impairment (PI) compensation
- **Erin** has her doctor complete an impairment assessment for all service-related conditions
- **DVA** determines Erin's additional impairment levels (over and above her previous impairment levels under the DRCA) and converts that into a compensation amount
- **Erin** is given a choice of a fortnightly payment or an aged-based lump sum (or a combination)
- **Erin** also receives a Gold Card as her total impairment is over 60 points (for previous DRCA conditions and new shoulder injury under the MRCA)



Scenarios



Bruce, 68

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

Lodges claim for worsening conditions


Current VEA

\$370 f/n
VEA

60% Disability Compensation Payments

Under MRCA

\$380 f/n* MRCA OR **\$249** f/n* MRCA +

 **\$43,808**
lump sum

*Includes grandparented DCP \$249

- **Bruce** lodges a Permanent Impairment (PI) claim due to worsening conditions
- **Bruce** undergoes a needs assessment and has his doctor complete an assessment
- **DVA** determines Bruce's additional impairment levels (over and above his previous impairment levels under the VEA) and converts that into a compensation amount
- **Bruce** can choose to receive compensation for the worsening of his conditions as an increased fortnightly payment or convert whole or part of the additional PI amount to a lump sum (maintaining the grandparented fortnightly Disability Compensation Payment) under the VEA.








Scenarios





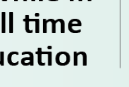




Greg, 60 (deceased)

- 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
\$1,136 f/n VEA War Widow(er)'s Pension  	\$399 f/n VEA education allowance   while in full time education
	\$2,000 Funeral Benefit 

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

- **Greg's partner** lodges a claim in respect of his death
- **DVA** accepts liability for Greg's death as being service-related
- **Greg's partner** is given a choice of a fortnightly payment or an aged-based lump sum
- **DVA** pays additional compensation as Greg's death is related to his service
- **Greg's child** receives a fortnightly payment, a lump sum and education assistance.
- **Greg's family** receives a higher amount of funeral compensation for a service-related death



Contact details

Website

www.dva.gov.au/legislationreform

Email

legislation.reform@dva.gov.au

Social Media

Facebook, Instagram, You Tube or LinkedIn – search for *Australian Government Department of Veterans' Affairs*

*DVA cannot provide individualised advice to veterans - only general information about the changes.
Decisions relating to benefits must be made by the veteran*



Questions



Australian Government
Department of Veterans' Affairs

Thank you



Australian Government
Department of Veterans' Affairs

Defence
Family
Helpline



1800 624 608

Defence
All-hours
Support Line



1800 628 036

OPEN ARMS

Veterans & Families Counselling

1800 011 046 OpenArms.gov.au

