



Australian Government  
Department of Veterans' Affairs

# Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024

**DVA Submission to the Senate  
Foreign Affairs, Defence and Trade  
Legislation Committee Inquiry -  
July 2024**

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## 1. The VETS Bill in summary

The Department of Veterans' Affairs (DVA) welcomes the opportunity to make a submission to the Senate Foreign Affairs, Defence and Trade Legislation Committee's (the Committee) Inquiry into the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024 (the VETS Bill).

The VETS Bill reflects significant community consultation undertaken over three rounds since late 2022. If passed by the Parliament, the VETS Bill will consolidate all legislation governing veterans' compensation and rehabilitation, making the claims system easier to navigate and easier to administer.

At its broadest level, the VETS Bill would reduce the legislation governing veterans' compensation and rehabilitation from three Acts to one by closing the *Veterans' Entitlements Act 1986* (VEA) and the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) to new compensation claims from 1 July 2026 and determining all compensation claims received on or after that date under the *Military Rehabilitation and Compensation Act 2004* (MRCA).

The Exposure Draft of the VETS Bill proposed a range of enhancements that will improve compensation arrangements for veterans under the MRCA including:

- a new Additional Disablement Amount (ADA) to replace the Extreme Disablement Adjustment (EDA) payment currently available under the VEA
- the introduction of 'presumptive liability' provisions which will simplify the acceptance of initial liability claims by making certain assumptions about an individual's Defence service
- consolidation of processes (and payment rates) for travel to attend treatment and for the provision of attendant care and household services
- an increase in the funeral amount which can be reimbursed in respect of certain veterans currently covered by the VEA (to align with the MRCA rate)
- increased eligibility for the cost of funeral benefits (up to \$14,062) for all service-related deaths which occur on or after 1 July 2026, irrespective of when the veteran was injured or became ill.

Based on feedback obtained during consultation on the Exposure Draft, the following changes from the exposure draft Bill are included in the VETS Bill:

- veterans in receipt of DRCA incapacity payments will automatically transition to (more beneficial) MRCA incapacity payments from 1 July 2026
- where the Repatriation Medical Authority (RMA) updates a Statement of Principles (SoP) between a primary level and secondary level (reviewable) decision, the version of the SoP that is most beneficial to the veteran's circumstances will be applied
- an instrument-making power will be introduced to enable the Commission to determine circumstances where a vulnerable veteran must receive financial advice before receiving a lump sum payment.

### Existing benefits to be maintained

A key principle of the VETS Bill is that there will be no reduction in payments that veterans or families previously received or are receiving when the new arrangements commence.

The VETS Bill also retains provisions relating to the automatic granting of death compensation and funeral benefits which currently apply to the families of certain categories of VEA veterans.



## **Consultation and feedback**

As noted above, the VETS Bill has been subject to significant community consultation and has evolved to reflect the views of the veteran community. In total, over 50 consultation sessions were held and 569 individual submissions were received and considered in developing the VETS Bill.

An exposure draft of the Bill was released in February 2024 and consultation was undertaken between February and April 2024. Feedback on the exposure draft was supportive of the proposal to move to a single-Act model of compensation. Three online public webinars were delivered, with approximately 240 attendees in total. Senior DVA staff, and in some cases the Minister for Veterans' Affairs himself, explained the proposed changes and answered questions from participants. Questions and answers were published on the DVA website. One of the webinar sessions was recorded and made available for viewing on the DVA website.

On 5 July 2024, the National President of the Returned & Services League (RSL) announced via media release that the Government had done a creditable job in developing and introducing the legislation, as well as the way consultation was undertaken with the veteran community. The RSL also acknowledged that the Bill was introducing changes to the veterans' entitlements framework which would positively impact veterans and their families.

## 2. The history of veterans' legislation in Australia

The current framework is the result of over 100 years of veterans' legislation which has evolved in response to the changing nature of Defence service. The *War Pensions Act 1914* was the first Australian legislation to address military compensation. However, the subsequent *Repatriation Act 1920* (originally titled the *Australian Soldiers' Repatriation Act*) was the first comprehensive Commonwealth legislation to specifically cover returned service personnel. Until the early 1970s, those with operational service had compensation coverage under the repatriation system, while Defence members on peacetime service were covered by the Commonwealth employees' compensation system.

In 1973, the *Repatriation Act 1920* was extended to peacetime service for those who served for more than three years from 7 December 1972. However, coverage was also retained under the civilian Commonwealth employees' compensation system. This dual coverage introduced significant complexity to compensation arrangements for those affected.

The VEA was introduced in 1986 to consolidate several of the Acts that had been made since 1920. Principally a pension-based scheme, the VEA provides compensation and treatment for veterans with certain operational deployments, as well as certain peacetime service between 7 December 1972 and 30 June 2004. For those veterans who enlisted after commencement of the VEA, operational service was covered until 2004 but their peacetime service was only covered under the Act until 7 April 1994. British nuclear test (BNT) defence service during the 1950's and 1960's in Australia is also covered under the VEA when relevant criteria are met. The VEA also provides income support to veterans with Qualifying Service (which in most cases is the same as warlike service), regardless of whether this service occurred before or after 2004.

The *Safety, Rehabilitation and Compensation Act 1988* (SRCA), which commenced on 1 December 1988, provided continued workers' compensation for Australian Public Servants (and employees of certain licenses). It also provided coverage for Australian Defence Force (ADF) members for injuries (including diseases) and deaths resulting from peacetime service up to 1 July 2004. The SRCA also preserved provisions from two previous Acts: the *Commonwealth Employees Compensation Act 1930* and the *Compensation (Commonwealth Government Employees) Act 1971*.

In April 1994, the *Military Compensation Act 1994* introduced dual eligibility to the VEA and the civilian SRCA for members on operational, peacekeeping, or hazardous service, but removed dual eligibility under the VEA and SRCA for members on peacetime service. With the exception of those who enlisted before the commencement of the VEA as noted above, members on peacetime service were covered only by the SRCA from 1994.

This multi-Act approach led to significant differences in the compensation benefits payable under each respective Act. This was highlighted following a catastrophic Black Hawk helicopter accident near Townsville in June 1996. The date of enlistment of those killed or injured determined whether they or their dependants were eligible for compensation under the VEA and the SRCA, or only under the SRCA. This accident highlighted the differences in military compensation benefits that applied to ADF members killed or injured in the same incident or circumstance.

A subsequent interdepartmental inquiry and independent review led to the development of the MRCA, which commenced in 2004. The MRCA is the first compensation legislation specifically designed to provide rehabilitation and compensation coverage for injuries, diseases and death related to all service (warlike, non-warlike and peacetime service), but only applies to service rendered on or after 1 July 2004. While the MRCA reduced complexity for those whose service commenced after its introduction, claims continued to be investigated and determined under previous acts. The decision not to apply the

provisions in the MRCA to injuries, diseases and deaths related to service prior to its operation has resulted in continuing complexity in navigating the system for those whose service commenced prior to 1 July 2004.

In 2017, the DRCA was enacted to cover the same period of service in the ADF previously covered under the SRCA. There was no change to eligibility, entitlements or benefits available to current and former members of the ADF at the time. The purpose of the change was to move administrative responsibilities for all military compensation legislation under the Minister for Veterans' Affairs (the previous SRCA arrangements were administered by the Minister for Employment).

### **3. Complexity of the current legislative framework**

The current tri-Act framework contains structural differences which often result in very different and seemingly inequitable compensation outcomes for veterans with similar conditions. Compensation, rehabilitation, treatment and other benefits for veterans, members and former members of the ADF and families are provided under the three main Acts: the VEA, the DRCA and the MRCA.

In the broadest sense, compensation can be paid for:

- impairment (loss of lifestyle and loss of function)
- incapacity for service or work (income loss)
- service-related death of a veteran where there are dependants.

All three Acts provide for medical treatment and rehabilitation services and other allowances. Eligibility under each of the Acts is generally determined by when an individual's service occurred, the type of service rendered and the date of onset of an injury or disease.

#### ***Veterans' Entitlements Act 1986 (VEA)***

The VEA is a pension-based scheme providing access to tax-free Disability Compensation Payment (DCP) based on impairment level and associated lifestyle effects. Veterans who are unable to undertake full-time remunerative work due to their accepted conditions can receive a higher rate of DCP (either Special Rate or Intermediate Rate) to help compensate for their lost earnings. It is important to note that these two payments are not based on pre-injury earnings. There is a Loss of Earnings payment that can be provided on a short-term basis only, for people undergoing treatment of their conditions. This payment rate is tied to the Special Rate, not pre-injury earnings. Veterans who reach pension age without becoming eligible for Special or Intermediate Rate may become eligible for the EDA if their impairment and lifestyle ratings are very high.

Medical treatment is provided via either white treatment cards ('White Card') for specific medical conditions caused by defence service, or a gold treatment cards ('Gold Card') for all medical conditions. Additionally, the VEA provides home care, community nursing, rehabilitation and other allowances depending on the circumstances of the individual.

#### ***Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988 (DRCA)***

The DRCA provides income replacement in the form of fortnightly taxable incapacity payments, ceasing at age-pension age; tax-free lump sums for impairments resulting from injury or illness; medical treatment via White Cards; reimbursement for household and/or attendant care services; and vocational/non-vocational rehabilitation assistance. There is no entitlement to Gold Cards under the DRCA.

#### ***Military Rehabilitation and Compensation Act 2004 (MRCA)***

The MRCA's benefit structure was primarily based on the SRCA, including a strong focus on rehabilitation, but also included some features of the VEA, for example, access to Gold Cards which entitle veterans to DVA funded health care for all conditions regardless of whether the conditions are related to defence service. Transitional provisions were introduced to prevent anomalies and dual entitlements for veterans receiving, or eligible to claim, benefits under predecessor Acts.

Under the MRCA, permanent impairment payments compensate veterans for the ongoing effects of their condition/s and takes into account factors like functional loss, pain, suffering, lifestyle and social effects. Permanent impairment compensation is awarded as a weekly amount (paid fortnightly) but veterans have the choice to convert some or all of their compensation to an upfront lump sum

(calculated using life expectancy tables). Loss of earnings is compensated separately under the MRCA, as incapacity payments. Incapacity payments are paid to veterans who cannot work full time because of their accepted condition/s, and they are calculated based on pre-injury earnings. Some veterans will become eligible for the Special Rate Disability Pension (SRDP) which was modelled on the VEA's Special Rate. SRDP is offered to veterans with high levels of impairment who are likely to be incapacitated for work permanently and it comes with a lifetime Gold Card and payment offer. The SRDP payment rate is tied to the VEA's Special Rate but is offset by other compensation and Commonwealth-funded portions of superannuation benefits.

The MRCA was intended to bring together rehabilitation and compensation provisions for all members of the ADF, including cadets, cadet instructors and members of the Reserve Forces in a single piece of legislation. However, the Government of the day retained the ability for eligible claimants to submit claims for compensation under the VEA and DRCA for injuries and diseases that relate to service prior to the introduction of the MRCA. The MRCA is the Act that best reflects contemporary understandings of compensation and rehabilitation for ADF personnel.

## 4. Current veteran statistics

Data published on the DVA website shows that approximately 37% of liability claims received by DVA are either dual or tri-Act claims, adding a layer of complexity to the process for both veterans and claims processors.

**Table 4.1 – Liability Claims**

<b>Claims received</b>	<b>2023-24</b>	<b>2022-23</b>
Liability	46,776	38,433
% of liability claims that were multi-Act	37%	37%

Further to the complexity in liability claims, benefits like permanent impairment assessments are assessed very differently between DRCA and MRCA. They use different approaches to whole-person impairment and different assessment guides, and under the DRCA each condition is assessed and compensated separately. There are no 'multi-Act' permanent impairment assessments as such, because this benefit is based on which Act the condition was accepted under.

**Table 4.2 – Permanent Impairment Claims**

<b>Claims received</b>	<b>2023-24</b>	<b>2022-23</b>
MRCA permanent impairment	20,184	12,896
DRCA permanent impairment	17,458	12,209

### Claim allocation, decisions and processing times

Time taken to process claims that have been recently lodged with the Department is significantly less than for claims that are much older. This is mainly due to the increased resourcing that the Department has received, and through other processing improvements that have been made in the determining system. This reduced processing time is expected to continue to decrease and will be assisted by the reforms in the VETS Bill through moving to a single ongoing Act for all new claim determinations from 1 July 2026, subject to the passage of legislation.

Not only are claims allocated for processing within two weeks, but they are also being finalised quicker, with MRCA IL claims averaging 58 days, DRCA IL averaging 74 days, and VEA averaging 86 days. This compares to an average of 368 for MRCA IL, 480 for DRCA IL, and 520 for VEA, when older claims are taken into account.

For the 2023–24 financial year (1 July 2023 to 30 June 2024) 89,530 claims were lodged. The number of decisions made by DVA has increased significantly, with 128,864 compensation decisions made in 2022–23, up by 41 per cent compared to 2021–22.

- In 2023–24 financial year (1 July 2023 to 30 June 2024), there were 200,200 compensation decisions made.

The number of determinations is a lead indicator of time taken to process, with increases in determinations eventually reducing the time taken to process.

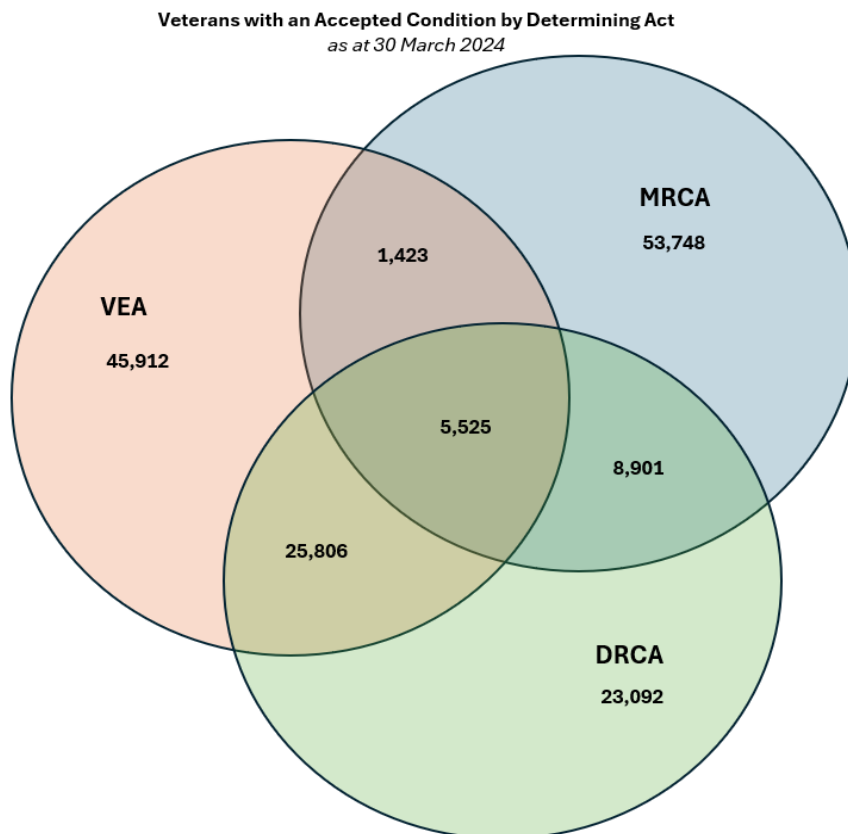
The average days to determine claims is expected to remain high for some time while we process the oldest claims and clear the backlog, although we are starting to see some improvements in the year-to-date time taken to process. In a post-backlog operating environment, for liability claims received from 1 December 2023 and determined by 30 June 2024, the average time taken to allocate was 7 days and the average total time taken to process (including time taken to allocate) was 60 days. Under specific Acts:

- For *Military Rehabilitation and Compensation Act 2004* (MRCA) IL claims the average time taken to allocate was 7 days and the average total time taken to process was 58 days.
- For *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) IL claims the average time taken to allocate was 8 days and the average total time taken to process was 74 days.
- For *Veterans' Entitlements Act 1986* (VEA) Disability Compensation Payment claims the average time taken to allocate was 8 days and the average total time taken to process was 86 days.

Additional claims data can be found at **Attachment A**.

As of 30 March 2024, there were over 164,000 (164,407) veterans with an accepted service-related condition under one or more of the governing Acts. The following diagram represents the number of veterans with an accepted condition by Act.

**Figure 4.1 – Spread of veterans by Act**





## 5. Previous reviews of veterans' legislation (and recommendations)

Various Government and independent reviews over recent years have identified that the legislative framework governing veterans' compensation and rehabilitation is too complex and that it requires simplification. The Royal Commission into Defence and Veteran Suicide ('the Royal Commission') has heard evidence that this complexity contributes to claims processing delays and uncertainty of compensation eligibility for veterans and families. It is also accepted that the current legislative complexity contributes to poor physical and mental health outcomes for veterans and families in need of support.

### Royal Commission into Defence and Veterans Suicide

In its Interim Report from August 2022, the Royal Commission described the current legislative framework as: 'so complicated that it adversely affects the mental health of some veterans and can be a contributing factor to suicidality.' The Interim Report made 13 recommendations, the first of which urged the Australian Government to develop and implement legislation to simplify and harmonise the framework for veterans' compensation, rehabilitation, and other entitlements. The full recommendation is as follows.

#### **Recommendation 1:** *Simplify and harmonise veteran compensation and rehabilitation legislation*

*The Australian Government should develop and implement legislation to simplify and harmonise the framework for veterans' compensation, rehabilitation and other entitlements. To this end:*

*(1) By no later than 23 December 2022, the Australian Government should:*

- (a) accept or reject recommendations made by the Productivity Commission in its report, A Better Way to Support Veterans, that relate to reforming the legislative framework*
- (b) if it rejects Productivity Commission recommendations 8.1, 8.4, 13.1, 14.1 and 19.1, adopt alternatives that will achieve similar or better levels of harmonisation and simplification of the legislative framework, and*
- (c) identify and decide all other policy questions relevant to designing a harmonised and simplified legislative framework.*

*(2) By no later than 22 December 2023, the Australian Government should complete drafting of the legislation.*

*(3) By no later than early 2024, the Australian Government should present to the Parliament, and seek passage of, its Bill for the proposed framework.*

*(4) If the legislation is passed, the Australian Government should, by no later than 1 July 2024, begin the process of implementing and transitioning to the new legislative framework.*

*(5) If the legislation is passed, the Australian Government should ensure that, by no later than 1 July 2025, the new legislation has fully commenced and is fully operational. (This does not preclude setting later deadlines for any choices that might need to be made by veterans.)*

*(6) The Australian Government should allocate to the Department of Veterans' Affairs (DVA), the Office of Parliamentary Counsel and other relevant agencies adequate resources to design, prepare, draft and implement the proposed legislation within the timeframes above, and to administer the new legislation once it has commenced. The allocation of these resources to DVA should not be offset by reductions in other resourcing of DVA.*

On 26 September 2022, the Australian Government responded to the Royal Commission's 13 recommendations. The VETS Bill is fundamental to addressing recommendation 1 from the interim report.

The Interim Report further breaks down the legislative issues into the following categories:

- complexities resulting from incremental legislative reform
- the interaction between the three Acts
- different compensation for similar conditions
- multi-Act eligibility
- compensation and offsetting
- overpayment risk
- suicide risk.

The VETS Bill addresses each of the above issues and puts an end to incremental changes which have occurred to veterans' legislation over decades by implementing a single-ongoing Act for all rehabilitation and compensation from 1 July 2026 (the MRCA). It means veterans and dependants will no longer have to consider complex interactions under the current model which often result in payments under one Act reducing payments under another. If passed, the VETS Bill will simplify claims processes, improve consistency of claims outcomes and provide faster access to the support(s) needed for families to make sound financial decisions for their future.

### **Productivity Commission review**

In its 2019 report titled 'A Better Way to Support Veterans', the Productivity Commission (PC) made several recommendations specific to structural and legislative reform, including harmonisation of entitlements across the existing three veterans' Acts. Most significantly, recommendation 19.1 proposed that the Australian Government should create a two-scheme model for veterans' support - one which comprised the VEA with some modifications ('scheme 1') and a second which comprised a modified MRCA that incorporates claims under the DRCA ('scheme 2'). Retention of multiple Acts would mean a continued requirement for compensation offsetting, which would have preserved much of the complexity inherent in the current system.

Another of the key design features of the PC's model was to allow veterans a choice of 'opting-in' to one scheme or another in certain circumstances, namely where the veteran was aged 55 or younger or for veterans with multi-Act eligibility whose predominant source of entitlements was unclear. If adopted, this would have exacerbated existing confusion for veterans and added significantly to the administrative requirements for DVA staff by necessitating the need to 'hypothesise' outcomes under multiple scenarios to give the veteran complete visibility of their potential entitlements before making a choice. Noting that decisions of this nature would have been irrevocable, the model also risked disadvantaging veterans who were 'quarantined' under the (VEA-based) Scheme 1 without the option to claim compensation based on income-replacement levels or increased payments (and optionality in how those payments are received) for permanent impairment under Scheme 2 (MRCA) at some point in the future.

In accordance with the PC's model, the dependants of deceased veterans would receive benefits under the relevant scheme that the veteran was covered by. If the veteran did not have an existing or successful claim under the VEA at the implementation date, the dependants would be covered by scheme 2 (MRCA).

Also, veterans who had their claims covered by the pre-1988 Commonwealth workers' compensation schemes would have remained covered by those arrangements via modifications to scheme 2.

DVA acknowledges that the PC's proposal would have resulted in some simplification of the veterans' legislation framework. However, the Department notes that it would, if adopted, have retained many of the underlying inequities that exist within the current system (such as compensation offsetting and differences in entitlements) while creating an additional set of complexities stemming from the proposal to offer a choice of coverage for certain cohorts of working age.

The VETS Bill goes beyond what the PC considered possible by implementing a single-ongoing Act model rather than a dual scheme system, which more closely aligns with the core policy objectives of harmonising veterans' entitlements as outlined in both the PC report and the Royal Commission's interim report.

Commencement of the model would see the need to 'offset' payments received under different Acts eliminated, except in cases where existing payments are maintained under 'grandparenting' arrangements. Further, veterans with existing impairments under the DRCA or VEA will be able to receive additional compensation for any worsening of their conditions under the MRCA without the need to reduce their existing entitlements.

## 6. The way forward - key principles of the VETS Bill

As noted previously, the VETS Bill will significantly amend the current tri-Act structure of legislation by closing the VEA and the DRCA to new claims from 1 July 2026 and having all compensation claims investigated and determined under an improved MRCA. This approach will harmonise initial liability processes under the MRCA for all new claims, including extending the application of the Statements of Principles to all claimants. A single ongoing Act, in contrast to alternative proposals for simplification, will make it easier to train delegates and claims advocates, leading to higher quality decision-making across the board. All veterans will have access to household services, attendant care and the same rate of travel reimbursement when using a private vehicle to travel for treatment under the MRCA where they meet eligibility criteria. Gold Cards will also be available to eligible veterans regardless of when or where they served. Changes relating to the 'single review pathway' will offer all veterans and families the opportunity to retest their claims at the Veterans' Review Board (VRB), which was not previously available to DRCA veterans.

The changes will remove the need for many veterans to make choices that are often complex and, in many instances, subject to individual circumstances, which can change over time.

### No reduction in payments

An important feature of the Bill is to ensure no veteran or dependant experiences a reduction in their current payments or previous payments when transitioning to the new scheme. This will be done by grandparenting their existing (or past) payments into the future, for as long as they remain eligible, and continuing to apply indexation as usual.

For example:

- a veteran who is receiving a 100% DCP with a clothing allowance under the VEA will continue to receive this payment, for life, indexed twice yearly – even though these payments are not available under the MRCA. They will continue to retain their Gold Card. (They may also be eligible to apply for additional compensation under the MRCA if their conditions worsen or they are unable to continue working)
- a widow who is receiving a War Widow's pension under the VEA will continue to receive this payment, for life, indexed twice yearly. They will also retain their Gold Card and access to income support payments and Veterans' Home Care
- a veteran who received lump-sum permanent impairment compensation under the DRCA in 2024 will retain that lump sum, with no risk of it being reduced

Although no new compensation claims lodged from 1 July 2026 will be assessed under the VEA or DRCA, certain provisions within these Acts will remain open to ensure compensation linked to previous claim determinations are honoured. Provisions in the VEA relating to Income Support and Qualifying Service will be retained under the VEA and will continue to operate for new claims received on or after 1 July 2026. DVA notes that many veterans and dependants who have previously been assured of receiving a payment for life (or until the end of their eligibility period) will have planned their finances and futures on the basis that these payments are safe and secure. These 'grandparenting' provisions are vital to ensure that beneficiaries do not have their payments reduced simply because a new system is implemented.

It is important to note that grandparenting does not mean veterans are 'stuck' under the old system(s). Veterans who experience a worsening of their conditions or a change in their circumstances (e.g. becoming incapacitated for work) will still have access to benefits under the MRCA.

The Bill also introduces safeguards to ensure any unique and unforeseen circumstances can be managed without detriment to veterans and families.

A range of scenarios which discuss how the changes would impact veterans and families in varying circumstance can be found on the DVA website at: <https://www.dva.gov.au/about/royal-commission/veterans-legislation-reform/veterans-legislation-reform-scenarios>

### **Improved administration under a single system**

There is a significant administrative burden attached to maintaining DVA's capability to determine compensation claims under three different pieces of legislation. In an environment where the number of claims received is increasing, this complexity impedes efficient claims processing as it requires a disproportionate number of resources to be trained and directed towards maintaining a three-tiered system when compared with those required to maintain a single Act approach.

The single ongoing act will help DVA streamline the information technology systems used for processing claims and benefits. DVA's primary compensation processing system (R&C ISH) is used for most claim types, but the three legacy systems also needed to be maintained for claim types which have not been easily merged into a single processing system. Updates to these multiple systems are challenging, costly and protracted, and in many cases cannot be completed – resulting in manual workarounds for delegates which cause delays and inconsistency of outcomes. The single ongoing Act will ensure claims are processed in a built-for-purpose system.

