



Introduction to the VETS Act

Topics

How we got here

What the VETS Act does

Grandparenting and what it means for veterans



How we got here

The veterans' legislation framework provides compensation and support services to veterans and families and dates back more than 100 years to *the Defence Act 1903* and the *Repatriation Act 1920*.

Improvements to the system were made with the introduction of the *Veterans' Entitlements Act 1986* (VEA), the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) and the *Military, Rehabilitation and Compensation Act 2004* (MRCA).

However, successive governments and reviews into the adequacy of the system have identified it to be complex and difficult to navigate, both administratively and legislatively.



How we got here



The Interim Report of the Royal Commission into Defence and Veteran Suicide recommended simplification and harmonisation of the veterans' rehabilitation and compensation framework.



How we got here



The Australian Government accepted Recommendation 1 from the Royal Commission's Interim Report and agreed to simplify and harmonise veterans' legislation.



DVA consulted with the veteran community between 2022 and 2024.



Insights and feedback gathered throughout that process shaped the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024 (VETS Bill).



As a result of feedback received on the exposure draft of the Bill, changes were made before it was introduced into Parliament on 3 July 2024



How we got here

The Government passed the *Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Act 2025* (VETS Act) through the Parliament on 13 February 2025.

The VETS Act takes effect on 1 July 2026.

The existing 'tri-Act' system will be replaced with a single, ongoing Act: **an improved MRCA**.



What the VETS Act does

From 1 July 2026, the VEA and the DRCA will be closed to new claims.

All new claims for compensation & rehabilitation, regardless of when a veteran served, or when their injuries or diseases occurred, will be determined under an improved MRCA.

Existing payments under the VEA and DRCA, except DRCA incapacity payments, will be grandfathered.

This means they will continue uninterrupted and be indexed as normal.

Existing treatment arrangements for card holders will not change.

Veterans receiving DRCA incapacity payments will automatically transition to the more generous MRCA incapacity payments on 1 July 2026.

DRCA veterans may, for the first time, be eligible for treatment for any injury or disease via the Gold Card.

They will also be eligible for SRDP under the MRCA



What the VETS Act does

There will be no change to existing arrangements for Disability Compensation Payments and income support payments such as the Veteran Payment, Income Support Supplement and Service Pension.

Veterans with Qualifying Service will also continue to be eligible for the Gold Card at age 70.



What the VETS Act does

Consolidation under the single ongoing Act

Acute Support Package: administration of ASP is consolidated under the MRCA.

Household Services and Attendant Care: administration of these services is consolidated under the MRCA.

Education Schemes: Expansion of MRCA education scheme to children of highly impaired veterans with DRCA-only eligibility who meet the MRCA eligibility criteria. Students on the VEA education scheme will transition to the MRCA education scheme.

Incapacity payments: all veterans will be able to apply for incapacity payments under the MRCA from 1 July 2026, regardless of the Act their conditions were accepted under.



What the VETS Act does

Consolidation under the single ongoing Act

Single Review Pathway: the review of compensation decisions is aligned across the three Acts. From 21 April 2025, DRCA veterans have been able to appeal claims decisions, made on or after this date, to the Veterans' Review Board.

Merging Commissions: streamlining legislation to provide greater administrative clarity around governance matters by merging the Repatriation Commission and Military Rehabilitation and Compensation Commission.

Repatriation Medical Authority and Specialist Medical Review Council: governance of these bodies will be transferred to the MRCA.

Travel for treatment : Reimbursement of travel claims will be considered under the higher MRCA payment rate. No 50km round trip minimum.



What the VETS Act does

MRCA enhancements

A new **Additional Disablement Amount (ADA) payment**

Funerals: retention of automatic granting of VEA funeral benefits.

Increased funeral allowance and reimbursement of funeral expenses for all service-related deaths

Presumptive Liability: The Repatriation Commission will be able to prescribe conditions that may be accepted on a presumptive basis.

