



Veteran Legislation Reform

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

On 13 February 2025, the Australian Parliament passed the *Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Act 2025* (the VETS Act).

Commencement of this legislation will occur on 1 July 2026.

What is the purpose of the Bill?

- The Royal Commission into Defence and Veteran Suicide found that the veterans' entitlement system is complicated such that it adversely affects the mental health of some veterans. **The Royal Commission's first recommendation was that legislative reform be implemented to simplify and harmonise this system.**
- The Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Act 2025 (the **VETS Act**) **will bring the three current/ previous schemes governing veterans' compensation and rehabilitation under a single Act:** an improved *Military Rehabilitation and Compensation Act 2004* (MRCA).
- In its Final Report, the RCDVS recommended that a new entity be established to provide independent oversight and evidence-based advice to drive system reform and improve wellbeing outcomes for former ADF members by September 2025.
- In response, The VETS Bill, under the provision of the Defence Act, the Australian Government is to establish the Defence and Veterans' Service Commission (DVSC) to provide independent oversight of the veteran ecosystem.
- The VETS Act will create a simpler **system** that will make it easier for serving ADF members, veterans, and families to understand their entitlements and for the Department to process claims.

What the changes mean?

- **From 1 July 2026**, the *Veterans' Entitlements Act 1986* (VEA) and *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (**DRCA**) **will be closed to new compensation claims.**
- From 1 July, all new claims will be determined under the **improved MRCA.**
- Existing payments being received under the VEA and DRCA, except DRCA incapacity payments, will continue uninterrupted and be indexed as normal.
- Veterans **in receipt of DRCA incapacity payments will automatically transition to the more generous MRCA** incapacity arrangements on the date of commencement.
- **All other veterans will be able to apply for incapacity payments under the MRCA from 1 July 2026**, regardless of which Act their condition/s were accepted under.
- **Claims lodged prior to 1 July 2026 will continue to be determined under the current tri-Act system** even after commencement of the new arrangements.
- Coverage for current serving ADF members who **enlisted after 1 July 2004, will continue under the MRCA as normal.**
- The **only change that will occur prior to 1 July 2026 is the introduction of a 'single review pathway'** 60 days after the Act receives Royal Assent.
- This means that after 21 April 2025 all veterans will be able to lodge an appeal to have a claim decision reviewed by the Veterans' Review Board (VRB).

Further Information:

www.dva.gov.au/legislationreform
www.dva.gov.au/mrca-enhancements



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Improvements to MRCA

- A new Additional Disablement Amount will compensate veterans who are Age Pension age or older and who have a high degree of incapacity due to service-related conditions.
- The legislated ability for the Repatriation Commission to specify injuries and diseases that can be determined on a presumptive basis where they are known to have a common connection with military service.
- Expanding eligibility for Household Services and Attendant Care.
- Retention of automatic granting of VEA funeral benefits.
- 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.
- The availability to all veterans of the higher travel reimbursement amount, regardless of kilometres, when a private vehicle is used to travel for approved treatment.
- Standardisation of allowances and other payments, including acute support packages, education schemes and additional compensation for children of severely impaired veterans.
- Enhancement of the Repatriation Commission's ability to grant special assistance to veterans and dependents.
- Where the Repatriation Medical Authority updates a Statement of Principles between the veteran's primary and reviewable decision, the most beneficial will be applied.
- The definition of service injury 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 (such as heart attacks and strokes), regardless of whether or not the injury was caused by the member's duties.
- The *Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Act 2025* (the VETS Act) will bring the three current schemes governing veterans' compensation and rehabilitation under a single Act: an improved *Military Rehabilitation and Compensation Act 2004* (MRCA).

Veteran Review Board (VRB)

- The VRB is an accessible, veteran-centric and non-adversarial environment for veterans and dependants to retest their claims. Claimants will still be able to progress to the Administrative Reviews Tribunal after the VRB, if needed.
- The VETS Act will create a simpler system that will make it easier for serving ADF members, veterans, and families to understand their entitlements and easier for advocates to support veterans and families with claims for compensation.
- This approach will also make it easier for the Department to process claims in a consistent and timely way.
- www.vrb.gov.au

Get Prepared

Commencement of this legislation will occur on 1 July 2026 to ensure serving ADF members, veterans, families, and their advocates are given enough time to understand how they might be impacted and make plans for their individual circumstances.

Note:

Incapacity under the MRCA refers to *Military Rehabilitation and Compensation Act 2004*, s5 – 'incapacity for service, in relation to a person who has sustained an injury or contracted a disease, means incapacity of the person to engage in the Defence service that he or she was engaged in before the onset of the incapacity, at the same level at which he or she was previously engaged.'