Service providers, particularly those providing medical assessment services will benefit from a simplified system by no longer having to consider impairments resulting from individual injuries/conditions against a backdrop of different legal and medical frameworks.

There is considerable impact on DVA's resourcing to maintain the corporate knowledge needed to determine which Act covers a veteran's service under the current arrangements. Presently, coverage is determined not only by the timing of service but also by the 'type' of service being undertaken at the time of injury or illness.

### **Advocacy**

A simpler rehabilitation and compensation system will make it easier for advocates to assist veterans and families with their claims. Rather than navigating three overlapping Acts for each claim, advocates can focus their expertise on a single ongoing Act. It will also be easier and less resource-intensive to provide training and for ex-service organisations to provide support to advocates. Ex-service organisations provide a range of vital supports to veterans and families, including emergency assistance and welfare support. Reducing the administrative and legislative complexity of the claims system will reduce the burden on these organisations and help them expend more resources on their important welfare work.

The single review pathway means more claims can be retested at the VRB, and DRCA clients will have access to this review body for the first time. The VRB is a less combative and more advocate-friendly space for veterans and families to have their claims retested.

Many of the reforms in the Bill have long been fought for by ex-service representatives, including extending Gold Card eligibility to additional categories of veteran and dependants regardless of when and where they served (particularly under the DRCA).

## **7. Overview of schedules in the VETS Bill**

### **Opening the MRCA to service prior to July 2004**

**Schedule 1** of the VETS Bill will open the MRCA to pre-2004 conditions and close eligibility to compensation and rehabilitation under the DRCA and VEA from 1 July 2026.

Service classifications for pre-2004 operations that were recognised under the VEA will be replicated under the MRCA. Coverage for all types and periods of service in the VEA, including warlike, non-warlike, peacekeeping, operational, hazardous, and British nuclear test defence will be continued in the MRCA.

Schedule 1 also ensures that there is no need for veterans to recontest injuries or diseases already accepted under the VEA or DRCA. Upon lodgement of a new claim and acceptance of liability under the MRCA, all persons would undergo a needs assessment to identify the types of compensation, rehabilitation, and other assistance they may need.

Permanent impairment compensation assessments under the MRCA would also be simplified, with payments to commence from the first day of the month, based on the treating doctor's estimated date of effect.

Incapacity payment recipients under the DRCA will also be brought across and paid under the MRCA from the date of commencement, granting access to additional amount(s) for remuneration loading as part of their 'normal earnings' calculations, as well as removing the 5% deduction that currently occurs under the DRCA for those eligible to receive superannuation.

A new provision will be added to the MRCA allowing liability to be accepted for injuries that were sustained while a person was on duty as a Defence member, providing for a 'temporal' connection between service and medical conditions (such as heart attacks and strokes). At present the MRCA requires a 'causal' link to service.

Legal personal representatives will also have the option to convert a deceased veteran's permanent impairment compensation entitlement (excluding the lifestyle components) to an age-based lump sum, for payment to the estate. This will ensure dependants are not financially disadvantaged if a claim has not been resolved before the veteran is deceased.

The cap on common law damages will be increased from \$110,000 to \$177,000, providing veterans with an improved alternative avenue to compensation.

Streamlined information sharing processes between the Commission, the Department of Defence and the ADF will ensure claims are resolved more quickly and effortlessly for veterans, without placing an unnecessary burden of proof on the claimant themselves.

Consolidating the provisions for rehabilitation and motor vehicle compensation and setting out the arrangements for those accessing an existing program or support to transition to the MRCA, will ensure all veterans have equal access to these important services. Previously, VEA veterans have not had access to a comprehensive medical and psychosocial rehabilitation scheme like that offered under the DRCA and MRCA.

An instrument-making power will allow the Commission to specify circumstances and the classes of persons who are required to obtain financial and/or legal advice before compensation or other benefits are paid under the MRCA. This will be an important tool in helping veterans understand their financial

decisions to minimise any detriment that could be caused by providing options to receive lump-sum compensation.

### **Improved benefits for veterans and families**

**Schedule 2** of the VETS Bill ensures that the automatic death compensation in respect of certain VEA veterans will be retained under the MRCA, with an increased funeral benefit cap of \$3,000 (up from the current \$2,000) for those who would have met the relevant VEA criteria. Additionally, funeral compensation with a combined cap of \$14,062.53 will be extended to all service-caused veteran deaths that occur on or after the date of commencement.

VEA veterans will be able to access compensation for household services and attendant care services through the MRCA for the first time, providing them with the resources they need to continue to live independently in their own homes. Assistance and services provided under the acute support package to vulnerable veterans and their families to adjust to challenging life circumstances will be consolidated under the MRCA.

Payment of Victoria Cross allowance is transferred to the MRCA (with no change to eligibility requirements) and a new instrument-making power in the MRCA will provide for decoration allowance to continue.

Provisions relating to ex-gratia payments to former prisoners of war in other Acts and the prisoner of war recognition supplement in the VEA will be transferred to the MRCA, with no change to eligibility requirements. This ensures the Government continue to honour and support those who have fought for the nation in the ADF.

Arrangements for children's education assistance will be consolidated into the MRCA, with access extended to the eligible children of DRCA veterans who transition to the MRCA. This is the first-time families with DRCA-only eligibility will have access to education support from DVA and is an important step in providing equitable and fair support to all veterans and families.

The Commission's ability to make an instrument to provide special assistance will be broadened, ensuring important safeguards to veterans and families under extenuating circumstances.

Schedule 2 also transfers elements of the framework for the provision of treatment, including Non-Liability Health Care, and the Commission's powers to determine specific treatment programs and classes of eligible persons, from the VEA to the MRCA, with no change in eligibility requirements.

Upon acceptance of a new or worsening compensable impairment under the MRCA, any existing VEA/DRCA impairment would be included for the points thresholds to be eligible for the Gold Veteran Card under the MRCA.

Travel entitlements will be integrated into a single system and be payable under the MRCA, with more beneficial arrangements. The 50 km round trip minimum will be removed, ensuring more veterans can be reimbursed for travel costs related to treating their service conditions. Those currently receiving benefits under the VEA will benefit from receiving the higher MRCA reimbursement rates.

The introduction of 'presumptive liability' provisions will facilitate consistent and streamlined claims processing by allowing the Commission to make an instrument specifying that certain injuries or diseases that may be accepted on an assumed basis. The intention of this change is to provide a legislative basis in the MRCA for administrative arrangements and which mirror provisions in the DRCA that already allow liability claims to be accepted using such a presumption. Veterans will benefit from



easier and faster claims determinations, with a reduced burden to provide information in support of their claims.

Schedule 2 also introduces the Additional Disablement Amount (ADA) into the MRCA, which is modelled on a similar payment under the VEA known as Extreme Disablement Adjustment (EDA). The new payment will ensure there is equivalent coverage for veterans who are prevented from accessing the EDA rate of compensation due to implementation of the single-ongoing Act model. Dependants of deceased veterans who were eligible for ADA under the MRCA will have access to a Veteran Gold Card, wholly dependent partner payment and, if applicable, compensation and access to education assistance for eligible young persons.

### **Unified administrative and governance structure**

**Schedules 3, 4 and 5** ensure all veterans and families benefit from the same rights to review of their claims and entitlements and are overseen by the same statutory review bodies.

The 'Single Review Pathway' is proposed to begin 60 days after Royal Assent – earlier than the broader changes in the Bill. These provisions will standardise the merits review pathway for veterans' entitlements decisions by vesting the Veterans' Review Board with jurisdiction to review DRCA determinations for the first time. The VRB is an accessible, veteran-centric and non-combative environment for veterans and dependants to retest their claims. Access to the VRB removes the need for veterans to obtain legal counsel simply for a review of their claims. They will still be able to progress to the Administrative Appeals Tribunal after the VRB, if needed.

The governance arrangements for veterans' entitlements will be consolidated by moving the provisions dealing with the Repatriation Commission into the MRCA and transferring the powers and functions of the MRCC to the Repatriation Commission.

The provisions that deal with Statements of Principles (SOPs) will be transferred from the VEA to the MRCA, including provisions that give the Repatriation Medical Authority power to make SOPs and the Specialist Medical Review Council power to review decisions of the Authority.

Schedule 6 will harmonise payment cessation where a veteran dies whilst in payment. Under the VEA, there is no Disability Compensation Payment (DCP) payable for the 14-day pension period in which the person dies. When a veteran in receipt of DCP dies, there is an inconsistent outcome with the final pension amount, where payments may be adjusted to cease in the previous fortnight. The VETS Bill amends the VEA to harmonise the cessation date for DCP and associated allowances with arrangements under the MRCA, as well as income support payments, by extending the payment cut-off to the veteran's date of death.

### **Transitioning to the new scheme**

**Schedules 7 and 8** set out the transitional provisions and consequential amendments required for the move to the new scheme, including the interaction with the law that was in force immediately prior to the commencement of the scheme. It will address circumstances which span a period before and after commencement date, for example, claims which may be undetermined on the day of commencement, or a claim lodged after the new Act commences with respect to a member who died before commencement date.

These Schedules also contain amendments to legislation in portfolios such as Social Services, Treasury, and Health, to reflect the MRCA as the primary statute for veteran matters and the merging of the Commissions. The most significant consequential amendments are the updates to the *Social Security Act 1991* and the *Income Tax Assessment Act 1997* to take account of the new payment of ADA

and the compensation payments and support schemes that have been shifted from the VEA to the MRCA. These amendments will ensure the same policy for the payments (and payments of a similar nature) currently listed, is applied to the tax and means test treatment for payments issued under the single ongoing Act.

## 8. Consultation

The Australian Government commenced the first of three rounds of public consultation regarding the reform of veterans' legislation in October 2022.

While each of the three rounds were conducted at discrete intervals, engagement with organisations and individuals continued between and outside of these periods to ensure all relevant feedback was captured and to ensure that stakeholder groups were well informed regarding progress of the reform agenda. The consultation processes ultimately informed the drafting and modification of the Bill for introduction to Parliament (information booklet at **Attachment B**).

For the purposes of designing an effective stakeholder engagement strategy, stakeholders in the legislation reform process were classified into six broad cohorts:

1. veteran organisations and individual veterans
2. internal DVA personnel and business units
3. Australian Government
4. currently serving ADF personnel
5. other groups (professional organisations etc.)
6. subject matter experts.

Potential stakeholders were identified by the following parameters:

- previous and current engagement with DVA regarding veteran issues channelled through DVA's National Consultation Framework (NCF)
- engagement with the Royal Commission into Defence and Veteran Suicide
- engagement with the Productivity Commission inquiry and subsequent 2019 report
- groups that are most likely to be affected by legislative change
- organisations and individuals that self-identified.

The full Consultation Report is included at **Attachment C**.

### **Royal Commission and Productivity Commission Recommendations – October–November 2022**

Following the Government's agreement to Recommendation 1 of the Royal Commission Interim Report, an initial round of consultation on that recommendation and related Productivity Commission recommendations was undertaken from 17 October 2022 to 14 November 2022.

On 17 October 2022, the Minister for Veterans' Affairs, the Hon Matt Keogh MP, announced the consultation process and invited submissions. An invitation to provide feedback was also disseminated to stakeholders via DVA's communications channels and through emails to members of consultation forums. 69 pieces of feedback were received. 35 submitters identified as a veteran, 7 as representing an ex-service organisation and 5 as veteran advocates.

Much of the feedback related to individual concerns with current claims, supports or personal circumstances. In relation to legislative complexity, the feedback identified that the three Acts are complicated to navigate and there was a strong need for simplification, but there was also concern about the potential for the reduction of existing or future benefits because of potential legislative reform. There was strong overall support for legislative simplification and harmonisation.

### **Veterans' Legislation Reform Consultation Pathway – Feb–May 2023**

The outcomes of this consultation informed a proposed pathway developed by Government to simplify veterans' compensation and rehabilitation legislation. The proposed Pathway entailed:

- establishing an improved MRCA as the sole ongoing scheme
- closing out the VEA and DRCA to new compensation related claims
- grandparenting all existing arrangements to ensure there is no reduction in entitlements currently being or previously received by veterans.

On 16 February 2023, the Minister for Veterans' Affairs, the Hon Matt Keogh MP, announced the commencement of public consultation on this proposed Pathway (**Attachment D**). The consultation period ran from 16 February 2023 to 12 May 2023. Formal written submissions were invited on the proposed Pathway. The feedback provided by stakeholders in both rounds of consultation informed a submission to Government in the second half of 2023 on the way forward.

Some of the key elements arising from the consultation processes that were incorporated into the draft Bill include:

- the safeguarding of current veteran and dependant entitlements by grandparenting existing payments
- recognition under the new Act of previously determined compensable conditions, with no need to re-establish liability
- continuation of the automatic eligibility for benefits for those dependants whose partner died while they had permanent impairments of more than 80 points or were eligible for the MRCA Special Rate Disability Pension
- retention of two standards of proof when applying the SoPs
- inclusion of the ADA in the MRCA to replicate the EDA payment under the VEA to veterans who are of pension age and have high levels of incapacity due to service conditions,
- legislating the ability to prescribe conditions subject to presumptive liability
- an exception to the prohibition of acceptance of liability under the MRCA for conditions related to service caused by tobacco use
- inclusion of the ability to accept liability under the MRCA by establishing a temporal connection between defence service and a medical condition.

Table 8.1

Total feedback items received through all mediums	642
Submissions received by DVA specifically regarding the Veterans' Legislation Reform Consultation Pathway	246
Nationwide consultation sessions	25
Number of attendees at the national consultation sessions	266
Organisations that made contact	57
Number of people who registered to attend webinars	538
Number of log-ins for the webinars	300
Social Media Total Reach	260,329
Total social media impressions	435,412
Webpage views 16 February – 12 May 2023	13,172

*Data from Veterans' Legislation Reform Consultation Pathway Feb–May 2023*

### **Exposure Draft Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024 – February-April 2024**

The exposure draft legislation encompassing feedback from the previous consultation periods was released for public comment on 28 February 2024 (**Attachment E**).

This round of consultation revealed broad general support for legislation to be consolidated into a single ongoing Act, with many organisations and individuals agreeing that this approach would achieve the desired outcome of simplifying the legislative system. Submissions during this period expressed support for the expanded and equitable access to benefits, such as DRCA veterans gaining access to children's education schemes and potential eligibility for Gold Cards. Support was also expressed for the MRCA as the single ongoing Act because due to an increased focus on rehabilitation.

Feedback was also received on matters that were considered out of scope. These included: further expansion to benefits and services beyond those considered directly connected to simplification and harmonisation; changes to coverage of cohorts beyond those already covered in the existing legislation; and changes to the underlying principles of the assessment methodology.

**Table 8.2**

Total feedback items received through all mediums	466
Submissions received by DVA specifically regarding the Exposure Draft legislation	323
Nationwide consultation sessions	26
Number of attendees at the national consultation sessions	231
Organisations that made contact	45
Number of people who registered to attend webinars	929
Number of log-ins for the webinars	200-239
Social Media Total Reach	699,635
Total social media impressions	1,138,104
Webpage views 28 February – 28 April 2024	23,632

*Data from Exposure Draft consultation period February-April 2024*

## 9. Amendments to the VETS Bill following consultation

Following consideration of the feedback on the exposure draft in early 2024, these key changes have been made to the VETS Bill:

- Veterans in receipt of DRCA incapacity payments will automatically transition to MRCA incapacity payments on the date of commencement. This will be of immediate benefit for DRCA veterans as they will have an additional component for 'remuneration loading' added to their normal earnings calculations and they will no longer be subject to the requirement to withhold a 'notional' 5 per cent amount from their payments where they are also eligible for superannuation (as currently occurs under the DRCA).
- Where the Repatriation Medical Authority updates a SOP between the point in time when a primary and reviewable decision are made in connection with a veteran's claim, the Bill clarifies that it is the version of the SOP which is most beneficial to the veteran's circumstances that will be applied in making the reviewable decision.
- The introduction of an instrument-making power to enable the Commission to determine circumstances where a veteran must receive financial advice before receiving a lump sum payment. For example, the instrument may be used to ensure that veterans who the Department knows to be in 'at risk' categories (such as cases involving substance misuse or gambling addiction) seek the necessary financial and/or legal advice on how best to manage their circumstances following receipt of the payment. This is a specific issue which was raised by the RSL in its submission regarding the exposure draft of the VETS Bill.

A full list of amendments made to the draft Bill following consultation can be found at **Attachment F**.



## 10. Implementation

Subject to passage of the VETS Bill, DVA will monitor and evaluate the implementation and outcomes (including ICT delivery) to gauge effectiveness and to ensure they align with the relevant objectives and metrics for success.

At a high level, implementation will involve:

- creation of subordinate Instruments as well as addressing any potential unintended consequences relating to the design, preparation for and execution of the ICT system changes necessary to support the transition
- updating policy, processes, procedures, website content, forms, client letters and training material
- training for advocates and DVA delegates.

The new legislation is not scheduled to be operational until 1 July 2026, providing sufficient lead time to develop robust implementation and evaluation plans. Similarly, this timeline will allow veterans, advocates, and other stakeholders time to familiarise themselves with the new system and make informed decisions regarding the submission of claims under the current scheme or new arrangements. It is important to note that DVA is resourced to respond to any spikes in claims either prior to or post commencement.

As this legislative reform forms part of the Government's response to the recommendations of the Royal Commission, monitoring and evaluation will also occur as part of the broader monitoring of DVA's implementation of the Royal Commission's recommendations.

The short-term success indicators listed below are measurable in terms of outcome achievement while the longer-term indicators can be quantified in terms of improvement/decline and when measured will provide some indication of the overall achievement of the broader reform objectives.

Shorter term benefits will include:

- an alignment of eligibility for benefits such as Gold Cards, Household Services, Incapacity Payments, Funeral Benefits, Education Schemes and Travel for Treatment arrangements
- the removal of the need to consider different 'Heads of Liability' in the initial liability determination process
- the transition to the use of one instrument for the assessment of impairment levels
- the removal of complexities regarding the timing of occurrence of service-related conditions in terms of which Act applies
- making it simpler for veterans to establish the causal link between their service and their claimed condition(s).

## **11. Impact Analysis**

DVA prepared a comprehensive Impact Analysis (**Attachment G**) in connection with the Bill which was subsequently rated as 'Good Practice' by the Office of Impact Analysis (OIA).

The OIA's Assessment Letter (**Attachment H**) noted that DVA addressed each of the seven Impact Analysis questions and followed appropriate policy development processes commensurate with the significance of the problem and magnitude of the proposed intervention.

In particular, the OIA noted that the Impact Analysis provides comprehensive reasoning that all viable options have been considered as well as a detailed discussion of the consultation process and how feedback informed the preferred option.

The OIA assessed the consultation undertaken on the various stages of development of the Bill to be exemplary as was the consideration of other policy options.

## **12. Conclusion**

The VETS Bill delivers on the Government's commitment to implement the first recommendation of the Royal Commission's interim report and is the culmination of years of work by DVA and extensive consultation feedback from the veteran community. Reforming the veterans' legislative framework must make the system easier to navigate for veterans and families with an increased focus on rehabilitation and lifetime wellbeing while continuing to deliver compensation outcomes.

The VETS Bill would achieve this at a foundational level by simplifying access to, and improving the understanding of, entitlements for veterans and families, by producing a single harmonised scheme for all future claims.

If passed, the VETS Bill will reduce complexities and inconsistencies in veterans' entitlements which have evolved over the last 100 years. The legislation will also enable DVA to determine claims quicker and ensure supports are put in place for veterans and their families when they need it most by simplifying the requirements for assessing injuries and diseases. As the single-ongoing Act, the MRCA would recognise all types of service, including permanent and reserve service, pre-2004 service, and service types currently specified in the DRCA and VEA.

For veterans currently receiving support from DVA, or who have received it before commencement of the new arrangements, the VETS Bill will ensure that there is no reduction to any compensation and/or support services already being received and that those benefits continue to be indexed annually.

## **Attachments**

**Attachment A – Claims data**

**Attachment B – VETS Bill Introduction Information Booklet 2024**

**Attachment C – Consultation Report VETS Bill Exposure Draft**

**Attachment D – Veterans' Legislation Reform Consultation Pathway Information Booklet 2023**

**Attachment E – VETS Bill Exposure Draft Information Booklet 2024**

**Attachment F – Amendments to Exposure Draft following consultation**

**Attachment G – Impact Analysis**

**Attachment H – Impact Analysis Assessment letter from OIA**



Australian Government  
Department of Veterans' Affairs

30-Jun-24

#### Claims Received

Claims received by DVA.

[Incoming claims - Net claims received](#)

[Unallocated claims](#)

[Age distribution of unallocated claims](#)

#### Claims Processed

Claims allocated to an officer for processing.

[Claims being Processed](#)

[Age distribution of claims being processed](#)

[Claims on hand](#)

[Age distribution of claims on hand](#)

#### Determinations

Claims determined by DVA. A liability claim is determined once all conditions on that claim have been determined.

[Claim Determinations](#)

[Age distribution of Determinations](#)

#### Time taken to Process

Reported in calendar days. Time is measured from date of receipt to date of determination. The overall time taken to process includes periods external to the DVA process, eg time to obtain medical information.

[to allocate](#)

[with a DVA Officer](#)

[to process - CLAIMS](#)

[to process - CONDITIONS](#)

#### Conditions

Reports the number of conditions determined across all Liability claims.

[Incoming Conditions - Net Conditions Received](#)

[Conditions Unallocated](#)

[Conditions Being Processed](#)

[Conditions On Hand](#)

[Conditions Determined](#)

#### Acceptance Rates

Reports acceptance rates for conditions and claims determined in the period.

[Condition Acceptance Rates](#)

[Claim Acceptance Rates](#)

#### Claims, service and liability provision statistics

These worksheets provide an overview of the compensation claims processed under the:

- *Veterans' Entitlements Act 1986* (VEA),
- *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA), and
- *Military Rehabilitation and Compensation Act 2004* (MRCA).

#### Reporting based on Service

DVA has improved the reporting of liability claims received and on hand (VEA Disability Compensation Payment, and MRCA and DRCA Initial Liability) to better reflect the complexity of the claims lodged by veterans with service eligibility under two or more Acts.

Prior to 2021-22, claims received and on hand were reported separately under each of the Acts where the veteran's service meant more than one Act may apply to their claim. This resulted in the one claim being counted multiple times – potentially under MRCA, DRCA, and VEA. It was not until a decision was made on the claim that the actual Acts that applied were determined.

This contemporary reporting approach counts claims only once, and instead distinguishes between those claims that may be 'Dual Act' (VEA and DRCA) or 'Tri Act' (VEA, DRCA and MRCA) based on the veteran's service period.

'Dual Act' represents those veterans who have service only prior to 1 July 2004 and may have their liability claims investigated under the VEA and/or the DRCA.

'Tri Act' represents those veterans who have service both before and after 1 July 2004 and may have their claims investigated under two or all three Acts.

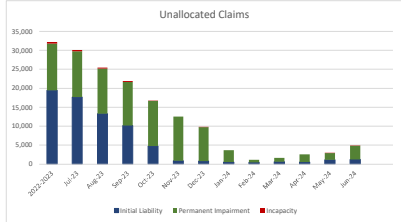
The number of determinations is provided under each of the Acts. Where one claim is decided under 2 or more Acts, then that claim will be counted under each relevant Act based on the decision made.

#### 'DVA officer'

This may be a Claims Support Officer (CSO), Delegate, Reviews Officer, or another appropriate officer.



CLAIMS RECEIVED  
[Incoming claims - Net claims received](#)  
[Unallocated claims](#)  
[Age distribution of unallocated claims](#)



Incoming claims	2020-2021	2021-2022	2022-2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Current FYTD	Last FYTD	% change from last FYTD
Net claims received*																		
DRCA Initial Liability	3,015	2,524	2,169	151	147	146	182	180	132	135	178	200	207	270	235	2,163	1,830	18.2%
MRCA Initial Liability	18,723	18,852	20,499	1,463	1,750	1,613	2,062	2,342	1,423	1,767	1,830	2,099	2,312	2,595	2,372	23,648	18,785	25.9%
VEA Compensation Payment	2,992	3,237	1,546	150	174	117	174	163	119	117	129	121	162	183	131	1,740	2,023	-14.0%
Dual Act II (VEA/DRCA)	2,919	2,492	2,741	91	98	89	138	213	145	180	196	242	264	294	302	2,252	1,551	45.2%
Tri Act II (MRCA/DRCA/VEA)	12,666	12,761	13,847	957	1,183	1,109	1,411	1,495	971	1,119	1,134	1,274	1,390	1,637	1,484	15,164	12,689	19.5%
VEA Application for Increase	1,445	1,566	1,555	175	158	138	172	166	107	107	163	137	144	193	149	1,809	1,555	16.3%
Total Initial Liability	41,760	41,432	42,357	2,987	3,510	3,212	4,139	4,559	2,897	3,445	3,630	4,073	4,479	5,172	4,673	46,776	38,433	21.7%
MRCA Permanent Impairment	11,038	9,929	13,172	1,152	1,404	1,480	1,831	2,003	1,283	1,505	1,761	1,844	1,908	2,228	1,785	20,184	12,896	56.5%
DRCA Permanent Impairment	9,948	10,618	12,939	1,155	1,042	1,434	1,365	1,546	1,165	1,205	1,462	1,613	1,854	1,973	1,644	17,458	12,209	43.0%
Total Permanent Impairment	20,986	20,547	26,111	2,307	2,446	2,914	3,196	3,549	2,448	2,710	3,223	3,457	3,762	4,201	3,429	37,642	25,105	49.9%
MRCA/DRCA Incapacity	3,540	3,235	3,094	380	360	345	363	426	218	395	396	372	396	464	455	4,571	4,129	10.7%
VEA War Widow	599	610	503	32	43	28	36	29	24	21	21	33	41	41	27	376	503	-25.2%
MRCA/DRCA Death Compensation	140	113	136	13	27	10	15	13	9	8	12	10	13	20	15	165	136	21.3%
Total Compensation claims	67,025	65,937	72,201	5,719	6,386	6,509	7,749	8,576	5,596	6,579	7,282	7,946	8,691	9,898	8,599	89,530	68,306	31.1%

1. Net claims does not include claims that have been withdrawn. A claim can be withdrawn for a number of reasons. Most commonly, this occurs when DVA combines multiple claims that are lodged online, on the same day, by the same claimant, into a single claim with multiple conditions, with the consent of the claimant.