Medical Event on Duty: The definition of service injury has been amended to allow for an injury to be accepted on the basis that it occurred while the person was 'on duty' as a defence member (for example heart attacks and strokes).



What the VETS Act does

MRCA enhancements

Posthumous permanent impairment: expansion to allow for permanent impairment compensation to be paid as an age-based lump sum (excluding lifestyle components) to the estate of a deceased veteran, where the compensation claim was lodged prior to veteran's death.

Expansion of eligible recipients of section 80 payments: the additional compensation for children of severely impaired veterans will be paid to the primary carer of the eligible child; or appropriately apportioned between primary carers.

Statements of Principles: where a Statement of Principle (SoP) is updated between a veteran's primary and reviewable decision, the most beneficial SoP is applied.



What the VETS Act does

MRCA enhancements

Permanent impairment date of effect: changes to date of effect mean permanent impairment compensation may be payable from the first date of the calendar month in which a medical practitioner estimates a condition became permanent and stable.

Financial advice: The Repatriation Commission will have the power to require vulnerable veterans to seek financial advice before receiving compensation payments.



What the VETS Act does

For VEA veterans

Offsetting Disability Compensation Payments: amendments to the VEA so that the General Rate component of a veteran's Disability Compensation Payment will not be offset by MRCA incapacity payments.

Final Disability Compensation Payment instalments. Now payable up to the date of a veteran's death.

Tobacco use: Claims relating to tobacco use prior to 1 January 1998 may be accepted as service related if eligible.



What the VETS Act does

For partners and dependants of VEA veterans

Auto-grant of death benefits for eligible dependants will continue

An increase to \$3,000 for funeral allowance for previous automatic grant categories currently covered under the VEA.

The availability of reimbursement of funeral expenses up to \$14,062 for service-related deaths on or after 1 July 2026.

Eligible partners may choose to receive compensation as an age-based lump sum

For service-related deaths after 1 July 2026, partners will also receive an additional age-based lump sum.



What the VETS Act does

Gold Cards: DRCA veterans with high levels of impairment may, for the first time, be able to access the Gold Card for treatment for any injury or disease

Special Rate Disability Pension: certain DRCA veterans may be eligible for the Special Rate Disability Pension in lieu of MRCA incapacity payments.

MRCA incapacity payments: from 1 July 2026, all DRCA incapacity payments recipients will be transferred to the more generous MRCA scheme, which does not reduce incapacity payments by a further 5% for a notional contribution to superannuation.

Education Schemes: expansion of MRCA education scheme, including to children of veterans with DRCA-only eligibility who go on to meet the MRCA eligibility criteria.



What the VETS Act does

For partners and dependants of DRCA veterans

Death Benefits: Where the death of a veteran is service related, dependants can claim death benefits under the MRCA. MRCA death benefits include the option to convert periodic payments into an age-based lump sum, and an additional lump sum for service-related deaths

Additional compensation: Veterans with over 80 impairment points and an eligible young person (dependent) may be eligible for an additional PI payment under section 80 of the MRCA

Education Schemes: expansion of MRCA education scheme, including to children of veterans with DRCA-only eligibility who go on to meet the MRCA eligibility criteria

Gold card: For service-related deaths, dependants may be eligible for a Gold card under the MRCA



Grandparenting and what it means for veterans

The VETS Act will facilitate veterans' eligibility for a range of benefits available under the improved MRCA, even if their service was covered by the VEA or the DRCA prior to the commencement of the VETS Act on 1 July 2026.

Payments being received under the VEA and DRCA prior to 1 July 2026 will be grandparented, which means they will continue uninterrupted.

This includes all Disability Compensation Payments (including the Special Rate (TPI)).
Income support payments such as the Veteran Payment, Service Pension, Partner Service Pension and Income Support Supplement.

The one exception is for veterans in receipt of incapacity payments under the DRCA, who will have those payments automatically transitioned into the more beneficial MRCA system from 1 July 2026.





Thank you for watching

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