Unallocated claims	30/06/2021	30/06/2022	30/06/2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Initial Liability															
DRCA Initial Liability	756	635	599	640	571	705	774	73	49	14	16	28	23	59	72
MRCA Initial Liability	11,680	11,591	10,118	8,811	5,800	3,424	573	322	945	297	231	324	297	597	648
VEA Compensation Payment	727	762	665	650	690	762	801	56	40	21	28	33	33	68	36
Dual Act II (VEA/DRCA)	533	496	402	355	366	426	435	43	32	24	18	30	20	34	63
Tri Act II (MRCA/DRCA/VEA)	9,341	8,794	7,648	7,239	5,877	4,762	2,152	369	316	187	165	219	184	397	412
VEA Application for Increase	37	24	18	16	16	40	8	6	24	6	11	5	2	8	5
Total Initial Liability	23,074	22,802	19,450	17,711	13,120	10,119	4,743	869	806	549	469	639	559	1,163	1,236
MRCA Permanent Impairment	4,705	4,474	4,267	3,975	3,851	3,342	3,537	4,089	3,006	415	466	561	1,349	960	2,015
DRCA Permanent Impairment	7,687	7,688	8,009	8,066	7,986	8,202	8,374	7,558	5,974	2,715	232	425	629	809	1,610
Total Permanent Impairment	12,392	12,162	12,276	12,041	11,837	11,544	11,911	11,647	8,980	3,130	698	986	1,978	1,769	3,625
MRCA/DRCA Incapacity	805	332	427	356	330	252	69	38	56	18	21	57	32	71	125
VEA War Widow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MRCA/DRCA Death Compensation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compensation claims	36,271	34,796	32,153	30,108	25,487	21,915	16,723	12,554	9,842	3,697	1,188	1,682	2,569	3,003	4,986

Age distribution of unallocated claims	As at 30 June 2024						
(calendar days)	0-100	101-200	201-300	301-400	401-600	601-800	800+
DRCA Initial Liability	72	0	0	0	0	0	0
MRCA Initial Liability	648	0	0	0	0	0	0
VEA Compensation Payment	36	0	0	0	0	0	0
Dual Act II (VEA/DRCA)	63	0	0	0	0	0	0
Tri Act II (MRCA/DRCA/VEA)	412	0	0	0	0	0	0
VEA Application for Increase	5	0	0	0	0	0	0
MRCA Permanent Impairment*	2,014	0	1	0	0	0	0
DRCA Permanent Impairment*	1,604	0	2	0	0	0	4
MRCA/DRCA Incapacity	124	1	0	0	0	0	0
VEA War Widow	0	0	0	0	0	0	0
MRCA/DRCA Death Compensation	0	0	0	0	0	0	0
Total Compensation claims	4,978	1	3	0	0	0	4

\*The seven (7) unallocated PI claims that were over 200 days old as at 30/06/2024, were only registered by DVA in June after PI claim interest was indicated in an incomplete Needs Assessment. The 'date received' was backdated to align with the associated IL claim determination date to ensure the veteran concerned is not disadvantaged.

Age distribution of unallocated claims	As at 30 June 2023						
(calendar days)	0-100	101-200	201-300	301-400	401-600	601-800	800+
DRCA Initial Liability	354	41	196	6	2	0	0
MRCA Initial Liability	3,182	321	2,343	2,021	2,241	8	2
VEA Compensation Payment	413	45	191	16	0	0	0
Dual Act II (VEA/DRCA)	206	33	141	16	6	0	0
Tri Act II (MRCA/DRCA/VEA)	2,195	257	1,673	1,473	1,675	368	7
VEA Application for Increase	15	1	1	0	1	0	0
MRCA Permanent Impairment	3,337	929	1	0	0	0	0
DRCA Permanent Impairment	3,204	2,058	1,965	782	0	0	0
MRCA/DRCA Incapacity	351	55	16	5	0	0	0
VEA War Widow	0	0	0	0	0	0	0
MRCA/DRCA Death Compensation	0	0	0	0	0	0	0
Total Compensation claims	13,257	3,740	6,527	4,319	3,925	376	9

\* Represents number of unallocated claims at the end of the month in each age bracket.



CLAIMS BEING PROCESSED

[Claims being Processed](#)

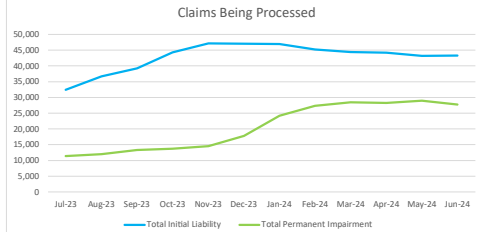
[Age distribution of claims being processed](#)

[Claims on hand](#)

[Age distribution of claims on hand](#)

**Note:**  
A claim is considered "being processed" when it has been allocated to a DVA officer for processing.

A Claims Support Officer (CSO) will review information submitted with a new claim and information on file. For claims with information missing the CSO will liaise with the claimant, and once ready will send the claim to a delegate for investigation and determination. If no additional information is required, the claim is transferred to the appropriate Delegate teams



30-Jun-24

Claims being Processed	30/06/2022	30/06/2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	% change from last month
DRCA Initial Liability	933	1,635	1,530	1,553	1,440	1,460	2,216	2,343	2,447	2,369	2,406	2,401	2,417	2,432	0.6%
MRCA Initial Liability	5,049	12,086	13,237	15,991	17,864	20,282	19,792	19,440	19,229	18,286	17,576	17,324	16,705	16,850	0.9%
VEA Compensation Payment	421	1,078	859	826	741	783	1,329	1,211	1,081	969	934	918	883	844	-4.4%
Dual Act IL (VEA/DRCA)	2,030	4,120	4,292	4,293	4,071	3,971	4,708	5,020	5,272	5,407	5,498	5,648	5,703	5,895	3.4%
Tri Act IL (MRCA/DRCA/VEA)	4,427	11,644	11,777	13,264	14,369	17,070	18,409	18,338	18,234	17,479	17,320	17,177	16,751	16,619	-0.8%
VEA Application for Increase	499	681	706	755	733	777	719	700	678	685	671	690	700	678	-3.1%
<b>Total Initial Liability</b>	<b>13,359</b>	<b>31,244</b>	<b>32,401</b>	<b>36,682</b>	<b>39,218</b>	<b>44,343</b>	<b>47,173</b>	<b>47,061</b>	<b>46,941</b>	<b>45,195</b>	<b>44,405</b>	<b>44,158</b>	<b>43,159</b>	<b>43,318</b>	<b>0.4%</b>
MRCA Permanent Impairment	3,423	6,209	6,539	6,893	7,731	7,986	7,816	8,977	11,417	11,491	11,853	11,198	11,598	10,861	-6.4%
DRCA Permanent Impairment	3,337	4,378	4,860	5,129	5,623	5,708	6,722	8,868	12,732	15,821	16,609	17,082	17,318	16,867	-2.6%
<b>Total Permanent Impairment</b>	<b>6,760</b>	<b>10,587</b>	<b>11,399</b>	<b>12,022</b>	<b>13,354</b>	<b>13,694</b>	<b>14,538</b>	<b>17,845</b>	<b>24,149</b>	<b>27,312</b>	<b>28,462</b>	<b>28,280</b>	<b>28,916</b>	<b>27,728</b>	<b>-4.1%</b>
MRCA/DRCA Incapacity	1,019	798	877	726	742	849	888	724	851	874	820	828	816	950	16.4%
VEA War Widow	126	161	157	176	176	194	193	202	206	183	168	171	177	169	-4.5%
MRCA/DRCA Death Compensation	112	98	103	114	111	124	133	128	129	136	132	143	136	142	4.4%
<b>Total Compensation claims</b>	<b>21,376</b>	<b>42,888</b>	<b>44,937</b>	<b>49,720</b>	<b>53,601</b>	<b>59,204</b>	<b>62,875</b>	<b>65,960</b>	<b>72,276</b>	<b>73,700</b>	<b>73,987</b>	<b>73,580</b>	<b>73,204</b>	<b>72,307</b>	<b>-1.2%</b>

Age distribution of claims being processed (calendar days) <sup>1</sup>	As at 30 June 2024						
	0-100	101-200	201-300	301-400	401-600	601-800	800+
DRCA Initial Liability	591	443	428	401	330	127	112
MRCA Initial Liability	5,704	3,705	2,549	1,665	1,661	951	615
VEA Compensation Payment	297	171	119	93	87	46	31
Dual Act IL (VEA/DRCA)	1,059	1,078	952	764	1,009	585	448
Tri Act IL (MRCA/DRCA/VEA)	3,773	2,864	2,620	1,845	2,499	1,541	1,477
VEA Application for Increase	360	110	91	26	45	16	30
MRCA Permanent Impairment	3,865	3,405	2,185	738	546	124	28
DRCA Permanent Impairment	4,020	4,163	3,333	2,134	2,432	651	134
MRCA/DRCA Incapacity	763	134	33	8	10	2	0
VEA War Widow	94	36	22	7	7	1	2
MRCA/DRCA Death Compensation	42	23	17	24	15	12	9
<b>Total Compensation claims</b>	<b>20,568</b>	<b>16,132</b>	<b>12,349</b>	<b>7,705</b>	<b>8,611</b>	<b>4,056</b>	<b>2,886</b>

1. Represents number of claims being processed at the end of the month in each age bracket.

Age distribution of claims being processed (calendar days) <sup>2</sup>	As at 30 June 2023						
	0-100	101-200	201-300	301-400	401-600	601-800	800+
DRCA Initial Liability	210	421	205	241	290	189	79
MRCA Initial Liability	1,808	3,365	1,216	684	1,837	1,944	1,232
VEA Compensation Payment	183	431	122	103	128	77	34
Dual Act IL (VEA/DRCA)	273	537	658	693	910	728	321
Tri Act IL (MRCA/DRCA/VEA)	1,417	2,605	1,089	795	1,596	2,271	1,871
VEA Application for Increase	323	130	84	42	56	26	20
MRCA Permanent Impairment	714	2,018	1,820	1,071	514	60	12
DRCA Permanent Impairment	518	553	759	1,492	853	134	69
MRCA/DRCA Incapacity	470	185	90	40	9	3	1
VEA War Widow	85	33	27	5	9	1	1
MRCA/DRCA Death Compensation	37	20	7	13	14	4	3
<b>Total Compensation claims</b>	<b>6,038</b>	<b>10,298</b>	<b>6,077</b>	<b>5,179</b>	<b>6,216</b>	<b>5,437</b>	<b>3,643</b>

2. Represents number of claims being processed at the end of the month in each age bracket.

Claims on hand <sup>3</sup>	30/06/2021	30/06/2022	30/06/2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
DRCA Initial Liability	1,792	2,122	2,234	2,170	2,124	2,145	2,234	2,289	2,392	2,461	2,385	2,434	2,424	2,476	2,504
MRCA Initial Liability	17,226	21,815	22,204	22,048	21,791	21,288	20,855	20,064	19,794	19,526	18,517	17,900	17,621	17,302	17,498
VEA Compensation Payment	1,040	2,534	1,743	1,509	1,516	1,503	1,584	1,385	1,251	1,102	997	967	951	951	880
Dual Act IL (VEA/DRCA)	3,377	3,157	4,522	4,647	4,659	4,497	4,406	4,751	5,052	5,296	5,425	5,528	5,668	5,737	5,958
Tri Act IL (MRCA/DRCA/VEA)	15,505	18,937	19,292	19,016	19,141	19,131	19,222	18,778	18,654	18,421	17,644	17,539	17,361	17,148	17,031
VEA Application for Increase	678	679	699	722	771	773	785	725	724	684	696	676	692	708	683
<b>Total Initial Liability</b>	<b>39,618</b>	<b>49,244</b>	<b>50,694</b>	<b>50,112</b>	<b>50,002</b>	<b>49,337</b>	<b>49,086</b>	<b>47,992</b>	<b>47,867</b>	<b>47,490</b>	<b>45,664</b>	<b>45,044</b>	<b>44,717</b>	<b>44,322</b>	<b>44,554</b>
MRCA Permanent Impairment	5,962	7,367	10,476	10,514	10,744	11,073	11,523	11,905	11,983	11,832	11,957	12,414	12,547	12,558	12,876
DRCA Permanent Impairment	5,369	7,148	12,387	12,926	13,115	13,825	14,082	14,280	14,842	15,447	16,053	17,034	17,711	18,127	18,477
<b>Total Permanent Impairment</b>	<b>11,331</b>	<b>14,515</b>	<b>22,863</b>	<b>23,440</b>	<b>23,859</b>	<b>24,898</b>	<b>25,605</b>	<b>26,185</b>	<b>26,825</b>	<b>27,279</b>	<b>28,010</b>	<b>29,448</b>	<b>30,258</b>	<b>30,685</b>	<b>31,353</b>
MRCA/DRCA Incapacity	1,170	1,205	1,225	1,233	1,056	994	918	926	780	869	895	877	860	887	1,075
VEA War Widow	130	126	161	157	176	176	194	193	202	206	183	168	171	177	169
MRCA/DRCA Death Compensation	106	112	98	103	114	111	124	133	128	129	136	132	143	136	142
<b>Total Compensation claims</b>	<b>52,355</b>	<b>65,202</b>	<b>75,041</b>	<b>75,045</b>	<b>75,207</b>	<b>75,516</b>	<b>75,927</b>	<b>75,429</b>	<b>75,802</b>	<b>75,973</b>	<b>74,888</b>	<b>75,669</b>	<b>76,149</b>	<b>76,207</b>	<b>77,293</b>


3. Includes unallocated claims and claims being processed.

Age distribution of claims on hand (calendar days) <sup>4</sup>	As at 30 June 2024						
	0-100	101-200	201-300	301-400	401-600	601-800	800+
DRCA Initial Liability	663	443	428	401	330	127	112
MRCA Initial Liability	6,352	3,705	2,549	1,665	1,661	951	615
VEA Compensation Payment	333	171	119	93	87	46	31
Dual Act IL (VEA/DRCA)	1,122	1,078	952	764	1,009	585	448
Tri Act IL (MRCA/DRCA/VEA)	4,185	2,864	2,620	1,845	2,499	1,541	1,477
VEA Application for Increase	365	110	91	26	45	16	30
MRCA Permanent Impairment	5,879	3,405	2,186	738	516	124	28
DRCA Permanent Impairment	5,624	4,163	3,335	2,134	2,432	651	138
MRCA/DRCA Incapacity	887	135	33	8	10	2	0
VEA War Widow	94	36	22	7	7	1	2
MRCA/DRCA Death Compensation	42	23	17	24	15	12	9
<b>Total Compensation claims</b>	<b>25,546</b>	<b>16,133</b>	<b>12,352</b>	<b>7,705</b>	<b>8,611</b>	<b>4,056</b>	<b>2,890</b>

4. Represents number of claims on hand at the end of the month in each age bracket.

Age distribution of claims on hand (calendar days) <sup>5</sup>	As at 30 June 2023						
	0-100	101-200	201-300	301-400	401-600	601-800	800+
DRCA Initial Liability	564	462	401	247	232	189	79
MRCA Initial Liability	4,990	3,686	3,559	2,705	4,078	1,952	1,234
VEA Compensation Payment	596	476	313	119	128	77	34
Dual Act IL (VEA/DRCA)	479	570	799	709	916	728	321
Tri Act IL (MRCA/DRCA/VEA)	3,612	2,862	2,762	2,268	3,271	2,639	1,878
VEA Application for Increase	338	131	85	42	57	26	20
MRCA Permanent Impairment	4,051	2,947	1,821	1,071	514	60	12
DRCA Permanent Impairment	3,722	2,611	2,724	2,274	853	134	69
MRCA/DRCA Incapacity	821	240	106	45	9	3	1
VEA War Widow	85	33	27	5	9	1	1
MRCA/DRCA Death Compensation	37	20	7	13	14	4	3
<b>Total Compensation claims</b>	<b>19,295</b>	<b>14,038</b>	<b>12,604</b>	<b>9,498</b>	<b>10,141</b>	<b>5,813</b>	<b>3,652</b>

5. Represents number of claims on hand at the end of the month in each age bracket.



Australian Government

Department of Veterans' Affairs

DETERMINATIONS

[Claim Determinations](#)

[Age distribution of Determinations](#)

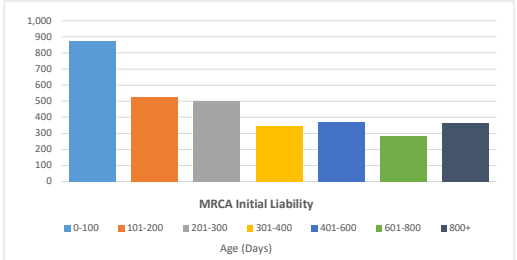
**Note:**

**Determinations** report the outcome of a claim as defined by three Acts:

For **Initial Liability** claims **only**, the number of determinations is not the same as the number of claims completed. IL can have multiple conditions that are determined under multiple Acts. For example, a single claim can have accepted "right knee" condition under MRCA, and accepted "mental health" condition under DRCA, and both conditions rejected under VEA. This would be counted as three determinations.

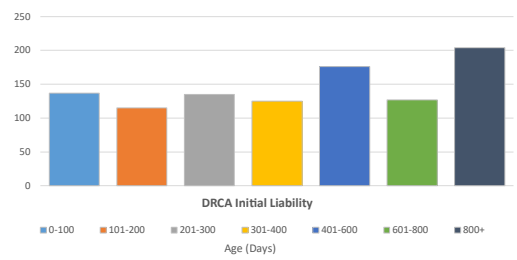
All other claims are reported as a single determination.

Age distribution of Determinations (June 2024) - MRCA Initial Liability and DRCA Initial Liability



MRCA Initial Liability

Age (Days)	Count
0-100	877
101-200	526
201-300	498
301-400	343
401-600	371
601-800	284
800+	364



DRCA Initial Liability

Age (Days)	Count
0-100	137
101-200	115
201-300	135
301-400	125
401-600	127
601-800	204
800+	204

30-Jun-24

Claim Determinations	2020-2021	2021-2022	2022-2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FYTD	Last FYTD	% change from last FYTD
DRCA Initial Liability <sup>1</sup>	6,104	6,425	9,057	1,035	1,015	998	1,043	1,058	638	837	1,182	1,063	1,056	1,180	1,019	12,124	9,107	33.1%
MRCA Initial Liability <sup>2</sup>	20,383	20,665	30,713	2,948	3,634	3,719	4,299	4,535	2,627	3,335	4,362	4,348	3,913	4,324	3,263	45,307	30,767	47.3%
VEA Compensation Payment	4,475	4,496	5,706	602	630	672	681	698	411	528	686	661	629	753	629	7,580	5,733	32.2%
VEA Application for Increase	1,327	1,628	1,457	123	128	131	169	202	120	128	142	148	117	153	155	1,716	1,459	17.6%
<b>Initial Liability claims determined</b>	<b>32,289</b>	<b>33,214</b>	<b>46,933</b>	<b>4,708</b>	<b>5,407</b>	<b>5,520</b>	<b>6,192</b>	<b>6,493</b>	<b>3,796</b>	<b>4,828</b>	<b>6,372</b>	<b>6,220</b>	<b>5,715</b>	<b>6,410</b>	<b>5,066</b>	<b>66,727</b>	<b>47,066</b>	<b>41.8%</b>
MRCA Permanent Impairment	9,399	8,149	9,495	1,116	1,258	1,280	1,383	1,613	1,177	1,483	1,542	1,496	1,686	1,866	1,477	17,377	9,497	83.0%
DRCA Permanent Impairment	11,462	8,513	7,388	716	1,041	987	1,121	1,373	724	813	862	914	1,160	1,295	1,144	12,150	7,391	64.4%
<b>Permanent Impairment claims determined</b>	<b>20,861</b>	<b>16,662</b>	<b>16,883</b>	<b>1,832</b>	<b>2,299</b>	<b>2,267</b>	<b>2,504</b>	<b>2,986</b>	<b>1,901</b>	<b>2,296</b>	<b>2,404</b>	<b>2,410</b>	<b>2,846</b>	<b>3,161</b>	<b>2,621</b>	<b>29,527</b>	<b>16,888</b>	<b>74.8%</b>
MRCA/DRCA Incapacity	3,505	2,941	443	320	362	327	336	338	324	208	336	332	313	330	197	3,723	3,166	17.6%
VEA War Widow	579	563	511	50	43	38	39	50	40	33	62	65	38	53	52	563	511	10.2%
MRCA/DRCA Death Compensation	137	128	183	13	15	18	5	8	15	9	10	16	17	22	9	157	183	-14.2%
<b>Compensation claims determined*</b>	<b>57,371</b>	<b>53,508</b>	<b>64,953</b>	<b>6,923</b>	<b>8,126</b>	<b>8,170</b>	<b>9,076</b>	<b>9,875</b>	<b>6,076</b>	<b>7,374</b>	<b>9,184</b>	<b>9,043</b>	<b>8,929</b>	<b>9,976</b>	<b>7,945</b>	<b>100,697</b>	<b>67,814</b>	<b>48.5%</b>

1. Total claims decided under DRCA, including those that were received and on hand as a Dual Act or Tri Act claim.

2. Total claims decided under MRCA, including those that were received and on hand as a Tri Act claim.

Age distribution of determinations (calendar days) <sup>3</sup>	As at 30 June 2024					
	0-100	101-200	201-300	301-400	401-600	601-800 800+
DRCA Initial Liability	137	115	135	125	176	127 204
MRCA Initial Liability	877	526	498	343	371	284 364
VEA Compensation Payment	50	76	71	77	111	101 143
VEA Application for Increase	84	28	21	5	9	4 4
MRCA Permanent Impairment	328	471	437	143	81	12 5
DRCA Permanent Impairment	110	264	313	149	221	66 21
MRCA/DRCA Incapacity	165	19	7	3	2	1 0
VEA War Widow	35	6	4	4	3	0 0
MRCA/DRCA Death Compensation	2	2	2	3	0	0 0
<b>Total Compensation claims</b>	<b>1,788</b>	<b>1,507</b>	<b>1,488</b>	<b>852</b>	<b>974</b>	<b>595 741</b>

3. Represents number of claims determined in month in each age bracket.

Age distribution of determinations (calendar days) <sup>4</sup>	As at 30 June 2023					
	0-100	101-200	201-300	301-400	401-600	601-800 800+
DRCA Initial Liability	78	86	119	115	151	207 144
MRCA Initial Liability	518	332	273	213	525	688 452
VEA Compensation Payment	33	37	56	63	95	124 87
VEA Application for Increase	57	27	12	5	1	2 2
MRCA Permanent Impairment	112	236	404	275	110	7 7
DRCA Permanent Impairment	105	111	115	287	124	16 4
MRCA/DRCA Incapacity	147	66	25	10	5	0 0
VEA War Widow	27	5	1	1	3	0 0
MRCA/DRCA Death Compensation	9	3	0	1	1	2 0
<b>Total Compensation claims</b>	<b>1,086</b>	<b>903</b>	<b>1,005</b>	<b>970</b>	<b>1,015</b>	<b>1,046 696</b>

4. Represents number of claims determined in month in each age bracket.





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30-Jun-24

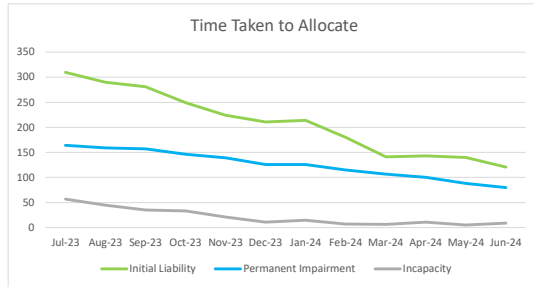
#### TIME TAKEN

[to allocate](#)  
[with a DVA Officer](#)  
[to process - CLAIMS](#)  
[to process - CONDITIONS](#)

Note: The figures in the tables below are the average processing time for claims determined in that month/year, not the number of claims.

All timeliness measures are in calendar days - includes weekends, public holidays.

For Initial Liability claims the determination date is when all conditions have been determined.



Time taken to allocate <sup>1</sup> (average time in calendar days)	2021-2022	2022-2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Current FYTD	Last FYTD
Initial Liability	159	304	310	290	281	249	224	211	214	180	141	143	140	121	206	316
DRCA Initial Liability	135	270	292	280	268	274	259	243	238	214	209	204	255	171	238	270
MRCA Initial Liability	169	332	324	298	292	253	222	207	216	178	133	140	263	119	206	332
VEA Compensation Payment	132	267	304	294	261	283	271	261	244	234	222	220	261	194	252	267
Permanent Impairment	58	112	164	159	157	146	139	126	126	115	107	100	88	80	123	128
MRCA Permanent Impairment	78	120	148	135	127	119	112	100	93	82	67	61	53	49	92	136
DRCA Permanent Impairment	38	102	190	187	197	180	171	169	185	175	170	156	137	120	168	118
Incapacity	4	30	57	45	35	33	21	11	15	7	6	11	5	9	22	36

1. Time taken to allocate includes time taken to register

Time with a DVA officer (average time in calendar days)	2021-2022	2022-2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Current FYTD	Last FYTD
Initial Liability	137	128	142	140	141	136	143	150	188	191	195	213	225	235	175	127
DRCA Initial Liability	183	192	199	213	219	204	213	209	242	244	259	279	217	301	243	192
MRCA Initial Liability	126	113	124	123	121	121	130	138	179	183	184	201	139	222	162	112
VEA Compensation Payment	207	215	232	240	244	228	244	231	249	267	290	311	242	328	269	215
Permanent Impairment	143	135	113	110	119	119	118	135	145	135	133	140	153	167	133	134
MRCA Permanent Impairment	133	129	117	114	122	123	133	130	132	127	126	137	145	154	131	127
DRCA Permanent Impairment	150	143	107	105	117	115	101	144	169	149	146	144	163	184	137	142
Incapacity	59	64	63	64	60	54	57	52	69	58	58	63	66	62	60	64

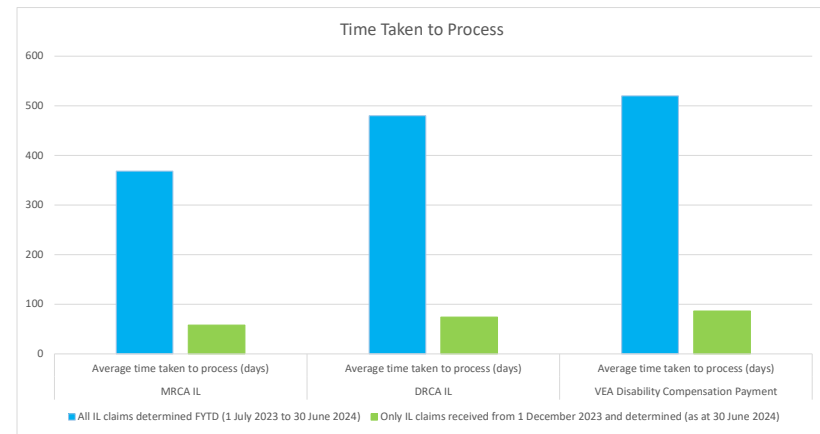
Time Taken to Process - Claims <sup>2</sup> (average time in calendar days)	Target	2020-2021	2021-2022	2022-2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Current FYTD	Last FYTD	% change from last FYTD
DRCA Initial Liability	100	246	336	460	491	493	487	479	472	452	430	468	468	469	472	472	480	460	4.3%
MRCA Initial Liability	90	233	302	441	448	421	413	373	352	345	387	414	408	340	400	340	368	441	-16.6%
VEA Compensation Payment	100	272	357	480	536	535	504	510	517	492	452	495	496	530	503	522	520	480	8.3%
VEA Application for Increase	100	100	151	162	243	163	209	180	185	146	197	171	178	153	183	175	182	150	21.3%
MRCA Permanent Impairment	90	164	221	262	263	248	244	240	244	230	224	208	193	197	197	203	222	262	-15.3%
DRCA Permanent Impairment	100	188	196	259	296	292	318	295	272	312	353	324	316	299	300	305	305	259	17.8%
MRCA Incapacity	50	45	65	99	117	104	94	87	77	65	84	60	83	67	69	72	80	99	-19.2%
DRCA Incapacity	50	47	72	100	124	114	93	88	82	54	79	96	87	89	79	66	87	100	-13.0%
VEA War Widow	30	61	77	88	106	125	98	126	114	89	92	130	117	130	88	113	112	88	27.3%

2. Time is measured from date of receipt to date of determination. The overall time taken to process includes periods external to the DVA process, e.g. time taken to obtain medical information from a treating GP or specialist.

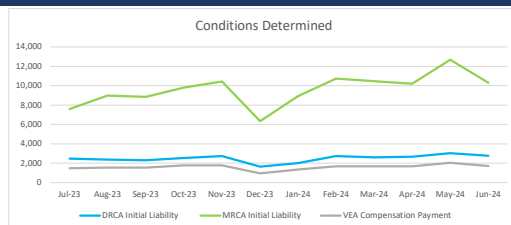
Time Taken to Process - Conditions (average time in calendar days)	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Current FYTD	Last FYTD
DRCA Initial Liability	552	546	529	554	535	514	478	480	483	546	581	546	543	490
MRCA Initial Liability	486	469	466	425	408	403	423	424	422	409	447	437	435	462
VEA Compensation Payment	594	576	544	576	569	543	505	508	511	606	645	605	583	524

## TIME TAKEN COMPARISON

Claim type	Measure	All IL claims determined FYTD (1 July 2023 to 30 June 2024)	Only IL claims received from 1 December 2023 and determined (as at 30 June 2024)	Difference +/-	% Difference
MRCA IL	Number of claims determined	45,307	6,291	39,016	86.11%
	Average time taken to allocate (days)	206	7	199	96.60%
	Average time taken to process (days)	368	58	310	84.24%
DRCA IL	Number of claims determined	12,124	851	11,273	92.98%
	Average time taken to allocate (days)	238	8	230	96.64%
	Average time taken to process (days)	480	74	406	84.58%
VEA Disability Compensation Payment	Number of claims determined	7,580	367	7,213	95.16%
	Average time taken to allocate (days)	252	8	244	96.83%
	Average time taken to process (days)	520	86	434	83.46%



## CONDITIONS

[Incoming Conditions - Net Conditions Received](#)  
[Conditions Unallocated](#)  
[Conditions Being Processed](#)  
[Conditions On Hand](#)  
[Conditions Determined](#)

30-Jun-24

Incoming Conditions - Net Conditions Received	2021-2022	2022-2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Current FYTD	Last FYTD
DRCA Initial Liability	5,615	3,775	378	308	335	406	397	269	317	401	427	453	593	562	4,846	3,775
MRCA Initial Liability	47,270	45,428	3,983	4,788	4,089	5,718	6,515	4,605	5,646	5,406	5,854	7,972	7,868	7,112	69,556	45,428
VEA Compensation Payment	1,725	4,294	389	384	175	376	321	286	261	328	282	534	473	426	4,235	4,294
Dual Act II (VEA/DRCA)	11,096	4,817	259	266	319	439	648	419	570	598	630	897	920	880	6,845	4,817
Tri Act II (MRCA/DRCA/VEA)	45,285	38,490	3,073	4,049	3,996	4,922	5,344	3,719	4,608	4,016	4,505	5,719	5,841	5,112	54,904	38,490
Total Conditions	110,991	96,804	8,082	9,795	8,914	11,861	13,225	9,298	11,402	10,749	11,698	15,575	15,695	14,092	140,386	96,804

															% change from last month	% of total on hand
Conditions Unallocated	30/06/2022	30/06/2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24		
DRCA Initial Liability	2,905	1,198	1,342	1,210	1,509	1,673	148	97	40	35	69	40	122	148	21.3%	2.1%
MRCA Initial Liability	35,866	25,362	23,195	16,386	10,282	1,612	1,056	1,158	1,184	754	897	1,025	1,998	2,180	9.1%	2.8%
VEA Compensation Payment	3,646	1,574	1,591	1,581	1,664	1,763	91	79	40	95	76	68	197	60	-69.5%	2.2%
Dual Act II (VEA/DRCA)	3,712	1,500	1,422	1,304	1,520	1,763	147	88	95	71	103	102	92	194	110.9%	0.9%
Tri Act II (MRCA/DRCA/VEA)	41,901	26,649	25,077	21,303	18,126	7,674	1,383	1,432	879	490	830	852	1,419	1,729	21.8%	2.0%
Total Initial Liability Conditions	88,030	56,283	52,627	41,784	33,101	14,229	2,825	2,854	2,238	1,445	1,975	2,087	3,828	4,311	12.6%	2.2%

Conditions Being Processed	30/06/2022	30/06/2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	% change from last month	% of total on hand
DRCA Initial Liability	2,222	4,480	4,292	4,437	4,329	4,336	6,037	6,413	6,708	6,634	6,819	6,865	6,984	7,032	0.7%	97.9%
MRCA Initial Liability	14,660	37,592	40,474	48,370	55,171	65,692	66,889	68,301	69,404	69,688	70,499	72,879	72,995	74,403	1.9%	97.2%
VEA Compensation Payment	1,242	2,867	2,489	2,406	2,155	2,274	3,687	3,384	3,093	2,884	2,766	2,809	2,615	2,643	1.1%	97.8%
Dual Act II (VEA/DRCA)	5,958	14,505	14,970	15,340	15,006	14,915	17,338	18,311	19,171	19,791	20,229	21,085	21,558	22,226	3.1%	99.1%
Tri Act II (MRCA/DRCA/VEA)	15,981	44,380	46,674	53,126	58,366	71,969	79,013	80,315	82,715	82,917	84,210	85,882	86,006	86,081	0.1%	98.0%
Total Initial Liability Conditions	40,063	103,824	108,899	123,679	135,027	159,186	172,964	176,724	181,091	181,914	184,523	189,520	190,158	192,385	1.2%	97.8%

Conditions On Hand	30/06/2022	30/06/2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	% change from last month
DRCA Initial Liability	5,127	5,678	5,634	5,647	5,838	6,009	6,185	6,510	6,748	6,669	6,888	6,905	7,106	7,180	1.0%
MRCA Initial Liability	50,526	62,954	63,669	64,756	65,453	67,304	67,945	69,459	70,588	70,442	71,396	73,904	74,993	76,583	2.1%
VEA Compensation Payment	4,888	4,441	4,080	3,987	3,819	4,037	3,778	3,463	3,133	2,979	2,842	2,877	2,812	2,703	-3.9%
Dual Act II (VEA/DRCA)	9,670	16,005	16,392	16,644	16,526	16,422	17,485	18,399	19,266	19,862	20,332	21,187	21,650	22,420	3.6%
Tri Act II (MRCA/DRCA/VEA)	57,882	71,029	71,751	74,429	76,492	79,643	80,396	81,747	83,594	83,407	85,040	86,734	87,425	87,810	0.4%
Total Initial Liability Conditions	128,093	160,107	161,526	165,463	168,128	173,415	175,789	179,578	183,329	183,359	186,498	191,607	193,986	196,696	1.4%

Conditions Determined <sup>1</sup>	2020-21	2021-2022	2022-2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Current FYTD	Last FYTD
DRCA Initial Liability	13,227	15,543	22,267	2,479	2,371	2,312	2,531	2,731	1,660	2,017	2,733	2,615	2,667	3,020	2,773	29,909	22,267
MRCA Initial Liability	36,931	45,476	69,486	7,599	8,981	8,845	9,799	10,446	6,351	8,910	10,747	10,474	10,199	12,701	10,312	115,364	69,486
VEA Compensation Payment	12,305	11,688	14,914	1,493	1,538	1,534	1,772	1,799	945	1,362	1,677	1,687	1,673	2,043	1,718	19,241	14,914
Total Condition determined	62,463	72,707	106,667	11,571	12,890	12,691	14,102	14,976	8,956	12,289	15,157	14,776	14,539	17,764	14,803	164,514	106,667

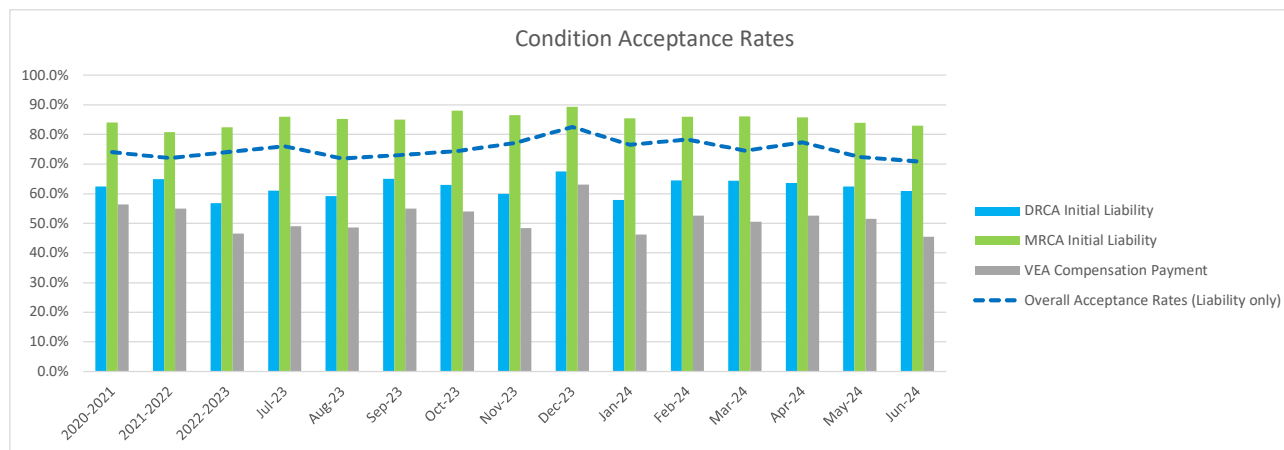
1. While a claim can be lodged with one or more conditions, each condition is determined separately.



Australian Government  
Department of Veterans' Affairs

30-Jun-24

## ACCEPTANCE RATES

[Condition Acceptance Rates](#)[Claim Acceptance Rates](#)

Condition Acceptance Rates	2020-2021	2021-2022	2022-2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FYTD
DRCA Initial Liability	62.4%	64.9%	56.8%	61.0%	59.2%	65.0%	63.0%	60.0%	67.5%	57.9%	64.5%	64.4%	63.6%	62.5%	60.9%	62.9%
MRCA Initial Liability	84.0%	80.8%	82.4%	86.0%	85.2%	85.0%	88.0%	86.5%	89.3%	85.4%	85.9%	86.1%	85.7%	83.9%	82.9%	85.6%
VEA Compensation Payment	56.4%	55.0%	46.6%	49.0%	48.6%	55.0%	54.0%	48.4%	63.1%	46.2%	52.6%	50.6%	52.6%	51.6%	45.5%	51.2%
Overall Acceptance Rates (Liability only)	74.0%	72.0%	74.0%	76.0%	71.9%	73.0%	74.4%	77.1%	82.5%	76.5%	78.3%	74.5%	77.3%	72.4%	70.9%	72.3%

1. Percentage represents the number of claims accepted in that month, regardless of claim lodgement date.
2. VEA and DRCA acceptance rates can be lower due to large number of claimants lodging Tri-Act claims as their ADF service is covered by all three Acts.
3. DVA is required to accept a condition under MRCA if their service is on or after 1 July 2004 has contributed to the condition.
4. If a condition is accepted under MRCA, it is required to be rejected under DRCA and/or VEA.

Claim Acceptance Rates	2020-2021	2021-2022	2022-2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FYTD
VEA Application for Increase	66.9%	67.7%	68.8%	71.8%	68.0%	67.2%	67.5%	65.4%	71.7%	71.9%	61.4%	61.0%	59.8%	61.3%	69.5%	62.2%
MRCA Permanent Impairment	79.5%	84.6%	87.4%	88.8%	89.3%	88.5%	88.4%	88.1%	92.2%	83.5%	87.5%	87.8%	87.9%	86.8%	88.4%	87.9%
DRCA Permanent Impairment	42.8%	47.4%	44.7%	35.2%	38.6%	40.4%	35.8%	32.8%	59.5%	31.7%	38.9%	46.3%	44.6%	45.5%	42.0%	40.6%
MRCA Incapacity	86.9%	90.5%	96.7%	96.7%	98.0%	96.7%	94.7%	95.4%	98.6%	91.3%	96.0%	97.9%	95.5%	95.0%	94.6%	96.1%
DRCA Incapacity	77.3%	85.5%	94.6%	92.0%	90.4%	96.2%	96.2%	94.5%	93.2%	95.7%	100.0%	95.3%	92.5%	90.2%	83.3%	93.4%
VEA War Widow	63.4%	63.4%	63.4%	64.6%	69.8%	68.4%	66.7%	64.0%	82.5%	60.6%	50.0%	60.0%	73.7%	56.6%	69.2%	64.3%



Australian Government  
Department of Veterans' Affairs

# Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024

**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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## Message from the Minister



The rate of veteran suicide is a national tragedy. It's why we called for a Royal Commission.

Since 2021, the Royal Commission into Defence and Veteran Suicide has been investigating the factors that have contributed to such an appalling loss of life.

The very first recommendation made by the Royal Commission in its Interim Report was for urgent action to simplify and harmonise veteran compensation and rehabilitation legislation.

Anyone who has engaged with the veteran compensation system will tell you it is complicated and difficult to understand.

This is the result of decades of piecemeal change and fringe reform built on top of a century of consolidated veterans' entitlements legislation.

Veteran claims for benefits and support are assessed under three different pieces of legislation depending on the time someone served, and the nature of their service. Often veterans have had claims dealt with under all three pieces of legislation.

This complexity has directly contributed to delays, inconsistent processing, uncertain outcomes and claims backlogs.

The Royal Commission itself said the current system is "so complicated that it adversely affects the mental health of some veterans and can be a contributing factor to suicidality".

The Albanese Government promised to act, and we have.

In October 2022, I announced the first of three consultation periods and called for public submissions. Feedback from the veteran community overwhelmingly supported the need to simplify and harmonise veteran compensation legislation.

This informed a proposed pathway to simplify veterans' compensation and rehabilitation legislation.

The proposed pathway featured:

- establishing an improved MRCA as the sole ongoing scheme
- closing out the VEA and DRCA to new compensation related claims
- grandparenting all existing arrangements to ensure there is no reduction in entitlements currently being or previously received by veterans.

In February 2023, we began public consultation on this proposed pathway which resulted in the exposure draft of the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024. Significant consultation was undertaken on this Bill in 2024 to make sure we get it right.

This Bill now before the Parliament does not save the government money, indeed the May Budget set aside an additional \$222 million for veteran and family entitlements across the first two years of operation.

This is a once in a generation opportunity to get the system right for veterans and families.

I thank all the veterans, Defence personnel, families, advocates and experts who have been involved in this process to date. Your feedback, frank and fearless as it's been, has genuinely been vital in developing the pathway to, and the nuance of, this legislation.

Our veteran community deserves better than the overly complicated and frankly, not fit for purpose system they've been putting up with.

I'm proud to put forward this Bill, that will simplify the system to make sure veterans and families can better access the services and supports they need and deserve.

A handwritten signature in blue ink that reads "Matt Keogh".

**The Hon Matt Keogh MP**

Minister for Veterans' Affairs

Minister for Defence Personnel

## What is the purpose of the Bill?

The Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024, implements the single Act model proposed in the Veterans' Legislation Reform Consultation Pathway, shaped by feedback provided by the veteran community.

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 from 1 July 2026; 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 from 1 July 2026, with grandparenting of already approved VEA and 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 will 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 will also benefit, as they will 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 will also be 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 Bill also proposes that DRCA veterans will be able to appeal adverse decisions to the Veterans' Review Board (VRB). The Bill will also streamline the administration of the legislation through merging of the Military Rehabilitation and Compensation Commission into the Repatriation Commission, removing duplication of responsibilities, and providing greater administrative clarity about governance matters.

Over time, the proposed changes will make it easier for veterans and families to understand their entitlements, make it easier for advocates to support DVA claims and make it faster for DVA to process claims so veterans and families receive the benefits and supports they need and deserve more quickly.



## Consultation on the draft Bill

Between 28 February and 28 April 2024, we conducted national consultation on the Bill. There was significant interest in the draft legislation, with 466 pieces of feedback received. All feedback was classified as a submission unless they only asked questions for clarification and / or about personal circumstances. Three hundred and twenty three (323) submissions were received – 278 were from individuals and 45 were from organisations. These were broadly classified into three categories:

1. submissions on issues that were already included in the draft Bill or have been addressed before introduction to Parliament
2. submissions on ongoing legislative or policy issues that may be considered in the future by the Department
3. submissions on broader DVA issues that are out of scope (not directly related to the simplification and harmonisation of veterans' legislation).

A total of 26 consultations were conducted in person and online across Australia, including sessions in each capital city and Townsville. Over 230 individuals attended these sessions, including veterans, families, advocates, legal experts and representatives from ex-service organisations (including members of DVA's National Consultation Framework).

DVA also met with other stakeholders, such as the Veterans' Review Board and other Government agencies.

The following communication platforms were continued from the 2023 consultation to ensure reach across Australia and ensure the veteran community was kept informed of the consultation process:

- a dedicated email channel so people could contact DVA and submit their comments (legislation.reform@dva.gov.au)
- dedicated pages on the DVA website to provide information and facilitate consultation
- 3 public webinars delivered nationally, with one recorded and published on the DVA website
- 103 updates and posts on DVA's social media platforms
- ads in 10 newspapers, covering all capital cities and Townsville, on 9 and 30 March 2024
- written correspondence to the Minister and DVA regarding legislative reform.



**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.

## How your feedback 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, and the 2022, 2023, and 2024 consultation processes have shaped the Bill.

Your submissions have helped the Government to respond to the issues you told us are of most concern to you. Since consultation was undertaken in early 2024, the following changes have been made to the Bill:

- veterans in receipt of DRCA incapacity payments will automatically transition to MRCA incapacity payments on the date of commencement.
- where the Repatriation Medical Authority updates a Statement of Principles (SoP) between the veteran's primary and reviewable decision, the version of the SoP which is most beneficial to the veteran's circumstances will be applied
- an introduction of an instrument making power that will enable the Commission to determine circumstances where a veteran must receive financial advice before receiving a lump sum payment.

## Addressing Productivity Commission recommendations

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 Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024, achieves, either fully or in part, the following recommendations of the Productivity Commission.

Recommendation		Outcome of recommendation if legislation is approved
<b>8.1</b>	<b>Harmonise the initial liability process</b>	Fully achieved
<b>10.2</b>	<b>Single review pathway</b>	Fully achieved
<b>13.1</b>	<b>Harmonise the DRCA with the MRCA</b>	Fully achieved the part of the recommendation that was agreed by Government through the move to a single scheme
<b>14.3</b>	<b>Interim compensation to be finalised after two years</b>	Fully achieved
<b>14.10</b>	<b>Harmonise the funeral allowance</b>	Fully achieved
<b>15.2</b>	<b>Simplify and harmonise education payments</b>	Partly achieved
<b>15.4</b>	<b>Remove and pay out smaller payments</b>	Partly achieved with current payments grandparented
<b>15.5</b>	<b>Harmonise attendant and household services</b>	Partly achieved
<b>15.6</b>	<b>Harmonise vehicle assistance</b>	Partly achieved
<b>16.4</b>	<b>Better targeted eligibility for the Gold Card</b>	Rejected
<b>19.1</b>	<b>Two schemes for veteran support</b>	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 an approach.

## 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 MRCA as the single ongoing Act for veterans' rehabilitation and compensation.

The DRCA and the VEA will be closed to new liability and compensation claims from 1 July 2026. The MRCA will be open to claims arising from service, 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 harmonised. 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 without needing to engage with the SoP system.
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 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].
8. Veterans in receipt of DRCA incapacity payments will automatically transition to MRCA incapacity payments on the date of commencement.
9. Where the Repatriation Medical Authority updates a SoP between the veteran's primary and reviewable decision, the version of the SoP which is most beneficial to the veteran's circumstances will be applied.
10. An introduction of an instrument making power that will enable the Commission to determine circumstances where a veteran must receive financial advice before receiving a lump sum payment.

### Review of compensation decisions

An important benefit of this reform will 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 initial review of decisions made under the DRCA would be through the Veterans' Review Board, rather than the Administrative Appeals Tribunal [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 and the Specialist Medical Review Council will be transferred into the MRCA. 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](http://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. Please note the scenarios are illustrative only and have been calculated using the 1 July 2024 rates. For more scenarios and further information visit our website at [www.dva.gov.au/scenarios](http://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	
<b>\$1,136</b> f/n VEA War Widow(er)'s Pension	<b>\$399</b> f/n VEA education allowance	<b>\$2,000</b> Funeral Benefit
life ✓ 	while in full time education ✓ 	


Under MRCA			
GREG'S PARTNER	GREG'S CHILD 16YO		
<b>\$1,136</b> f/n MRCA Wholly Dependent Partner	<b>\$686,041</b> Aged-based lump sum	<b>\$108,567</b> lump sum	<b>\$399</b> f/n MRCA education allowance
<b>\$159,178</b> Additional Death Benefit	life ✓ 	<b>\$361</b> f/n MRCA compensation payment	while in full time education ✓ 
			<b>\$14,639</b> Funeral Benefit up to 



## 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	
	<b>\$44,833</b> lump sum



Under MRCA	
<b>\$79<sup>f/n</sup></b> MRCA OR <b>\$34,872</b> Aged-based lump sum	 





## Scenario 4

**Matthew, 68**

- Receives \$309.35 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	
<b>\$950<sup>f/n</sup></b> VEA Extreme Disablement Adjustment DCP	 

Under MRCA	
<b>\$950<sup>f/n*</sup></b> MRCA  	OR <b>\$487<sup>f/n*</sup></b> MRCA + <b>\$155,168</b> lump sum  

\*Includes grandparented DCP of \$309 and Additional Disablement Amount (ADA) of \$178. The new ADA is reduced by DCP, PI and 60% of Commonwealth funded superannuation.


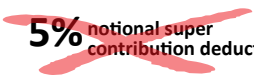
## Scenario 3

**Gabby, 47**

- Full-time service (prior to 1 July 2004)
- Stops work due to service-related conditions

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

Current DRCA	
<b>\$2,100<sup>f/n</sup></b> DRCA	<b>5%</b> notional super contribution deducted

Under MRCA	
<b>\$2,976</b> f/n MRCA	 <b>\$382<sup>f/n</sup></b> MRCA Includes Remuneration Allowance
	



## Scenario 5

**Bruce, 68**

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

**Lodges claim for worsening conditions**

Current VEA	
<b>\$370<sup>f/n</sup></b> VEA 60% Disability Compensation Payments	

Under MRCA	
<b>\$380<sup>f/n*</sup></b> MRCA	OR <b>\$249<sup>f/n*</sup></b> MRCA + <b>\$43,808</b> lump sum  

\*Includes grandparented DCP \$249

## Scenario 6



### David, 54

- Full-time service (prior to 1 July 2004)
- Receiving DRCA incapacity payments

Following the Exposure Draft consultation, the Bill, as introduced, will see David's current DRCA incapacity payments transferred automatically under the MRCA. The impact of this is demonstrated in the outcomes below.

Current DRCA	
\$1,395 <sup>f/n</sup> DRCA	5% <sup>notional super</sup> contribution deducted
Under MRCA	
\$2,231 <sup>f/n</sup> MRCA	\$382 <sup>f/n</sup> MRCA ✓ Includes Remuneration Allowance <del>5%<sup>notional super</sup> contribution deducted</del>

## When would the new model commence?

It is proposed that the new model for veterans' compensation will commence on 1 July 2026.

This commencement date will 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. The change of the review pathway for DRCA to VRB will commence 60 days after passage of the Bill.

## Where can you find the legislation and other material

The Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024, has been published on DVA's website at [www.dva.gov.au/legislationreform](http://www.dva.gov.au/legislationreform), along with a range of material that will help you understand how the new model will be implemented if passed by Parliament.

These materials include:

- an Explanatory Memorandum
- copies of the MRCA, DRCA and VEA marked up with proposed changes
- scenarios
- fact sheets
- a Frequently Asked Questions document



## What's next?

The Bill will be considered by Parliament.



### Download

To download a copy of this information booklet, visit [www.dva.gov.au/legislationreform](http://www.dva.gov.au/legislationreform).

### Translations

If you require translation services, please contact the Translation and Interpreting Service ([www.tisnational.gov.au/en](http://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.

# OPEN ARMS

Veterans & Families Counselling



1800 011 046 [OpenArms.gov.au](http://OpenArms.gov.au)

Defence  
Family  
Helpline



1800 624 608

Defence  
All-hours  
Support Line



1800 628 036







**Australian Government**

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**Department of Veterans' Affairs**

# Consultation Report

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

## Acknowledgements

As Minister for Veterans' Affairs, I would like to extend my thanks on behalf of the Australian Government to all those who participated in consultations on the simplification and harmonisation of veterans' compensation legislation.

I would particularly like to express my appreciation to the serving and ex-serving members of the Australian Defence Force, families, carers and organisations from all over Australia who took the time to share their feedback and provide submissions to inform this most important work.

This feedback has been a vital component to getting this legislation right so we can ultimately ensure the veteran compensation system is easier for people to understand what they're eligible for, simpler to make a claim and faster for that claim to be processed, ultimately getting support to you, faster.



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

## Acknowledgement of Country

We acknowledge 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.

## Scope of this report

This report provides an analysis of the feedback received during consultation on the draft Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) (VETS) Bill 2024 conducted between 28 February and 28 April 2024.

The report summarises the submissions that the veteran community provided to DVA during the consultation process, and classifies them into three categories:

- 1) issues that will be addressed in the draft Bill;
- 2) an ongoing issue that may be considered in the future; or
- 3) issues that are out of scope for this legislation reform (see Table 1 on page 4).

Direct quotes from those who sent in correspondence and submissions during consultation have been included throughout the report, where consent to publish them has been given.

This report is not intended to present policy recommendations or provide evidence on specific issues. This report simply represents the views that were expressed by organisations and individuals regarding the proposed changes to veterans' legislation.

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

The Government sought comments on the draft VETS Bill 2024 which, if passed by Parliament, would implement a new model of veterans' compensation.

The VETS 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:

- single ongoing Act – an improved *Military Rehabilitation and Compensation Act 2004* (MRCA) where all new claims for compensation and rehabilitation will be considered under the improved MRCA.
- 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.

The Government listened to the feedback received from the veteran community on the Pathway in 2023 and made some further enhancements to the MRCA, including:

- 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 have a high degree of incapacity due to service-related conditions.
- consolidation of household and attendant care, travel for treatment, and retention of automatic granting of VEA funeral benefits in the MRCA.

- an increase from \$2,000 to \$3,000 for funeral benefits 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 treatment.

Further information, including explanatory materials of the Bill can be found at [www.dva.gov.au/legislationreform](http://www.dva.gov.au/legislationreform).

## Summary of findings

There was significant interest in the exposure draft legislation. DVA acknowledges the time and effort taken to provide submissions.

Table 1 classifies the main issues raised into three categories:

- 1) submissions on issues that were already included in the draft Bill or will be addressed before introduction to Parliament
- 2) submissions on ongoing legislative or policy issues that may be considered in the future by the Department
- 3) submissions on broader DVA issues that are out of scope (not directly related to the simplification and harmonisation of veterans' legislation)

Please note that the categorisation of the themes is correct at the time of publishing.

## Classification of major themes raised during consultation

**Table 1: classification of major themes raised during consultation**

In Scope of the Bill
Definition of a veteran
Differences between amounts of funeral allowances under the different Acts
Differences in entitlements to Veteran Home Care (VHC) and Household Services and Attendant Care
Introduction of presumptive liability provisions to streamline claims processing
Addition of ADA that addresses concerns about extremely disabled veterans who reach retirement age
Transition from DRCA incapacity payments to MRCA incapacity payments
Changing offsetting arrangements for MRCA incapacity payments with Disability Compensation Payment (DCP)
Gold Card eligibility for DRCA veterans
Update of incorrect wording used in the legislation, e.g. Victoria Cross <i>for</i> Australia
Expand MRCA eligibility to include all National Servicemen
The unique arrangements for ADF Firefighters and F-111 Deseal/Reseal workers will be transferred into the MRCA
Harmonising travel for treatment under the three current Acts

### In Scope of the Bill

Responding to concerns about lump sum payments for vulnerable veterans

The MRCA does not sufficiently recognise the various caring arrangements that may apply in regard to section 80 payments

### Ongoing legislative and policy issues

Whole-of-Government coordination of veteran benefits and payments

The definition of dependants and wholly dependent partners contained within the MRCA

The common-law damages upper limit should be indexed twice a year

Provide coverage to address the modern, multi-agency approach to peacekeeping type operations, including Police Officers and Defence Civilians

Increased demand for financial advice, including advice on management of lump sum payments and requests to increase the reimbursement amounts

Training for advocates and legal representation

The impact of changes (e.g. terminology) on state and territory concessions

The Government needs to ensure an appropriate transitional plan is in place for veterans, families and advocates

Information sharing processes between DVA and Defence

Incentives for care providers to help veterans

### Out of Scope

Extend Non-Liability Health Care for all conditions, and expand to reservists and national servicemen (1965-1972)

Remove the service differentials to reflect the changed nature of conflict, service and force structure

Request to use rent assistance provided by the ADF for mortgage payments

Compensation for military working dogs

Request for a single standard of proof

Classification of Malaysia as an operational area between 1968-1989

Concerns with the MRCA whole-of-person assessment model

Allow legal representation at VRB hearings

DVA cultural change

The need to improve/streamline the claims process and educate veterans and families on how the claims process works in order to achieve the benefits of the simplified legislation

The need for psychiatrists to diagnose mental health conditions in order to accept claims

Allow veteran Gold Card holders to access Defence Home Ownership Assistance Scheme

## Consultation process

A total of 26 consultations were conducted in person and online across Australia, including sessions in each capital city and Townsville. The Minister for Veterans' Affairs convened two of these face-to-face meetings in Brisbane and Canberra. More than 230 individuals attended these sessions, including veterans, families, advocates, legal experts and representatives from ex-service organisations (including members of DVA's National Consultation Framework).

DVA also met with other stakeholders, such as the Veterans' Review Board and other Government agencies.

The following communication platforms were continued from the 2023 consultation to ensure reach across Australia and ensure the veteran community was kept informed of the consultation process:

- a dedicated email channel so people could contact DVA and submit their comments (legislation.reform@dva.gov.au)
- dedicated pages on the DVA website to provide information and facilitate consultation
- 3 public webinars delivered nationally, with one recorded and published on the DVA website
- 103 updates and posts on DVA's social media platforms
- ads in 10 newspapers, covering all capital cities and Townsville, on 9 and 30 March 2024
- written correspondence to the Minister and DVA regarding legislative reform

## 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.

## Website

The DVA website was updated with pages to support the draft legislation, including:

- an explanation of what the draft legislation is and what it will do
- scenarios to illustrate how the changes will impact the veteran community
- how to be involved in the consultation
- an update on the 2023 consultation and what we heard from the veteran community; and
- other supporting materials to assist with understanding the exposure draft legislation, including an information booklet, fact sheets and answers to questions from stakeholder engagements.

This webpage was viewed 23,632 times between 28 February and 28 April 2024. These pages can be found on the DVA website at [www.dva.gov.au/legislationreform](http://www.dva.gov.au/legislationreform) and will continue to be available until the legislation is implemented to allow the veteran community to continue to engage with and examine the impacts of the Bill.

## Webinars

Three (3) online public webinars were delivered between 3 and 17 April 2024, with approximately 240 attendees in total. Senior DVA staff talked through the proposed changes in detail and answered questions from participants. Ninety-nine (99) questions were received during the webinars, with some answered during the presentations and written answers to all relevant questions published on the DVA website. The second webinar session (9 April 2024) was recorded and made available for viewing on the DVA website.

## Social media

DVA also used its social media platforms (Facebook, Instagram, X and LinkedIn) to communicate to all Australians, and provided the opportunity for people to participate in the consultation process.

Over the course of the consultation period, DVA's social media posted 103 times and received:

- 1,138,104 total impressions\* (number of times a post was seen by users)
- 699,635 total engagements (number of unique users who saw the content)

\*Please note the total number of impressions does not include viewing of Facebook Story content.

The Minister for Veterans' Affairs also posted regularly on his personal social media (Facebook and Instagram) encouraging the veteran community to participate in the consultation process.



Image 1: VETS Bill Social Media Post



Image 2: VETS Bill Social Media Post



Image 3: VETS Bill Social Media Post



## Submissions

The Government received **466** pieces of feedback. All feedback from stakeholders was classified as a submission unless they sought clarification or asked questions about personal circumstances. Feedback and questions received relating to a veteran's personal circumstances were forwarded to the appropriate business area in DVA to respond.

An online form for providing submissions provided the opportunity for stakeholders to participate in the consultation process regardless of their location. Email submissions were also accepted. The online form on DVA's website was open for submissions from 28 February to 28 April 2024. In response to feedback received during the 2023 consultation process, stakeholders were able to upload a document or write free text as part of their submission.

A total of **323** submissions were received - 278 of these were from individuals and 45 were from organisations.

- |   |   |   |
|---|---|---|
| • Air Force Association                                       | • Defence Kidz  | • Reach Wellness  |
| • Australian Catholic University                              | • Disabled Veterans of Australia Network              | • Royal Australian Armoured Corporation                     |
| • Australian Lawyers Alliance                                 | • Emmanuel Solicitors                                 | • RSL Australia   |
| • Australian Peacekeeper and Peacemaker Veterans' Association | • Families of Veterans Guild                          | • RSL Victoria  |
| • Australian Special Air Service Association                  | • Integrated Servicepeople's Association of Australia | • RSL NSW   |
| • Australian Veterans' Children Assistance Fund               | • KCI Lawyers   | • RSL QLD   |
| • Australian Veterans Health Service                          | • Legacy Australia                                    | • RSL NSW Cardiff Sub-Branch                                |
| • Australian War Widows Inc.                                  | • Legacy Club Services                                | • Slater and Gordon   |
| • Consortium of Ex-Service Organisations of South Australia   | • Legal Aid NSW                                       | • Suicide Prevention Australia                              |
| • Defence and Veterans' Legal Service and National Legal Aid  | • Maroochy RSL Veterans Hub                           | • The Social Deck   |
| • Defence Families of Australia                               | • Nasho Fair Go                                       | • TPI Association QLD                                       |
| • Defence Force Welfare Association                           | • National Council of Women WA                        | • TPI Association Townsville                                |
|   | • Naval Association of Australia                      | • TPI Federation of Australia                               |
|   | • Partners of Veterans Association of Australia Inc.  | • United Nations Overseas Policing Association of Australia |
|   | • Police Federation of Australia                      | • Veterans' Wellbeing Network Mid North Coast               |
|   | • Repatriation Medical Authority                      | • Victorian Government                                      |
|   |   | • Vietnam Veterans Association of Australia Inc.            |



## Major themes from submissions

The key themes on the draft legislation are provided below. A full analysis of all submissions can be found at [Attachment A](#).

### Support for the Pathway

A total of **44** written submissions were received that explicitly supported the proposal, although some with qualifications.

**Five** submissions clearly articulated that they did not support the proposal. One reason cited was that this was perceived to be a cost saving exercise for Government that is not beneficial for veterans. There were also concerns raised about the proposed commencement date of 1 July 2026, and the Government consulting on the draft bill before the final recommendations from the Royal Commission into Defence and Veteran Suicide are released.

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*The Government has committed \$222 million of additional funding over four years in direct for veteran and family supports to be made available through the new simplified veteran compensation legislation.*

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### Submissions related to the draft legislation

#### Definition of a Veteran

There were differing views expressed on the definition of a veteran and who should be able to access veteran entitlements. The Naval Association of Australia stated that “the definition of a ‘veteran’ as contained in the VEA be used in MRCA”. Similarly, “The RSL advocates that specific words used in the legislation must necessarily be defined within the legislation itself to ensure specific meaning under law can be widely understood.” They continued by recommending “a definition of a Veteran should be provided in Section 5 [chapter 1]. RSL submits that the VETs should draw on the current definition of a veteran which is found in the Australian Veterans’ Recognition (Putting Veterans and Their Families First) Act 2019 at Section 4.”

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*Following feedback on this matter, the Australian Government has decided to insert a definition of veteran into the MRCA.*

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#### Inequity of Funeral Allowances

Submissions were broadly appreciative of the increase from \$2,000 to \$3,000 for automatic grant categories under the VEA, and the eligibility expansion to be able to access the MRCA rate of reimbursement for service-related deaths. There were views expressed that funeral benefits under the VEA should be indexed, the reimbursement model puts pressure on families, and concerns that while the increase is welcomed, there needs to be further work done to remove the inequity between the VEA and MRCA reimbursement amounts.

The Families of Veterans' Guild stated that they "see the harmonisation Bill and the 'enhanced' MRCA as the first step in a much larger project of system reform and simplification and would encourage both sides of politics, government, and its departments to not rest once this Bill is passed. Additional work required on the 'enhanced' MRCA include [the] removal of inequity in the provision of funeral entitlements."

---

*The draft legislation includes an increase from \$2,000 to \$3,000 for funeral benefits for previous automatic grant categories under the VEA, and the availability of reimbursement for funeral expenses up to \$14,062 for all service-related deaths.*

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### **Inequity of Veterans' Home Care (VHC) and Household Services and Attendant Care**

The expansion of the eligibility for the Household Services and Attendant Care program was welcomed. There were concerns that veterans accessing VHC may be disadvantaged under the MRCA, suggestions that the maximum statutory limit for the provision of VHC should be increased and calls to increase the eligibility for Household Services to all veterans. There were also concerns that while the eligibility of Household Services and Attendant Care has been expanded to VEA veterans, this eligibility does not extend to bereaved partners who will only be able to access VHC.

Legacy Australia stated "the continued operation of two systems through the Veterans' Home Care Program and the Household Services Program appears to be inefficient. The Bill appears to allow VEA and DRCA veterans to access the more generous provisions of the Household Services Program provided under MRCA and DRCA but does not extend this opportunity to bereaved partners."

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*The Bill expands eligibility for the Household Services and Attendant Care program to all veterans who are unable to manage household tasks due to their service-related conditions from 1 July 2026. It also increases the maximum value of services to \$573.61 per week.*

---

### **Introduction of presumptive liability provisions to streamline claims processing**

Presumptive liability will be used to establish the causal link between a claimant's ADF service and the injury or disease they are claiming. There is currently a list of streamlined and straight through processing conditions and sequela conditions used in DVA policy, and the draft legislation will legislate these provisions.

There was interest from stakeholders in how presumptive liability would work, how it intersects with the Statements of Principles (SoPs) regime, how additional conditions would be added in the future and requests for the current list of conditions and sequela.

The Consortium of South Australian Ex-Service Organisations, which comprised 20 ex-service and kindred organisations, consider presumptive liability "a key area for continuing reform, as it has the potential to significantly reduce the stress and anxiety of veterans submitting claims for medical conditions arising from their service". The Vietnam Veterans Association of Australia Inc also "support the introduction of the concept of presumptive liability and encourage the department to consider ways and means of expanding this."

---

*The Bill introduces presumptive liability which means the Repatriation Commission would be able to specify injuries and diseases that can be determined on a presumptive bases where they are known to have a common connection with military service.*

---

#### **Addition of Additional Disablement Amount (ADA) that addresses concerns about extremely disabled veterans who reach retirement age**

ADA will mirror the existing Extreme Disablement Adjustment under the VEA. It will be reduced on a dollar-for-dollar basis by any compensation received, to ensure no veteran is compensated twice for the same injury and will additionally be offset by the Commonwealth-funded component of any superannuation the veteran is receiving.

The addition of ADA to the MRCA was generally welcomed as it addresses concerns that were raised about compensation for extremely disabled veterans older than age pension age, especially as it also ensures continued automatic eligibility for Wholly Dependent Partner compensation for this cohort.

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*The ADA will compensate veterans who are Age Pension age or older and have a high degree of incapacity due to service-related conditions.*

---

#### **Transition from DRCA incapacity payments to MRCA incapacity payments**

DVA received feedback expressing concerns with the transition from DRCA incapacity to MRCA incapacity payments. Explanations as to the need for a period of incapacity to end before making a new claim for incapacity payments was provided. Stakeholders were concerned that this opportunity for simplification was not being acted upon in the Bill currently. RSL Australia submitted that “DVA should take a pragmatic approach to this issue ... and simply transfer all DRCA Incapacity payees to come under MRCA legislation from the date of implementation.”

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*Upon receiving this feedback, the Australian Government has decided that veterans in receipt of DRCA incapacity payments will automatically transition to MRCA incapacity payments on the date of commencement.*

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#### **Changing of offsetting arrangements of MRCA incapacity payments with Disability Compensation Payment (DCP).**

Stakeholders expressed concerns over two different offsetting circumstances:

- 1) Offsetting the full amount of DCP by any incapacity payments received, which amounts to offsetting a compensation payment (DCP) that is effectively made up of both economic loss and non-economic loss compensation payments, by incapacity payments which is purely compensation for economic loss.
- 2) Offsetting Special Rate Disability Pension (SRDP) and ADA by Commonwealth Superannuation as that disadvantages future SRDP/ADA recipients who would have received Totally and Permanently Incapacitated (TPI) / EDA payments under the VEA.

The TPI Federation recommended “that the Commonwealth remove the superannuation offsetting against all DVA compensation payments or, at a minimum, to remove it from all SRDP and ADA calculations as the economic loss components are below the tax-adjusted minimum wage.” The RSL urged DVA ‘to provide more information on the many types of offsetting which are imbedded in the legislation and clarify the offsetting processes and why they are in place.’

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*Both SRDP and ADA are modernised versions of TPI and EDA and are designed as a safety net payment. The inclusion of Commonwealth superannuation reflects the level of financial support now available to veterans.*

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#### **Gold Card eligibility for DRCA veterans**

A handful of submissions called for the expansion of Gold Cards to include DRCA veterans. This is directly addressed in the draft legislation. DRCA veterans with high levels of impairment may, for the first time, be able to access a Gold Card under new arrangements. They will, however, require acceptance of a new claim for initial liability under the Act from 1 July 2026 or for a previous impairment to have worsened by at least five impairment points as a trigger for eligibility/assessment under the MRCA.

Other concerns raised included retrospectively extending the provision of a Gold Card to a DRCA widow whose partner’s death has been previously accepted to be service related and that the MRCA threshold test will prevent DRCA-eligible veterans from accessing the Gold Card.

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*DRCA veterans may become eligible for the Gold Card under certain circumstances.*

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#### **Update of incorrect wording used in the legislation, e.g. Victoria Cross for Australia**

A small number of errors have been identified by the veteran community and updated in the draft legislation.

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*Errors identified in the draft legislation have been updated.*

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#### **Expand MRCA eligibility to include all National Servicemen**

Submissions were received seeking confirmation that all National Servicemen will be covered under the MRCA, in addition to asking to expand non-liability health care to National Servicemen with service between 1965-1972. After commencement, anyone who has served in the ADF will have coverage under the MRCA. This includes people who have one day of service, regardless of whether it is full-time or reserve service, or National Service. It also includes people who have served during any period of time, regardless of whether they discharged before or after 1972.

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*From 1 July 2026, all National Servicemen will have eligibility for compensation under the MRCA.*

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**The unique arrangements for ADF Firefighters and F-111 Deseal/Reseal workers will be transferred into the MRCA**

DVA has an established support scheme for ADF personnel who participated in fire training at the Royal Australian Air Force (RAAF) Base Point Cook Fire Training School between 1 January 1957 and 31 December 1986 or firefighter service training at RAAF Base Amberley between 1976 and 1994. This scheme is currently based in DRCA will be 'lifted and shifted' into the MRCA. Additionally, presumptive liability for ADF firefighters with specified cancer and appropriate service under the DRCA will also be moved into the MRCA. DVA received queries seeking to confirm that the scheme will continue and responded to these concerns. A factsheet was also developed and published on the DVA website.

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*The unique arrangements for ADF Firefighters and F-111 Deseal/Reseal workers will be transferred into the MRCA.*

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**Harmonising travel for treatment under the three current acts**

Submissions were supportive of the harmonisation of private vehicle travel for treatment arrangements. A handful of submissions called for the rates of travel (vehicle allowance, accommodation allowance and meal allowance) to align with the Commonwealth employee rates. The current MRCA accommodation rates, which will be expanded to all veterans on 1 July 2026, are based on Commonwealth employee rates of accommodation reimbursement. Additionally, the higher MRCA vehicle allowance of \$0.68 per kilometre will apply to all veterans travelling for treatment.

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*Harmonisation of private vehicle travel for treatment arrangements, including a standard reimbursement amount and removal of a minimum distance.*

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**Responding to concerns of lump sums for vulnerable veterans**

Views were mixed in regard to the potential harm caused by providing lump sums to vulnerable veterans. While it is acknowledged that lump sums can be problematic, people were also of the view that there was an entitlement to receive the compensation as a lump sum if so desired, regardless of circumstance. The policy settings around the issue of trusteeship and decision-making support was a regular theme. In their submission, the RSL highlighted *"its concern about the known negative health implications for some veterans with a diagnosed addictive condition (or other severe mental health condition) when they receive a large lump sum Permanent Impairment compensation payment."*

DVA is currently reviewing and developing policy in relation to trusteeships and at-risk clients. The trustee provisions from the VEA have been replicated in the proposed enhanced MRCA. Based on feedback received during consultation, the Bill introduces an instrument making power that will enable the commission to determine circumstances where a veteran must receive financial advice. In conjunction with this, policy will be developed to outline the Commission's approach to encouraging vulnerable veterans to seek financial advice when available.

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*Based on feedback received during consultation, the Bill introduces an instrument making power that will enable the Commission to determine circumstances where a veteran must receive financial advice.*

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### **The MRCA does not sufficiently recognise the various caring arrangements that may apply in regard to section 80 payments**

The expansion of eligible recipients to include primary carers in respect of Eligible Young Persons (EYP) section 80 payments has been raised, as well as how additional veterans such as severely impaired VEA and DRCA veterans will meet the eligibility tests. There was commentary both in support of the change, and against.

Legacy Australia supported this proposal stating that “*while this still does not guarantee that the payment will be used for the intended purpose (e.g., the child’s education needs), it at least ensures that the funds can be used in the household that is providing primary care.*”

Alternatively, a joint submission from KCI Lawyers and Vietnam Veterans’ Federation of Australia suggested that “*the amount is paid to recognise the most serious injuries to veterans assessed at 80 impairment points and to assist their EYP’s due to the extent of the injuries. It is designed to compensate them and their children, not someone who fits the definition of have the “primary responsibility for the daily care of the eligible young person or child.”*

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*The draft legislation has changed the eligible recipients for section 80 EYP payments to include primary carers.*

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### **Questions about individual circumstances and transitional provisions**

DVA received many questions about what the legislation will mean for individual circumstances and what they need to do before / after the commencement. DVA has provided a number of scenarios on its website demonstrating how the single ongoing Act may impact individuals. These scenarios can be viewed at <https://www.dva.gov.au/about/royal-commission/veterans-legislation-reform-exposure-draft-consultation/veterans-legislation-reform-scenarios>. Advocate training was a particular focus, as was clear and concise information to assist veterans and their families make the decision to bring forward, or hold back, a claim.

DVA also received a number of requests for clarification on how the new arrangements would work, especially around grandparenting and seeking a commitment that current benefits and payments would not change or that veterans would not be worse off. Questioners were updated on the approach to grandparenting which served to assuage many of the concerns. The Frequently Asked Questions (FAQs) on the website were updated to better outline how grandparenting will work, and social media posts focussed on reassurance regarding the protection of existing payments. Queries have also been received about the impact to VEA, DRCA and TPI veterans as well as dependants (future war widows and children) and National Servicemen.

There were also questions about death benefits, the assessment of previously accepted VEA/DRCA conditions under the MRCA, the new head of liability (injury simpliciter), travel for treatment, smoking



related claims, the impact on case law and transition arrangements. A number of these questions highlighted that people do not understand the current system and entitlements. It has been a key principle of this reform that there will be no reduction in payments currently received or previously received by veterans. They also assisted DVA to target specific information in the FAQs.

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*DVA responded to questions about individual circumstances, updated FAQs and targeted social media posts for common questions.*

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### Timing

A small number of people expressed views on the timing of implementation. Some were concerned about the impact of the deferral to 2026 on veterans and others questioned why the legislation would be finalised before the final Report is handed down from the Royal Commission.

The Australian Special Air Service Association recommended “that the date for submissions and suggestions for the Draft Legislation be moved to 30 September 2024. Changing this date will allow for issues that are raised through the current Exposure draft feedback process and in the final RC Report, to be addressed in a widespread and considered manner.”

There were also questions about the training for delegates and advocates and there were some concerns expressed about a claims surge prior to or just after commencement. The proposed commencement date of 1 July 2026 takes these concerns into account by providing enough time for DVA to ensure appropriate supports for advocates and claims processing staff are in place.

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*It is important that we get this right and that veterans and their families have enough time to understand the impacts on their circumstance. DVA delegates and advocates will receive training in advance of the commencement date to ensure they can support veterans and their families through the transition.*

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### Submissions related to ongoing issues

The issues listed below have been categorised as ongoing. This is an acknowledgement that the issues may be resolved in the future as part of the legislative reform process or may be considered in the policy or administrative context during implementation. It is not a commitment from Government. Where DVA has undertaken initial consideration, this is provided below.

- Whole-of-Government coordination of veteran benefits and payments
  - The Minister holds regular Veterans’ Ministerial Council meetings with State and Territory counterparts to consider matters of interest that impact on veterans. Additionally, DVA works closely with Government Agencies, including with State and Territory Governments about a range of different issues.
- The MRCA terminology of dependants and wholly dependent partner is not appropriate

- DVA notes there is no firm view in the veteran community as to the preferred language associated with this entitlement. Work is currently underway with the Veteran Family Advocate Commissioner and relevant stakeholders to resolve this matter. However, any changes will be subject to Government agreement.
- The common law damages upper limit should be indexed twice a year
  - This suggestion may be considered as part of the implementation process.
- Provide coverage to address the modern, multi-agency approach to peacekeeping operations, including Police Officers and Defence Civilians
  - This expansion of eligibility may be considered by the Government in the future.
- Increased demand for financial advice, including advice on mismanagement of lump sum payments and requests to increase the costs available
  - This will be partly addressed if an instrument making power is introduced into the Bill as outlined under responding to concerns of lump sums for vulnerable veterans.
- Training for advocates and legal representation
  - The current training packages for the Advocacy Training and Development Program (ATDP) will be updated as part of implementation.
- The impact of changes (e.g. terminology) on state and territory concessions
  - DVA is engaging with all Australian States and Territories through the Commonwealth, State and Territories Committee.
- The Government needs to ensure an appropriate transitional plan is in place for veterans, families and advocates.
  - DVA has identified this as an implementation risk that will require mitigation strategies and community education.
- Information sharing processes between DVA and Defence
  - This is an ongoing issue that DVA and Defence are jointly working on.
- Incentives for care providers to help veterans.
  - DVA recognises the importance of care providers.

### Submissions that were out of scope

The list of issues in Table 1 have been categorised as out of scope. This is not a rejection of the issue; however, they are not considered necessary to achieve the simplification and harmonisation of the legislation. These requests have been forwarded to the appropriate business area in DVA for consideration.





Australian Government  
Department of Veterans' Affairs

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# Veterans' Legislation Reform Consultation Pathway

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

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## Message from the Minister



The Australian community has a clear expectation that defence personnel, veterans and their families are well looked after. This is an important task and responsibility of government – a solemn commitment. The Australian Government recognises that reform is required to simplify and

harmonise legislation governing compensation, rehabilitation and other supports for veterans and families to ensure they get the best support possible.

Currently, the legislation underpinning the compensation system for veterans 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 Royal Commission into Defence and Veteran Suicide delivered its Interim Report to the Government in August last year. This report found the system is *'so complicated that it adversely affects the mental health of some veterans and can be a contributing factor to suicidality'*.

The Government in its response to the Interim Report has already implemented one recommendation, agreed to nine, agreed in principle to one and noted two.

The work of the Royal Commission builds on the recommendations made by the Productivity Commission in its 2019 report, *'A Better Way to Support Veterans'*. Following an initial round of consultation on these recommendations, the Government is seeking feedback from the veteran and broader Australian community on a legislative reform pathway to create a simpler system in the future.

This consultation pathway is guided by a set of principles that will ensure legislative changes benefit the entire veteran community. The pathway proposes a future model whereby all claims are considered under one piece of legislation rather than three, creating a simpler system that makes it easier for veterans and families to understand their entitlements and receive the support they need, when they need it.

Importantly, the model also considers critical safeguards, such as grandparenting existing arrangements so there is no reduction in compensation payments currently being received by veterans, and current payment rates are maintained and indexed as they would be under the current system.

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 Hon Matt Keogh MP**

Minister for Veterans' Affairs

Minister for Defence Personnel

### 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/legislationconsultation2023](http://www.dva.gov.au/legislationconsultation2023).

## The need for legislative reform

Veterans' legislation is widely acknowledged as being complex and difficult to navigate and calls to simplify the current arrangements are longstanding. The legislative complexity and confusion impacts veterans, their advocates and families and DVA staff, directly contributing to delayed and inconsistent processing and claims backlogs.

This complexity has developed over decades so there are now three different pieces of veterans' entitlements legislation that can apply to a veteran's circumstances.

On 15 August 2017, a report of the Senate's Foreign Affairs, Defence and Trade References Committee, titled *The Constant Battle: Suicide by Veterans*, was tabled in Parliament. The Committee 'found the legislative framework for the veterans' compensation system to be complex and difficult to navigate' and 'was concerned that inconsistent treatment of claims for compensation and lengthy delays in the processing of claims were key stressors for veterans and their families'.

The 2019 Productivity Commission's Report *A Better Way to Support Veterans* contained the headline recommendation to implement a 'two ongoing schemes' compensation model built largely around the existing legislation. The PC highlighted a number of issues with the current framework and made recommendations to simplify the existing arrangements.

### Royal Commission into Defence and Veteran Suicide Interim Report

The Royal Commission into Defence and Veteran Suicide identified 50 previous reports since 2000 that are relevant to the topics of suicide and suicidality among serving and ex-serving ADF members.

In its Interim Report the Royal Commission recommended the Government develop and implement legislation to simplify and harmonise the framework for veterans' compensation, rehabilitation and other entitlements.

The Government, in its response to the Royal Commission into Defence and Veteran Suicide's Interim Report on 26 September 2022 agreed to develop a pathway for simplification and harmonisation of veteran compensation and rehabilitation legislation noting funding would be considered in the context of the budget process and timing would be informed by consultation and legislative processes.

Recommendations also called for the claims backlog to be eliminated, administration of the claims system to be improved and for veterans and family members to access their records and other information more easily. The Government's response to all the recommendations of the Royal Commission's Interim Report was delivered on 26 September 2022 and can be found online at <https://defenceveteransuicide.royalcommission.gov.au/publications/governments-response-interim-report>.

The Royal Commission's final report is due to be handed down in June 2024.

### Current Consultation Process

In October 2022, the Government commenced the first round of consultation on reforming veterans' legislation seeking views on the Productivity Commission's recommendations.

The Government is now undertaking consultation on the proposed legislation reform pathway, outlined in this document in line with the Government's response to recommendations of the Royal Commission.



# Proposed Veterans' Entitlements Legislation Reform Pathway

## Reform principles

The Government is committed to delivering a better future for the veteran community. In developing a Veteran Legislative Reform Pathway for consultation, the Government has been guided by the following principles:



The development and future implementation strategy is created in consultation with the veteran community.



The changes result in a simpler, sustainable legislative framework



There will be no reduction in payments currently or previously received by veterans

## Basis of Pathway for consultation

In developing this Veterans' Entitlements Legislation Reform Pathway for consultation, the Government has considered the recommendations made by the Productivity Commission as referred to in Recommendation 1 of the Interim Report of the Royal Commission into Defence and Veteran Suicide, as well as feedback provided through the Department of Veterans' Affairs consultation mechanisms and the public comments sought on the Productivity Commission recommendations at the end of 2022.

In particular, the Royal Commission pointed to recommendations to harmonise the initial liability process, move to a single standard of proof, harmonise the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) with the *Military Rehabilitation and Compensation Act 2004* (MRCA), a single rate for permanent impairment, and changing from the current three schemes system to a two schemes system for veterans' entitlements (recommendations 8.1, 8.4, 13.1, 14.1 and 19.1 respectively). The Government has also considered 21 other recommendations made by the Productivity Commission that would require legislative reform, relating to changes to particular entitlements to harmonise various entitlement payments across the three existing pieces of veterans' entitlement legislation and other administrative matters.

Concerns have been raised that the recommendation to move to two ongoing schemes would create a new range of complexities in the veterans' entitlements system, adding to confusion, workloads and delays in claims processing for veterans in a way that would be counter-productive to the overall objectives of simplifying veterans' entitlements legislation.

This is particularly due to the recommendation to allow some veterans to opt for which scheme they may fall into, which would necessitate assessment of claims against both of the two ongoing schemes and consideration of what further claims may be brought later to form a view as to which scheme may be more beneficial for a veteran.

For this reason, the Veterans' Entitlements Legislation Reform Pathway outlined here for consultation instead proposes moving to a single ongoing veterans' entitlement scheme. This approach would mean that for all new claims from a point in the future there would be a single initial liability process, and that significant changes are not required to be made to the DRCA to harmonise it with the improved MRCA, as reform could be focused on the one ongoing scheme. Similarly, the objectives of other recommendations to harmonise or change specific entitlement payments are achieved through a single ongoing scheme. The Pathway outlined for consultation would mean that recommendations 8.1 and 13.1, as well as three others (10.2, 14.3 and 14.10) are fully achieved, four recommendations are partly achieved (15.2, 15.4, 15.5 and 15.6), and 14 recommendations are not progressed (8.4, 14.1, 10.3, 10.4, 13.2, 13.3, 13.4, 14.2, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9 and 15.3). The proposed Pathway also meets the objective of recommendation 19.1 in a simpler way, without adding new complexities. Further consideration may be given to recommendation 13.2 to streamline the interactions between veterans' entitlement payments and superannuation invalidity pensions for veterans.

The Pathway outlined here is subject to the outcomes of these consultations and their consideration in the context of budgetary constraints.



## Core elements of the proposed Veterans' Entitlements Legislation Reform Pathway

- Establishing an improved MRCA as the sole ongoing scheme.
- Closing out VEA and DRCA to new compensation related claims.
- Grandparenting all existing arrangements to ensure there is no reduction in entitlements currently being or previously received by veterans. Current payment rates are maintained and indexed normally.
- A single ongoing Act will provide coverage for all future claims for compensation from a future date, irrespective of when and where the veteran served, or when their injury or illness occurred.
- A single Act system will provide greater clarity and consistency around entitlements for veterans and their families, simplifying claims.

## Current and proposed legislation pathway

### CURRENT SYSTEM

#### ***Veterans' Entitlements Act 1986 (VEA)***

##### **Pension based scheme**

Conditions from operational, peacekeeping and hazardous service before 2004. Covers some other defence service mostly between 1972 and 1994

#### ***Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988 (DRCA)***

##### **Workers' compensation model**

Conditions from non-operational service before 2004. Also covers operational service between 1994 and 2004

#### ***Military Rehabilitation and Compensation Act 2004 (MRCA)***

Conditions from service on or after 1 July 2004

### PROPOSED NEW SYSTEM

#### **Legacy VEA and DRCA**

Existing claims under the VEA and DRCA before the specified commencement date would remain under grandparented provisions of those Acts

#### **The single ongoing Act**

New claims from a specified commencement date irrespective of when and where the veteran served, or when their injury, illness or death occurred

## Date of Claim Approach

Currently there are three separate Acts that veterans need to navigate in order to claim compensation:

- the *Veterans' Entitlements Act 1986*;
- the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988*; and
- the *Military Rehabilitation and Compensation Act 2004*.

The Act that applies is primarily determined by the period of service which is related to the claimed injury, disease or death as well as the nature of that service. In some cases multiple Acts can apply.

The simplification of the legislation would result in decreased time taken to train staff and would speed up the claims process.

The 'Date of Claim Approach' proposes that from a future date all future claims will be investigated and determined solely under the single Act, regardless of the service that has caused the injury, disease or death.

The single ongoing Act proposal seeks to achieve a contemporary compensation scheme with enhancements that recognise the special nature of military service for future claims.

## Further improvements to the Veteran Support System

In addition to the proposal to move to a single Act model, the Government is consulting on a number of further improvements to the veteran support system:

### Providing the capacity to prescribe presumptively accepted conditions

This proposal would provide a legislative mechanism for veterans to have a causal connection to their service presumed for certain commonly claimed and accepted conditions. This means, in many cases, veterans will no longer be requested to provide as much, or any, evidence in order for a claim to be accepted. This would reduce red tape for veterans and families, and speed up decision-making for DVA.

This is consistent with Productivity Commission recommendation 13.1

### Making the existing Veterans' Review Board the first point of administrative appeal for all claims.

Currently veterans with coverage under the DRCA have 30 days to lodge a request for internal review and then 60 days to bring a request to the Administrative Appeals Tribunal (AAT) for further review. Under this proposal, prior to consideration by the AAT, all veterans would have 12 months within which to request a review by the Veterans'

Review Board (VRB). The VRB is a tribunal with specialist expertise in veterans' matters, that provides alternative dispute resolution and reviews of decisions for veterans and families.

This would implement Productivity Commission recommendation 10.2.

### Merging the existing Repatriation Commission and the Military Rehabilitation and Compensation Commission

These Commissions oversee Australia's veteran support system and are independent from Government. They play a critical role in administering veteran legislation and providing advice to Government. Combining these Commissions would remove unnecessary duplication and alleviate confusion for the veteran community in relation to administration and policy advice of legislative entitlements for veterans and families.

### Establish a Ministerial Advisory Council providing advice direct to the Minister for Veterans' Affairs.

The Ministerial Advisory Council would provide the veteran community and related experts with a mechanism to provide advice directly to the Minister for Veterans' Affairs. This would be in addition to the existing National Consultative Framework (NCF) currently utilised by the Department of Veterans' Affairs to seek input and advice from the veteran community. A new Ministerial Advisory Council would not replace the Ex-Service Organisation Round Table and other elements of the NCF.

This would implement Productivity Commission recommendation 11.4.

## Existing programs and support services not affected or impacted by the proposal

The proposal that has been put forward for consultation would only affect prospective claims for compensation and rehabilitation. Many programs and support services would remain unaffected by the proposal. These include programs with a current legislative basis under the *Veterans' Entitlements Act 1986* outside of compensation arrangements provided under that Act, such as:

- The income support system that provides for eligibility and payment of means-tested service pensions and income support supplements to veterans and partners;
- Existing eligibility for Non-Liability Health Care for conditions such as mental health conditions, cancers and tuberculosis; and
- The Defence, Veterans' and Families' Acute Support Package that supports families who are experiencing new and challenging life circumstances that means the family unit needs assistance to get back on track.

## Are you keen to learn more?

There are a number of ways you can get involved in the Legislative Reform Consultation Pathway process and provide your feedback.

### Webinars

These will provide an opportunity to hear more about the reforms, ask questions of experts in the Department and of course provide your individual feedback.

Further details about the webinars and how to register to attend will be published at

[www.dva.gov.au/legislationconsultation2023](http://www.dva.gov.au/legislationconsultation2023).

You can also sign up to receive further advice by emailing:

[legislation.reform@dva.gov.au](mailto:legislation.reform@dva.gov.au).

### Ex-Service Organisations

The Department will be engaging with the ex-service community through the Ex-Service Organisation Round Table and other national and state and territory ex-service organisation forums.

### Roundtables

A number of in-person roundtables will be held across the country with ex-service organisations and other key stakeholders.

If you'd like to receive further advice on this contact:

[legislation.reform@dva.gov.au](mailto:legislation.reform@dva.gov.au).

## How to provide feedback

We are keen to hear from you about the proposed legislation reform pathway.

Submissions may be made anonymously and will not be published without your permission.

### Website

You can submit your feedback via the DVA website during the consultation period. Scan the QR code



or visit [www.dva.gov.au/veterans-legislation-reform-consultation-pathway-feedback-form](http://www.dva.gov.au/veterans-legislation-reform-consultation-pathway-feedback-form).

Submissions close on 12 May 2023.

### Email

You can submit your feedback via email to

[legislation.reform@dva.gov.au](mailto:legislation.reform@dva.gov.au).

Submissions close on 12 May 2023.

### Download

To download a copy of this information booklet visit

[www.dva.gov.au/sites/default/files/2023-02/Veterans\\_Legislation\\_Reform\\_Consultation\\_Pathway\\_2023.pdf](http://www.dva.gov.au/sites/default/files/2023-02/Veterans_Legislation_Reform_Consultation_Pathway_2023.pdf).

### Fax

You can submit your feedback via fax:  
(03) 62216602

### Post

GPO Box 9998 Brisbane QLD 4001

### Translations

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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.

# OPEN ARMS

Veterans & Families Counselling

1800 011 046 [OpenArms.gov.au](http://OpenArms.gov.au)



Defence  
Family  
Helpline



1800 624 608

Defence  
All-hours  
Support Line



1800 628 036







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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## 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](http://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 of Matt Keogh in blue ink. The signature is written in a cursive style, with 'Matt' and 'Keogh' clearly legible.

**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](http://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 grandfathered
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](http://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](http://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	
<b>\$1,116</b> f/n VEA War Widow(er)'s Pension	<b>\$399</b> f/n VEA education allowance	<b>\$2,000</b> Funeral Benefit
life ✓ 	✓  while in full time education	

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



## 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<sup>f/n</sup>**  
MRCA

OR

**\$21,270**

Aged-based lump sum



## 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<sup>f/n</sup>**  
DRCA**5%** notional super  
contribution deducted**Under MRCA****\$2,962**  
f/n MRCA**\$366<sup>f/n</sup>** MRCA  
Includes Remuneration  
Allowance**5%** notional super  
contribution deducted

## 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<sup>f/n</sup>** VEA  
Extreme Disablement  
Adjustment DCP**Under MRCA****\$933<sup>f/n\*</sup>** MRCA OR **\$488<sup>f/n\*</sup>** MRCA +  
**\$149,056** lump sum

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

## Scenario 5

**Bruce, 68**

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

**Lodges claim for worsening conditions****Current VEA****\$363<sup>f/n</sup>** VEA  
60% Disability Compensation Payments**Under MRCA****\$370<sup>f/n\*</sup>** MRCA OR **\$244<sup>f/n\*</sup>** 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](http://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](http://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](http://www.dva.gov.au/legislationreform-feedback).



### Email

You can submit your feedback via email to [legislation.reform@dva.gov.au](mailto:legislation.reform@dva.gov.au).

### Download

To download a copy of this information booklet, visit [www.dva.gov.au/legislationreform](http://www.dva.gov.au/legislationreform).

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

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# OPEN ARMS

Veterans & Families Counselling



1800 011 046 [OpenArms.gov.au](http://OpenArms.gov.au)

Defence  
Family  
Helpline



1800 624 608

Defence  
All-hours  
Support Line



1800 628 036





<b>VETERANS' ENTITLEMENTS, TREATMENT AND SUPPORT (SIMPLIFICATION AND HARMONISATION) BILL 2024</b>  <b>CHANGES SINCE RELEASE OF EXPOSURE DRAFT</b>		
Reference	Change	Reason for change
<b>SCHEDULE 1</b>		
Item 1, section 3	Inserts additional detail into the simplified outline of the MRCA to incorporate the concept of a 'veteran', referred to in the MRCA as a member or former member of the Defence Force.	This change addresses feedback received during consultation to include a definition of veteran into the MRCA. This approach was adopted to avoid concerns raised by OPC that including a definition of veteran into the MRCA might create interpretive uncertainty given the definition would have no legal effect, as the MRCA uses the terms member and former member, instead of veteran.
Item 39, section 12AA	Subsection 12AA(2), which specified the parts of the VEA that a claim or application could be made is removed and parts of the VEA that claims or applications can no longer be made is specified in subsection 12AA(1).	This approach has been adopted for simplified drafting rather a long list of exceptions, making it easier for readers to understand the section.
Item 109, Division 4	Reference medical event on 'service' changed to 'duty'.	This change was made to better reflect the language in the bill.
Item 131, subsection 407A(3)	The words 'or any equitable obligations of confidence' have been added to subsection 407(3).	This change is included to overcome equitable obligations of confidence that may prevent Defence sharing information with the Commission. This is one element of the wellbeing reforms identified in the Defence Ministerial Submission MS24-000736. This text was agreed to by Defence, in light of OPC advice regarding limited timeframes for substantial redrafting of the Bill.
Item 167, subsections 43(1), 55(1), 62(1) and 212(1)	Notes inserted that the Commission is taken to have accepted liability for an injury or disease in certain circumstances (see section 24A).	These notes are inserted to clarify that persons who have injuries or diseases accepted under the VEA and DRCA may be eligible for rehabilitation under the MRCA.
Item 167, subsection 212(1)	Removes the threshold test and inserts a note that the Commission is taken to have accepted liability for an injury or disease in certain circumstances (see section 24A).	This change is a correction to ensure persons who have injuries or diseases accepted under the VEA and DRCA can become eligible for the Motor Vehicle Compensation Scheme.
Item 200, section 424M	Inserts an instrument making power that will allow the Repatriation Commission to specify circumstances and the classes of persons who are required to obtain financial or legal advice	This new power has been included to address concerns raised in public consultation on the Exposure Draft bill that the Government should consider additional safeguards to assist with

	before compensation or other benefits are paid under the MRCA.	long-term financial security of members and former members being paid significant lump sums.
<b>SCHEDULE 2</b>		
Item 7, section 268AA	Inserts a note at the end of section 268AA that a claim under section 319 of the MRCA is not required.	This note clarifies that an estate can receive automatic payment of funeral compensation without the need to make a claim. The provisions mirror existing arrangements under the VEA.
Item 33, sections 230A and 404A	Amendments to align Victoria Cross indexation to the VEA.	This change implements the VEA model of indexation for Victoria Cross allowance into the MRCA.
Item 49, section 404B	Introduces section 404B Indexation of prisoner of war recognition supplement.	This change implements the VEA model of indexation for prisoner of war recognition supplement into the MRCA.
Item 69, section 258	Adjustments to subsection 258(1A).	These changes make clear that access to education assistance may be available for a young dependent person where section 24A applies, subject to the compensable threshold being met.
Items 91 and 92, section 80	<p>Inserts a new subparagraph 80(2)(b)(iii) that the date determined by the Commission that a person is eligible for a payment under this section is to be when the person's overall impairment constitutes at least 5 impairment points.</p> <p>Subsection 80(4) is added that provides the Commonwealth is only liable to pay the additional compensation amount once for each eligible child of the impaired person.</p>	<p>This change was made following concerns raised by OPC that the date of determination for payments under this section was unclear, with the inclusion of persons where section 24A applies.</p> <p>Subsection 80(4) is added to avoid an interpretation of section 80 that an additional payment must be made on each occasion that a parent is assessed at 80 or more impairment points.</p>
Item 94, section 423	Parameters in paragraph 423(d), dealing with appropriation for 'special assistance', have been removed.	This change has been made to complement the removal of other restrictions concerning special assistance to allow the Commission greater flexibility to assist veterans.
<b>SCHEDULE 3</b>		
Item 12, section 359BA	Section 359BA, which dealt with the status of a board member of the VRB as an official of the department for the purposes of the finance law, has been removed.	There is no equivalent of proposed section 359BB currently in the Veterans' Entitlement Act. Our original instructions sought to clarify the position of Board members under the finance law which resulted in proposed section 359BB stating that a Board member is not an

		official of the department for these purposes. This provision was subsequently taken out so the issue could be considered more carefully, and that AGS/Department of Finance advice be obtained.
Item 10, section 352J	Powers of Board to request information from the Commission have been consolidated by repealing section 352R and moving the discretion of the Board to adjourn any hearing because of a request moved to section 352J.	The power of the Board to request information from the Commission in section 352R has been removed because section 352J contains the same substantive power in subsection (8) and the adjournment of a hearing has been incorporated.
Item 14	Inserts a separate line of appropriation for fees and allowances of witnesses for VRB hearings into in section 423 of the MRCA.	To make clear that these fees and allowances are appropriated for these purposes.
Item 85, section 137	Reinstates the ability of the Board to vary a pension assessment in the VEA while a hearing is adjourned.	This change was made to continue this power for VEA pensions in the event it is needed for Board reviews.
Item 109, section 29	Changes made that specifies a person holding the office as a member of the Board immediately before commencement holds that office on the same terms and conditions that applied before commencement.	These changes were made following constitutional advice from the Australian Government Solicitor's Office to overcome potential acquisition of property issues in the Bill concerning statutory office holders.
Item 23, section 360CD	Changes to subsection (2) to provide that the Secretary's allowances are taken to include allowances as President of the Repatriation Commission.	These changes were made following remuneration advice from the Australian Government Solicitor's Office to deal with potential ambiguities in the Secretary's remuneration as President of the Repatriation Commission.
<b>SCHEDULE 5</b>		
Item 26, section 370CN	Changes made to insert subsection (8) that provides Statements of Principles may be amended or revoked by the RMA in the same way as if it had been determined or amended under section 370CB or 370CC.	This subsection was inserted to clarify the powers of the RMA as a result of concerns raised by OPC that there appeared to be uncertainty in the RMA's powers to amend or revoke a Statement of Principles that was the subject of a direction of the Specialist Medical Review Council.
Item 26, section 370DI	Changes made to arrangements of RMA chair presiding at meetings to provide that the Chair must preside at all meetings.	This requirement has been put in place following consultation with the Repatriation Medical Authority. This means that where the Chair is unavailable for a meeting, that meeting will need to be rescheduled, as per current practice.

Item 26, section 380DK	Changes made to arrangements of the Specialist Medical Review Council Convenor presiding that meetings to provide that the Convenor must preside at meetings where the meeting is constituted to include the Convenor.	This means that where the Convenor or the appointed Councillor is not available for a meeting, that meeting will need to be rescheduled. This standardises the arrangements with the RMA.
<b>SCHEDULE 7</b>		
Item 26, section 380DK	Inserts subsection (3) which provides a person is entitled to incapacity compensation under the MRCA for a period in respect of incapacity even if the person received incapacity compensation for the same incapacity under the DRCA.	This change is the result of concerns raised in consultation on the Exposure Draft and ensures that a person is not excluded from incapacity payments under the MRCA because they previously received incapacity payments under the DRCA.
Item 9, subsections 12(5) and (6)	Added to exclude certain entitlements to death benefits under the MRCA where the death occurred before the date of commencement and the person is entitled or receiving a pension under section 13A of the VEA.	These changes implement the policy position that a person is not entitled to be compensated for the death of a person more than once.
Item 11, section 14A	Section 14A inserted to make provision for offsetting of VEA and DRCA payments against the Additional Disablement Amount.	These changes were introduced to mirroring existing arrangements for Special Rate Disability Pension offsetting.
Item 16, section 41	Changes made that specifies a person holding the office as a Commissioner immediately before commencement holds that office on the same terms and conditions that applied before commencement.	These changes were made following constitutional advice from the Australian Government Solicitor's Office to overcome potential acquisition of property issues in the Bill concerning statutory office holders.
Item 16, sections 88 and 89	Provides for pending DRCA and VEA claims that are submitted prior to commencement but yet to be finalized after commencement.	These sections implement the policy position that, with certain exceptions (sections 93, 106, 107, 110 and 112), pending claims are to be determined under the old DRCA or the old VEA, rather than being treated as a claim under the MRCA.
Item 16, section 92	Provides for the transfer of DRCA incapacity compensation recipients into the MRCA, which will move across during a transfer week following commencement.	This provision was put into the Bill following a Government decision that DRCA incapacity recipients should be transferred to the MRCA.
Item 16, section 102	Item 16, section 102, which deals with the application of indexation of Victoria Cross allowance, has been removed.	VEA methods of indexation for the Victoria Cross allowance was adopted in the MRCA, making this provision unnecessary.
Item 16, section 105	Item 16, section 105, which deals with the application of indexation for prisoner of war recognition supplement, has been removed.	VEA methods of indexation for the prisoner of war recognition supplement was adopted in the MRCA, making this provision unnecessary.



Item 16, section 113	Item 16, section 113 deals with reviews for Children Education Schemes under section 116D of the old VEA. It provides that where a request for review has been made but not yet determined, section 116D applies despite its repeal in the Simplification Act.	These changes have been made to maintain the current review pathway for Children Education Schemes of internal review by the Repatriation Commission with a right to further review in the Administrative Appeals Tribunal.
Item 16, section 122	Subsection (2) has been added, which provides that the regulations may provide a method of converting a lump sum amount into weekly amounts for the purpose of section 14A.	This subsection was added on the advice of OPC to deal with a potential deficiency current regulation making powers under the MRCA Consequential and Transitional Provisions Act.



Australian Government  
Department of Veterans' Affairs

# Veterans' Compensation and Rehabilitation Legislation Reform

**IMPACT ANALYSIS**  
**2024**

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# Glossary

<b>AAT</b>	Administrative Appeals Tribunal
<b>ADF</b>	Australian Defence Force
<b>ADA</b>	Additional Disablement Amount
<b>AHPA</b>	Allied Health Professions Australia
<b>AIHW</b>	Australian Institute of Health and Welfare
<b>ALA</b>	Australian Lawyers Alliance
<b>AMA</b>	Australian Medical Association
<b>ATDP</b>	Advocacy Training and Development Program
<b>CSC</b>	Commonwealth Superannuation Corporation
<b>DCP</b>	Disability Compensation Payment
<b>DRCA</b>	<i>Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988</i>
<b>DVA</b>	Department of Veterans' Affairs
<b>EDA</b>	Extreme Disablement Adjustment
<b>ESO</b>	Ex-service Organisation
<b>ESORT</b>	Ex-service Organisation Round Table
<b>GARP M</b>	Guide to Determining Impairment and Compensation
<b>GARP V</b>	Guide to the Assessment of Rates of Veterans' Pensions
<b>IA</b>	Impact Analysis
<b>MRCA</b>	<i>Military Rehabilitation and Compensation Act 2004</i>
<b>MRCC</b>	Military Rehabilitation and Compensation Commission
<b>MYEFO</b>	Mid-Year Economic and Fiscal Outlook
<b>NCF</b>	National Consultation Framework
<b>OIA</b>	Office of Impact Analysis
<b>PAMT</b>	Provisional Access to Medical Treatment
<b>PC</b>	Productivity Commission
<b>PIG</b>	Guide to the Assessment of the Degree of Permanent Impairment
<b>RAN</b>	Royal Australian Navy
<b>RC</b>	Repatriation Commission
<b>RCDVS</b>	Royal Commission into Defence and Veteran Suicide
<b>RMA</b>	Repatriation Medical Authority
<b>RTO</b>	Registered Training Organisation
<b>SMRC</b>	Specialist Medical Review Council
<b>SRCA</b>	<i>Safety, Rehabilitation and Compensation Act 1988</i>
<b>SoPs</b>	Statements of Principles
<b>SRDP</b>	Special Rate Disability Pension
<b>TPI</b>	Totally and Permanently Incapacitated
<b>TTI</b>	Temporarily Totally Incapacitated
<b>VEA</b>	<i>Veterans' Entitlements Act 1986</i>
<b>VRB</b>	Veterans' Review Board

## Impact Analysis – OBPR22-03734

### Executive Summary

Currently, there are three pieces of primary legislation governing veterans' compensation and rehabilitation, the VEA, the DRCA and the MRCA.

Various Government and independent reviews over recent years have identified that the legislative framework governing veterans' compensation and rehabilitation is too complex and that it requires simplification. The Royal Commission into Defence and Veteran Suicide (RCDVS) has heard that the complexity contributes to claims processing delays and uncertainty for veterans and families as to what they may be entitled to as current or former serving members of the ADF. It is also accepted that the current legislative complexity contributes to poor physical and mental health outcomes for veterans and families in need of support. The current three schemes have fundamental structural differences which often result in very different and seemingly inequitable compensation outcomes for veterans with similar conditions or injuries.

In its Interim Report of August 2022, the Royal Commission into Defence and Veteran Suicide (Royal Commission) described the current legislative framework as: "so complicated that it adversely affects the mental health of some veterans and can be a contributing factor to suicidality." The Interim Report made 13 recommendations, the first of which urged the Australian Government to develop and implement legislation to simplify and harmonise the framework for veterans' compensation, rehabilitation, and other entitlements. On 26 September 2022, the Australian Government responded to the Royal Commission's 13 recommendations. As part of its response the Government agreed to simplify the legislative framework.

Reforming the veterans' legislative framework must make the system easier to navigate for veterans and families with an increased focus on rehabilitation and lifetime wellbeing while continuing to deliver compensation outcomes.

Key reform objectives can be summarised as:

- creating a simpler compensation system that is easier for veterans and families to navigate
- enhancement of veteran wellbeing by reducing stresses associated with engagement with the compensation system and providing more timely access to benefits
- alignment of benefit types and eligibility for those benefits
- reduction in administrative burden.

Four options were considered during the policy development process:

**Option 1** (non-regulatory) - to maintain the status quo and retain the current tri-Act system with no structural legislative change or minor amendment.

**Option 2** - to maintain the status quo while making small-scale improvements that do not require large scale Government investment in legislative change or system redesign and can be implemented at a policy level or by minor legislative amendment. This option would allow for alignment of certain benefits and services across the primary Acts with no major structural legislative change.

**Option 3** - to move to a two-scheme approach, as put forward by the Productivity Commission in its 2019 report "*A Better Way to Support Veterans*" (Productivity Commission 2019 report). This option



would deliver compensation and rehabilitation under two schemes — the current VEA with some modifications ('Scheme 1') and a modified MRCA that incorporates aspects of the DRCA ('Scheme 2'). This option would require legislative change.

**Option 4** - from a future date the VEA and DRCA would be closed to claims and all claims received would be determined under the MRCA as the single ongoing Act. The MRCA would provide coverage for all future claims for compensation irrespective of when and where the veteran served, or when their injury or illness occurred. This option also seeks to implement further improvements to the veterans' support system such as aligning benefits across compensation and rehabilitation legislation. Implementation of **Option 4** would require action by government in implementing major legislative change.

Maintaining the status quo (**Option 1**) has no additional benefit for veterans or families. It would not contribute to simplifying the current complex legislative landscape of the veterans' compensation system and will not address the problem of legislative complexity. **Option 1** provides no net benefit.

There is limited benefit in continuing to make only small-scale improvements (**Option 2**). These improvements may allow for alignment of certain benefits and services across the primary Acts, but do not address the underlying complexities of the current legislative framework.

Reducing the number of Acts from three to two (**Option 3**) would result in some simplification of the veterans' legislation framework, compared with the current tri-Act system. However, it would only partially address the underlying inequity issues of the current system and may well create a new range of complexities in the veterans' entitlements system because some veterans would likely be faced with a complex choice as to which system they should be covered under. Any benefit brought about by reducing the number of Acts from three to two would be offset by added complexities.

All claims from a future date being assessed under an improved version of the MRCA (**Option 4**) would result in a significantly simpler legislative landscape. The MRCA is the most contemporary military compensation scheme that covers all current members. It was designed to recognise the unique nature of employment and service within the ADF and incorporates desirable elements of both the DRCA and VEA schemes. It also focuses on wellbeing and building the capacity of veterans to return to employment and participate in activities of daily living. **Option 4** also provides the ability to align many veteran and dependant benefits, ameliorating the notion of inequitable treatment of veterans across the different Acts.

**Option 4** is recommended as the best option. This option provides the greatest alignment with the policy objectives and principles and positions the Government to consider further streamlining of administrative systems as more veterans transition to the new scheme. The move to the MRCA as the single ongoing Act is broadly supported by key stakeholder groups due to the alignment of benefits, simplification of the legislative framework, reduction of barriers to veterans accessing entitlements and more contemporary nature of benefits. Multi criteria analysis also points to this approach as the most beneficial in terms of reduction in regulatory burden and it is the most likely option to achieve the key objectives of reform.

The Australian Government commenced the first of three rounds of public consultation regarding the reform of veterans' legislation in October 2022. While the three rounds were conducted as discrete intervals, engagement with organisations and individuals continued between and outside of these periods to ensure all relevant feedback was captured and to ensure that stakeholder groups were well informed regarding progress of the reform agenda. The consultation processes ultimately

informed the drafting and modification of the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024 for introduction to Parliament.

An initial round of consultation on the Royal Commission recommendation and related Productivity Commission recommendations was undertaken from 17 October 2022 to 14 November 2022. On 17 October 2022, the Minister for Veterans' Affairs, the Hon Matt Keogh MP, announced the consultation process and invited submissions. Much of the feedback related to individual concerns with current claims, supports or personal circumstances. However, there was strong overall support for legislative simplification and harmonisation.

The outcomes of the initial round of consultation informed a proposed pathway developed by Government to simplify veterans' compensation and rehabilitation legislation. The proposed Pathway entailed:

- establishing an improved MRCA as the sole ongoing scheme
- closing out the VEA and DRCA to new compensation related claims
- grandparenting all existing arrangements to ensure there is no reduction in entitlements currently being or previously received by veterans.

On 16 February 2023, the Minister for Veterans' Affairs, the Hon Matt Keogh MP, announced the commencement of public consultation on this proposed Pathway. The consultation period ran from 16 February 2023 to 12 May 2023. Formal written submissions were invited on the proposed Pathway.

The feedback provided by stakeholders in both rounds of consultation informed a submission to Government in the second half of 2023 on the way forward. This resulted in the drafting of the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024. Some of the key elements arising from the consultation processes that were incorporated into the draft legislation include:

- the safeguarding of current veteran and dependant entitlements by grandparenting existing payments
- recognition under the new Act of previously determined compensable conditions, with no need to re-establish liability
- continuation of the automatic eligibility for benefits for those dependants whose partner died while they had permanent impairments of more than 80 points or were eligible for the MRCA Special Rate Disability Pension
- retention of two standards of proof when applying the SoPs
- inclusion of the ADA in the MRCA to replicate the EDA payment under the VEA to veterans who are of pension age and have high levels of incapacity due to service conditions,
- legislating the ability to prescribe conditions subject to presumptive liability
- an exception to the prohibition of acceptance of liability under the MRCA for conditions related to service caused by tobacco use
- inclusion of the ability to accept liability under the MRCA by establishing a temporal connection between defence service and a medical condition.

The exposure draft legislation encompassing feedback from the previous consultation periods was released for public comment on 28 February 2024.

This consultation rounds revealed broad general support for legislation to be consolidated into a single ongoing Act, with many organisations and individuals agreeing that this approach would

achieve the desired outcome of simplifying the legislative system. Submissions expressed support for the expanded and equitable access to benefits, such as DRCA veterans gaining access to children's education schemes and potential eligibility for Gold Cards. Support was also expressed for the MRCA as the single ongoing Act because of its greater focus on rehabilitation.

Feedback was also received on matters that were considered out of scope. These included: further expansion to benefits and services beyond those considered directly connected to simplification and harmonisation; changes to coverage of cohorts beyond those already covered in the existing legislation; and changes to the underlying principles of the assessment methodology.

Changes were made to the draft legislation based on the feedback received, including; transitioning existing DRCA incapacity recipients into the MRCA from commencement; clarifying the meaning of the term veteran; and amending the offsetting arrangements between incapacity payments and Disability Compensation Payments.

If the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024 is passed by Parliament, DVA will design and execute a comprehensive implementation plan to ensure a smooth transition to the new system. This will include further consultation with internal and external stakeholders. Implementation including ICT delivery is fully funded through the 2023-24 MYEFO. DVA will monitor and evaluate the implementation and outcomes to gauge effectiveness and to ensure they align with the objectives and success metrics outlined in Chapter 2.

The new legislation is not scheduled to be operational until 1 July 2026 providing sufficient lead time to develop robust implementation and evaluation plans. Similarly, this timeline will allow veterans, advocates, and other stakeholders time to familiarise themselves with the new system and make informed decisions regarding the submission of claims under the current scheme or new arrangements. It is important to note that DVA is resourced to respond to any spikes in claims either prior to or post commencement.

Legislating to cover veterans' compensation and rehabilitation matters under a single ongoing Act will consolidate over 100 years of piecemeal legislation reform. This improvement will be critical in improving access to equitable benefit and services for veterans and families into the future.

# Introduction

The veteran compensation and rehabilitation legislative system supports veterans by providing rehabilitation, compensation, pensions, and other entitlements. This system is administered by the DVA and provides compensation and rehabilitation for injury and disease that are linked to service in the ADF. The system also provides support to veterans' dependants, including when a veteran dies.

The current veterans' legislation framework is extremely complex and is the result of over 100 years of evolution in response to the changing nature of warfare across the 20<sup>th</sup> and 21<sup>st</sup> centuries. The evolution has occurred in recognition of the unique and changing support needs of those who serve and have served in the ADF since its inception.

Until the early 1970s, those with operational service had compensation coverage under the repatriation system, while ADF members on peacetime service were covered by the Commonwealth employees' compensation system.

In 1973, the *Repatriation Act 1920* was extended to peacetime service for those who served for more than three years from 7 December 1972. However, coverage was still available under the civilian Commonwealth employees' compensation system (which was later to become the SRCA). This dual coverage introduced significant complexity to compensation arrangements for members of the ADF in that the date an injury or illness occurred became an important factor for consideration. In 1986 the VEA was introduced, covering pensions, allowances and other benefits, and providing treatment and other services.

In April 1994, the *Military Compensation Act 1994* introduced dual eligibility to the VEA and the civilian SRCA for members on operational, peacekeeping, or hazardous service, but removed dual eligibility under the VEA and SRCA for members on peacetime service. With some exceptions, members on peacetime service were covered only by the SRCA from 1994.

This complexity meant that the Act under which compensation was determined depended not only on the nature of the service being undertaken, but also on the date a particular member joined the ADF. This multi-Act approach led to significant differences in the compensation benefits payable under each respective Act. This was highlighted following a catastrophic accident involving Black Hawk helicopters in June 1996 in which 18 Army members were killed and another 12 injured. The date of enlistment of those killed or injured determined whether they or their dependants were eligible for compensation under the VEA and the SRCA, or only under the SRCA. This accident focused public and political attention on the differences in military compensation benefits that applied to ADF members killed or injured in the same incident or circumstance.

A subsequent interdepartmental inquiry and independent review led to the development of the MRCA, which commenced in 2004. The MRCA is the first compensation legislation specifically designed to cover the whole spectrum of military service, but only applies to service from 1 July 2004.

Successive reports and reviews have identified that the complexity of the legislation governing veterans' compensation and rehabilitation can contribute to poor outcomes for individual veterans and increases the cost of administering the system.

The last significant attempt to simplify the legislative framework was the introduction of the MRCA. While the MRCA scheme reduced complexity for those whose service commenced after its introduction, claims continued to be accepted under previous acts. The decision not to apply the

provisions in the MRCA to injuries and diseases related to service prior to its introduction has resulted in continuing complexity in navigating the system for those whose service commenced prior to 1 July 2004.

In its 2022 Interim Report, complexity of the veteran support system was identified by the Royal Commission as contributing to poor mental and physical health outcomes. While acknowledging that reform will be difficult, the Royal Commission recommended that the Australian Government implement legislation to simplify and harmonise veterans' legislation.

The policy proposals referred to in this IA are designed to respond to this recommendation, while decreasing the administrative burden for all those interacting with the system over the longer term.

## **The Current Legislative Framework**

The current legislative framework for veterans' compensation and other entitlements comprises three principal Acts: the VEA, the DRCA, and the MRCA.

### **VEA**

The VEA and its antecedent Acts operate, in broad terms, to cover periods of service in wars and certain other service prior to 2004 as well as peacetime service, subject to certain eligibility criteria, between 7 December 1972 and 6 April 1994.

The VEA is a pension-based scheme providing access to tax-free disability compensation payments based on impairment level and associated lifestyle effects. Income support payments are also provided for people with limited earning capacity and medical treatment is provided via either "white" veteran health care cards (for specific medical conditions caused by defence service) or "gold" veteran health care cards (for all medical conditions). Additionally, the VEA provides home care, community nursing, rehabilitation and other allowances depending on the circumstances of the individual.

The VEA also contains legislated authorities which are used to provide access to certain entitlements to veterans that are not linked to the acceptance of claims, such as access to Repatriation Health "Gold" Cards at age 70 for those who have rendered qualifying service (which generally requires service in a conflict) and access to non-liability health care.

### **DRCA**

The DRCA covers peacetime ADF service between 3 January 1949 and 30 June 2004. It also covers operational (warlike/non-warlike) service between 7 April 1994 and 30 June 2004.

Prior to 2017, coverage for ADF members with pre-2004 service was provided under the SRCA, which also provides compensation coverage to Commonwealth (civilian) employees. However, on 12 October 2017 the DRCA was created to move compensation arrangements for ADF personnel into a standalone, military-specific Act.

The DRCA (and before it, the SRCA) provides compensation coverage to ADF members, including income replacement in the form of fortnightly taxable payments, ceasing at age-pension age; tax-free lump sums for impairments resulting from injury or illness; medical treatment via health care cards in the same manner as the VEA (white cards for DRCA veterans only); reimbursement for household and/or attendant care services; and vocational/non-vocational rehabilitation assistance.

## MRCA

The MRCA applies to all service that occurs on and after 1 July 2004. The MRCA's benefit structure was primarily based on the DRCA, including a strong focus on rehabilitation, but also included some features of the VEA, for example, access to "Gold" health care cards which entitle veterans to DVA funded health care for all conditions regardless of whether the conditions are related to defence service. Transitional provisions were introduced to prevent anomalies and dual entitlements for veterans receiving, or eligible to claim, benefits under predecessor Acts.

The MRCA was intended to bring together rehabilitation and compensation provisions for all members of the ADF, including cadets, cadet instructors and members of the Reserve Forces in a single piece of legislation. However, the Government of the day retained the ability for eligible claimants to submit claims for compensation under the VEA and DRCA for injuries and diseases that relate to service prior to the introduction of the MRCA. The MRCA is the Act which best reflects contemporary thinking about compensation and rehabilitation for ADF personnel.

## Affected Population

The 2021 Australian Census reported that more than half a million Australians (581,139) have served or are currently serving in the ADF. There are 84,865 current serving members (full-time and reserve) and 496,276 former serving members (Australian Bureau of Statistics, 2021).

It should be noted that only a proportion of this number are currently known to DVA as not all serving and former serving members engage with the Department. DVA has forecast its client population to grow over the next ten years, increasing the number of veterans and family members affected by the proposed changes to the legislation, heightening the need and urgency for positive change.

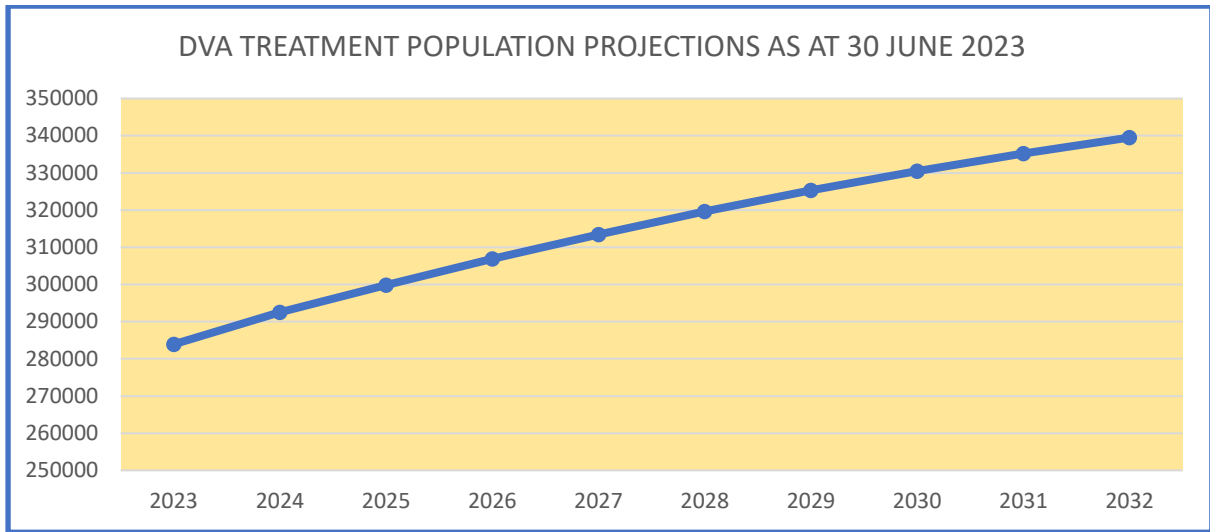
Total clients 2023	Forecast Total Clients 2033	Treatment population 2023	Forecast Treatment Population 2033
348,216	379,900	283,907	343,100

Source: (Department of Veterans' Affairs Data and Insights Branch, 2023)

In 2022-23, DVA received a net total of 42,357 initial liability claims. Approximately 39% of these claims were either dual or tri-Act claims adding a layer of complexity to the process for both veterans and claims processors (Department of Veterans' Affairs Data and Insights Branch, 2023).

The case for major reform is further supported by DVA's projections of an increase in the veteran treatment population. The figure below illustrates that by 2032 the number of veterans receiving DVA funded treatments will increase from 283,907 in June 2023 to 339,500, an increase of almost 20%. In the context of current geo-political tensions and instability, the increased operational tempo of recent years may well extend into the future, further increasing the need for serving and former serving ADF members to access rehabilitation and compensation services (Department of Veterans' Affairs Data and Insights Branch, 2023).

DVA Treatment Population Projections as of 30 June 2023



Data Source: (Department of Veterans' Affairs Data and Insights Branch, 2023)



# 1. What is the problem you are trying to solve and what data is available?

Various Government and independent reviews over recent years have identified that the legislative framework governing veterans' compensation and rehabilitation is too complex and that it requires simplification. It is accepted that the complexity contributes to claims processing delays and uncertainty for veterans and families as to what they may be entitled to as current or former serving members of the ADF. It is also generally accepted that the current legislative complexity contributes to poor physical and mental health outcomes for veterans and families in need of support.

## Royal Commission into Defence and Veteran Suicide

On 8 July 2021, the Governor-General, His Excellency General the Honourable David Hurley AS DSC (Retd), issued a Letters Patent, which established the Royal Commission into Defence and Veteran Suicide in response to an alarming number of suicides within the Veteran and Defence communities over the last 20 years. Between 8 July 2021 and 13 October 2023, the Royal Commission received over 5,000 submissions from organisations and individuals, many of which outlined lived experiences of the compensation system.

In its Interim Report of August 2022, the Royal Commission made 13 recommendations. Recommendation 1 recommended that the Government develop and implement legislation to simplify and harmonise the framework for veterans' compensation, rehabilitation, and other entitlements.

Chapter 4 of the Interim Report discusses the veteran compensation and rehabilitation legislation. It describes the current legislative framework as "so complicated that it adversely affects the mental health of some veterans and can be a contributing factor to suicidality." A considerable number of submissions spoke to the issue of legislative complexity contributing to poor mental health as the claims process often meant dealing simultaneously with injuries, mental illness and complex socioeconomic pressures while managing compensation claims under an overly complex system. (Royal Commission into Defence and Veteran Suicide, 2022).

The report further breaks down the legislative issues into the following categories:

- the complexity from piecemeal legislative reform
- the interaction between the three Acts
- different compensation for similar conditions
- multi-Act eligibility
- compensation and offsetting
- overpayment risk
- suicide risk.

The Royal Commission clearly calls out past inaction in response to other reviews and reiterates the need to simplify the complex legislative framework that governs veterans' compensation and rehabilitation (Royal Commission into Defence and Veteran Suicide, 2022). Its recommendations are key drivers of the reforms discussed in this analysis.

## Previous Reviews

Difficulties with the rehabilitation and compensation system have been the subject of numerous previous reviews, many of which recommended changes to the system.

The tragic deaths of 18 servicemen and injuries to 12 others in an accident involving two Black Hawk helicopters in June 1996 highlighted that differences in the date of enlistment of those killed or injured determined whether they or their dependants were eligible for compensation under two Acts (VEA and SRCA) or one Act (only SRCA). This accident focused public and political attention on the differences in military compensation benefits that applied to ADF members killed or injured in the same incident or circumstance. These highlighted inequities in the system led to the 1997 Department of Defence's *Inquiry into Military Compensation arrangements of the Australian Defence Force* (DoD Review). The DoD review concluded a new military compensation scheme should apply to both peacetime and wartime service.

*The Constant Battle: Suicide by Veterans* was tabled in Parliament on 15 August 2017. This report by the Senate's Foreign Affairs, Defence and Trade References Committee found the legislative framework for the veterans' compensation system to be complex and difficult to navigate and expressed concerns that inconsistent treatment of claims for compensation and lengthy delays in the processing of claims were key stressors for veterans and their families. In October 2017, the Australian Government agreed to "make a reference to the Productivity Commission to simplify the legislative framework of compensation and rehabilitation for service members and veterans" (Commonwealth of Australia, 2017).

In 2017, DVA, Defence and the Veterans and Veterans Families Counselling Service (now Open Arms) were asked to undertake a 'Joint Inquiry' into the circumstances of Australian veteran Mr Jesse Bird's death by suicide. The Joint Inquiry made 19 recommendations, which the Government accepted (Department of Defence and Department of Veterans' Affairs, 2017). In 2018, then Minister for Veterans' Affairs, the Hon Darren Chester MP, commissioned Emeritus Professor Robyn Creyke AO to 'undertake an independent review of the implementation of the nineteen recommendations of the 'Joint Inquiry'. In her March 2019 report, *Independent Review of the Implementation of the Recommendations of the Joint Inquiry into the Management of Jesse Bird's Case*, Professor Creyke noted that one of the hurdles DVA faces is:

*"it's complex claims legislation ... and the consequential impact of this complexity on DVA's claim processes, staff capability, and client experience"* (Creyke, 2019).

She further noted:

*"[a] suggestion ... that there needs to be continued focus on legislative change to the VEA, alongside that for the MRCA/DRCA, pending more wholesale legislative changes following the final report of the Productivity Commission"* (Creyke, 2019).

In his 2019 report, *The Mental Health Impacts of Compensation Claim Assessment Processes*, Professor Alex Collie identified that DVA's compensation claims process was likely to negatively impact the mental health of veterans and that while other measures may help, the most significant benefits would be those brought about by legislative change (Collie, 2019).

On 27 June 2019, the Productivity Commission delivered to the Australian Government its comprehensive report *A Better Way to Support Veterans* which, among other matters, recommended legislative simplification and harmonisation. The Productivity Commission commenced its list of 'Key Points' with:

*“Despite some recent improvements to the veterans’ compensation and rehabilitation system, it is not fit-for-purpose – it requires fundamental reform. It is out-of-date and is not working in the best interests of veterans and their families, or the Australian community”*  
(Australian Government Productivity Commission, 2019).

The Australian Government provided an interim response to the report in October 2020 and an updated response in May 2021.

On 5 February 2020, the then Prime Minister announced that the Australian Government would establish a new National Commissioner for Defence and Veteran Suicide Prevention (National Commissioner) to inquire into, and support the prevention of, the deaths by suicide by ADF members and veterans.

On 16 November 2020, the Australian Government appointed Dr Bernadette Boss to the role of National Commissioner for Defence and Veteran Suicide Prevention on an interim basis in anticipation of legislation to formally create the role of the National Commissioner for Defence and Veteran Suicide Prevention. The role of National Commissioner has since been subsumed by the Royal Commission into Defence and Veteran Suicide. Dr Boss was able to complete her preliminary interim report during her tenure as National Commissioner. During her investigations, Dr Boss identified the need to *“fundamentally reimagine”* the entire veteran’s legislative framework (Boss, 2021).

In Recommendation 4.1 of her preliminary interim report, Dr Boss stated:

*“The Australian Government should fundamentally reconsider the purpose of the Department of Veterans’ Affairs (DVA) rehabilitation and compensation legislative framework. The current framework, which is premised on a compensation model, should be replaced with a wellbeing model, which incorporates concepts of social insurance more aligned with the National Disability Insurance Scheme. This model should include safety net access to payments.”* (Boss, 2021)

Dr Boss also agreed with the Productivity Commission’s 2019 report in that the system is *“not fit for purpose”* (Boss, 2021).

Further details on previous reviews can be found at [Appendix A](#).

## Differences in Entitlements and Perceived Inequity

As described previously, the current three schemes have fundamental structural differences, which have hampered attempts to harmonise them. For example, the VEA is a pensions-based scheme, whereas the MRCA and DRCA offer more traditional income replacement and non-economic loss compensation more akin to traditional civilian workers compensation arrangements. This means that compensation outcomes for veterans can differ significantly for similar conditions or injuries, depending on the claimant’s individual circumstances. These fundamental differences and their perceived inequities are a source of frequent disquiet within the veteran community. The table below provides some indicative examples of fundamental differences in benefits available across the three different Acts that comprise the current legislative framework.

Issue/discrepancy	Description
Gold Cards	<i>The Gold Card is a treatment card that provides DVA funded clinically required treatment for all medical conditions. The Gold card is available to eligible veterans and dependants under the MRCA and VEA but not the DRCA.</i>
Use of Statements of Principles (SoPs) to determine liability	<i>Liability claims under the MRCA and the VEA are generally determined by reference to Statements of Principles (SoPs), which contain causative "factors" linked to the development of specific medical conditions. SoPs are based on medical-scientific evidence and are determined by the RMA, an independent statutory body comprising medical practitioners eminent in their field. Under the DRCA, liability for defence-related conditions is determined by delegates on a case-by-case basis using evidence provided by individual specialist medical practitioners. As such, there is greater scope for discretion (and inconsistencies) when determining liability compared to the VEA and the MRCA.</i>
Access to Education Schemes	<i>The Veterans' Children Education Scheme (VCES) and the Military Rehabilitation and Compensation Act Education and Training Scheme (MRCAETS) provide special assistance, student support services, guidance, and counselling for eligible children of veterans with coverage under the MRCA and VEA to help them achieve their full potential in full-time education or career training. Currently, children of veterans with coverage under the DRCA do not have access to these education schemes.</i>
Funeral Benefits	<i>For claims under the MRCA and DRCA, providing eligibility criteria are met, a funeral benefit of up to \$14,062.53 (as of April 2024) is payable following the death of a veteran. While the MRCA and the DRCA provide payments which are intended to cover the <u>entire</u> cost of the funeral, the VEA only allows for a co-contribution payment of \$2,000 to be made. The eligibility criteria to access the funeral benefit under the VEA are, however, far broader than under the DRCA and the MRCA.</i>
Incapacity Payments	<i>Former members receiving incapacity payments under the MRCA receive an additional loading to compensate for the loss of non-financial benefits of being in the ADF. DRCA incapacity payment recipients do not receive this remuneration loading and have a notional 5% reduction in incapacity payments to reflect the employee superannuation contribution that would have been paid.</i>

In addition to the illustrative examples listed above, there are many other differences in benefits and payments available under the three Acts along with fundamental differences in the methodology used to determine Commonwealth liability and calculate impairment levels. A broader list of differences can be found at [Appendix B](#).

Another consequence of having multiple Acts is the need for offsetting of compensation between Acts (to ensure veterans are not over- or under-compensated). Again, this is confusing for veterans and a source of many complaints. Offsetting can also lead to errors in compensation estimates, which can have serious consequences for veterans. Invalidity pensions paid by the CSC operating alongside the support system means further offsetting and additional complexity.

## Prevalence of Suicidality in the Veteran Population

Those who serve in the ADF are recruited and trained to be physically and mentally resilient. While serving, there are a range of protective factors that are likely to reduce the risk of mental ill-health: a strong sense of purpose, camaraderie, and easy access to health care. Conversely, other aspects of defence service can present significant challenges and risks, often with long lasting effects. ADF members can be exposed to mental trauma, perceived or real serious physical injury or death, along with long periods of time spend time away from family and frequent relocation. RCDVS analysis reveals that on average three deaths by suicide occur every fortnight and further examination supports the hypothesis that some aspects of service may present risk factors to serving members in terms of suicidality. This is further supported by the by Queensland Centre for Mental Health Research, which estimates that current serving permanent ADF members had 5.84 times the odds of having suicide-related contact with police or paramedics compared to current serving reserve and ex-serving ADF members.

Once veterans transition from the ADF, they no longer benefit from the factors that supported them while serving and are at a greater risk of suffering from poor mental health during transition from military to civilian life.

The AIHW reports that there were 1,677 certified suicide deaths between 1 January 1997 and 31 December 2021 of ADF members who have served since 1985 (Australian Institute of Health and Welfare, 2023). The Royal Commission Interim Report commented that “suicides may be underreported in official statistics in Australia.” (Royal Commission into Defence and Veteran Suicide, 2022). This is due to several reasons, including that deaths by suicide are not always officially recorded as such, there is no clear definition of what constitutes suicide in Australia, serving and ex-serving ADF members are not always identifiable in suicide data and Defence data collections on suicide, ideation, self-harm, and attempted suicides are disjointed and incomplete.

The AIHW produces an annual report monitoring suicide prevalence among current and former serving ADF members. The key findings of the 2023 Report are that full-time serving, and reserve males were less likely to die by suicide than the general Australian population. However, ex-serving males and females were more likely to die by suicide than the general Australian population (Australian Institute of Health and Welfare, 2023).

Compared with the Australian population, suicide rates (after adjusting for age) between 1997 and 2021 were: 49% lower for male permanent ADF members; 45% lower for reserve ADF males; 26% higher for ex-serving ADF males; and 107% (or 2.07 times) higher for ex-serving ADF females. The rate of suicide for ex-serving ADF females was lower than the rate for ex-serving ADF males (Australian Institute of Health and Welfare, 2023).

Analysis undertaken for the Royal Commission by the AIHW, using ADF members alive in the 2011 census, has found the risk of suicide among ex-serving males between the years 2011-2018 was:

- more than four times as high for those who are widowed, divorced, separated, or never married relative to couples in a registered or de factor marriage.
- more than four times as high for those aged 17-24 years as those aged 45-80 years.
- about seven times as high for those earning \$200-\$599 per week relative to those earning \$1,500 or more (Australian Institute of Health and Welfare, 2023).

According to the AIHW, these risk factors exist in the general male population also, but the size of the suicide risk for each of them is two to three times as high in the ex-serving male population as in the general male population (Australian Institute of Health and Welfare, 2023).

In addition to analysing data relating to suicidality, the RCDVS analysed information regarding other long term health conditions of former serving ADF members. This analysis revealed that rates of all other long-term health conditions, as well as the rate of those needing assistance with activities of self-care, mobility or communication, were also higher in ex-serving regular ADF personnel than the general population. Relative to those who have never served, the greatest health condition disparities were for potentially serious conditions such as arthritis, heart disease, mental health, cancer and lung conditions. This disparity highlights the need for timely access to benefits and treatment for the veteran population.

## General complexity of DVA's claims process under the tri-Act system

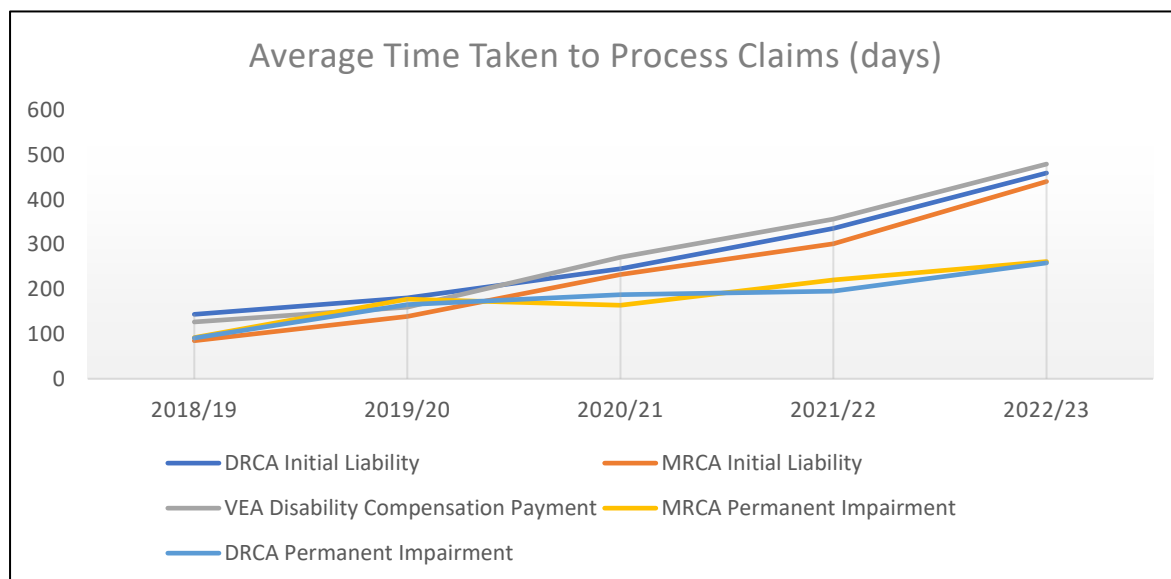
The time it takes for DVA to process a claim depends on how complex the claim is. For example, if the service of the individual is covered by two or more Acts, or claims involve multiple health conditions, it will usually take more time to determine those claims compared with single Act/single condition claims. The following statistics were drawn from DVA's Annual Report 2022-23:

- in 2022-23, there was a gross total of 74,374 claims received by DVA.
- approximately 23% of these claims related to service covered by more than one Act (Department of Veterans' Affairs, 2023).

Due to the historical accretion of complex legislation, compensation arrangements administered by DVA are complicated and are comprised of multiple interrelated processes. A claimant's journey through these processes will largely depend on his or her service history and the nature of the injury or disease claimed. The complexities and operational difficulties caused by the need to maintain a three-tiered administrative system under the current tri- Act framework hinder DVA's ability to process compensation claims efficiently. When coupled with an increasing number of claims being submitted year on year, this complexity affects the timely processing of claims potentially creating uncertainty for veterans and their families and impeding access to benefits in some cases.

The increase in time taken to process different claim types over recent years is illustrated below.

### Average time taken to process claims (days)



Source: DVA website

As discussed, administrative complexity combined with an increasing number of claims being submitted each year are primary contributors to the increasing times taken to process claims. Some of the reasons for the recent increase in claim numbers include:

- it is now easier to lodge claims online
- DVA is now more connected with veterans who were previously unaware of the services it provides services, such as through the Veterans' Recognition Program, mobile service centres and social media



- the expansion of some services to include veterans and serving members with at least one day of continuous full-time service
- serving members are more aware that it's important to claim for injuries at the time they occur and to claim all conditions before they transition out of Defence.

It should be noted that the complexity of the tri-Act system has a greater effect on the determination of initial liability claims (including establishing liability under the VEA). Increases in time taken to process subsequent MRCA and DRCA permanent impairment claims are not as pronounced and arise partly because of increased delays in the processing of liability components.

Making a claim that meets all the requirements of the relevant legislation can be daunting for veterans and their families. The process for the veteran and/or family member includes obtaining a medical diagnosis for the condition or disease and providing evidence as to why it is service related. Documents needed to support this may include information about the medical condition or conditions, doctor's details, any relevant medical reports including diagnostic imaging and specialists' notes, information about the service relevant to the onset of the condition being claimed and supporting documentation such as incident reports.

All three Acts contain provisions that are broadly similar in the way that they prescribe the way a claim can be made. Generally, a claim should be in writing and in accordance with requirements specified by the relevant Commission or prescribed in regulation (if any). Controls over the making of claims are important, as the date a claim is taken to be lodged can directly affect the calculation of compensation payments under the VEA or the MRCA (though this is not a consideration under the DRCA). For this reason, there are specific methods of lodging a claim for each Act which add a layer of complexity for claimants.

For the Commonwealth to pay compensation to a veteran, liability for the veteran's injury must be accepted i.e. the Commonwealth must accept that the injury or condition is related to service in the ADF. There are, however, fundamental differences in the way this is applied practically in the determination of claims across the three pieces of legislation.

The MRCA authorises the making of claims for both acceptance of liability and for compensation. While in theory, this can be done concurrently or sequentially, DVA's administrative processes attempt to ensure that this is done sequentially i.e. that liability is accepted (an Initial Liability claim) before compensation is determined. Generally, a claim for compensation cannot be determined favourably until Commonwealth liability for a service injury or service disease has been accepted.

There is no legislative mechanism under the VEA or the DRCA to make only an 'initial liability' claim. It is a standard process in assessing a claim to determine whether the injury or disease relates to service, i.e. to establish liability. However, under the current legislation there is no separate action for a veteran to undertake to make a claim for a disability pension under the VEA or claim for compensation under the DRCA. These differences create difficulties for both veterans and claims processing staff and highlight the need for correctly determining the Act that provides coverage in each individual circumstance.

It is important for veterans, claims advocates, and DVA claims processing staff to have clarity about the legislative landscape that applies when deciding upon which Act provides coverage for an individual claim. A claim being lodged and/or processed under the wrong Act can cause complications for the claimant and DVA along with unnecessarily delaying determination of the claim.



It is worth noting that scheme complexity also appears to have increased in the veterans' legislative landscapes of the United States, Canada, New Zealand, and the United Kingdom reflecting the Australian experience. Changes have included: expanded injury/impairment categories, payment levels and types (for both economic and non-economic loss), pension and/or lump sum payment options, further distinctions between service type, and 'grandfathering' for service prior to the introduction of the new schemes, again mirroring the Australian experience. The United States and New Zealand operate a single scheme. While the United Kingdom and Canada have two; Australia is the only jurisdiction of the five with three separate schemes.

## Complexities relating to determining liability

### Heads of Liability

There are several criteria (known as 'heads of liability') under each of the Acts that define when a condition can be deemed to be service related. There are key differences between the VEA/MRCA and the DRCA in determining whether a condition is a service condition.

Under the MRCA and the VEA a condition can be found to be service related if at least one of the heads of liability is met; in order to accept liability, the link to service must in most cases be supported by the relevant SoP factor. In the case of non-SoP conditions, the link to service must be supported by medical opinion.

The most common heads of liability tests are that the condition:

- arose out of, or was attributable to, defence service rendered by the veteran while a member. This means that something associated with the individual undertaking service in the ADF resulted in the condition. Under both the MRCA and the VEA, a condition may be found to be service-related if ADF service contributed to a material degree to the development of the condition.
- resulted from an occurrence that happened while the veteran was a member rendering defence service. This links the time of injury to the time of employment in the ADF.

Under the DRCA diseases and injuries are assessed under different heads of liability due to the Act's genesis in civilian workers' compensation schemes. For diseases, the claims assessor must decide whether service contributed — generally 'material' or 'to a significant degree', depending on the date of onset — to the disease (i.e. there must a causal link). For injuries, the delegate must be satisfied that the injury 'arose out of or in the course of the employee's employment' before liability can be accepted (that is, a temporal link). SoPs are not used to determine liability under the DRCA.

Under all three Acts, generally a condition cannot be found to be service related where it came about due to a self-inflicted act, an act of the veteran's own negligence (e.g. under the influence of alcohol or unauthorised drugs) or a serious breach of discipline. There are exceptions to this prohibition on liability - for example when such an action results in serious and permanent impairment.

### SOPs

The legislative instruments known as SoPs define specific conditions, typically with reference to common symptoms, and list a set of causal factors for that condition. Each causal factor contains an event (such as 'experiencing a significant physical force applied to or through the affected joint' or 'being bitten by a mosquito') and often a period between that event and clinical onset or worsening of the condition (for example, 'at the time of clinical onset/worsening' or 'within the two years before clinical onset/worsening').

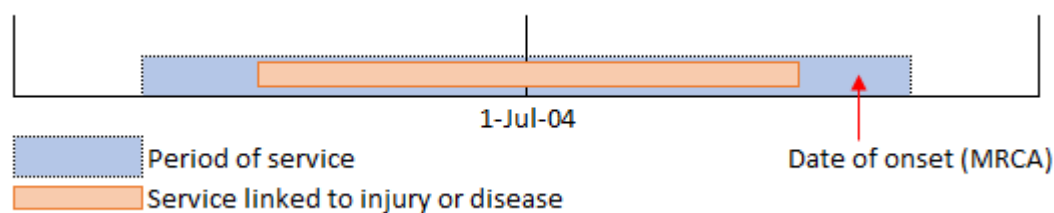
The SoPs are binding for liability decisions made under the VEA and MRCA for all decision-makers. This means that a hypothesised link between the claimant's condition and service *must* be supported by at least one factor in the relevant SoP before liability for that condition can be accepted. Claims assessors cannot accept a claim that makes a hypothesis linking a veteran's condition to their service through a factor that is not included in an existing SoP. The RMA has created around 2,500 SoPs since 1994, and over 300 injuries or diseases are covered. There are conditions and claims that are not covered by the SoPs. In such cases a medical opinion is required to establish the cause of the condition and to accept liability the decision maker must be able to link that cause to service.

Unlike the MRCA and VEA, claims under the DRCA are not bound by the SoPs. DRCA assessors and claimants can choose to use the relevant SoPs as a guide when assessing or advocating for a claim. However, this is not required and may not be useful, particularly as the different heads of liability under DRCA mean that some SoP factors are not relevant. The use of SoPs to determine some initial liability claims but not others contribute to the complexity of the claims system for veterans, their families and administrators and is the source of considerable disquiet regarding the inequitable treatment of claims depending upon when a veteran served.

### Complexities relating to chronology of service and onset of condition

The MRCA 'Transitional Provisions' are contained within the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Act 2004*, which also amended certain provisions of the VEA and the DRCA when it was enacted. These provisions prescribe when the MRCA applies to a claim and when it doesn't.

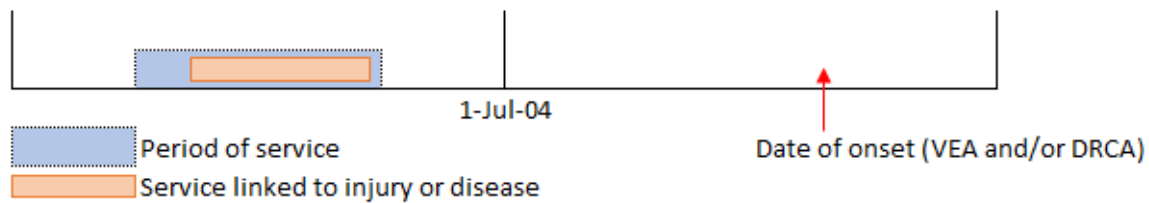
Whether the MRCA applies to a claim or not is determined by whether service rendered on or after 1 July 2004 relates to the onset of the injury or disease claimed. Where the onset of the claimed injury or disease relates to service rendered on or after 1 July 2004, then the MRCA applies to the claim and the VEA and the DRCA do not. The onset claimed injury or disease does not have to relate solely to service rendered on or after 1 July 2004; that is, where there is evidence service rendered before 1 July 2004 also relates to the claimed injury or disease, as well as service rendered on or after 1 July 2004, then the MRCA still applies to the claim, and the VEA and the DRCA do not. The diagram below illustrates this.



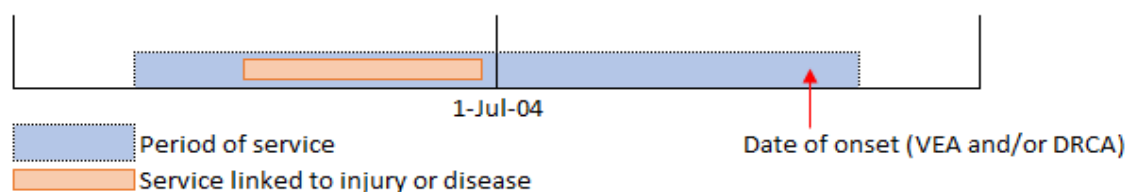
Just because a person has rendered service on or after 1 July 2004 does not mean that this service is related to the claimed injury or disease, even where onset is on or after 1 July 2004. For example, the MRCA would not apply to a claim from a person who was exposed to asbestos while serving the RAN in the 1970s and developed an illness, such as mesothelioma, with a clinical onset after 1 July 2004.

The diagrams below illustrate that where an injury or disease has onset after 1 July 2004 and the service that relates to that injury or disease was rendered prior 1 July 2004, the VEA or the DRCA might apply to that injury or disease, and not the MRCA.

In the first diagram, the person did not serve after 1 July 2004.



In the second diagram below, the person's service spanned 1 July 2004, but only their pre-1 July 2004 service can be linked to the injury or disease.



The MRCA will apply to neither of these claims and depending on the details of service, either the VEA or the DRCA, or both, may apply.

Applying the Transitional Provisions to a single claim for multiple injuries or diseases lodged by a person with service that spans 1 July 2004 might result in the MRCA applying to some of those injuries and diseases, and not to others, depending on the way in which each injury or disease might be related to service. For example, a claim made for PTSD and chondromalacia patella of the right knee might result in the MRCA not applying to the claim for PTSD because it relates to a stressor which occurred on deployment in 2003, but with the MRCA applying to the right knee condition because due to a trauma suffered in 2006.

It should be noted that for the purposes of the Transitional Provisions, an aggravation of an injury or disease is treated as a new injury or disease. In this way, it is possible for the VEA and the DRCA to apply to a claim for the same condition of the MRCA. This will happen in circumstances where the onset of original injury disease occurred prior to 1 July 2004, and relates to service rendered before that date, but a worsening due to aggravation (as opposed to natural deterioration) relates to service rendered on or after 1 July 2004. For example, a person might claim PTSD with onset related to a stressor that occurred on deployment in 2003. However, the symptoms of the PTSD might have worsened after a subsequent stressor during peacetime service in 2006. In this case, the MRCA will not apply to the claim for the onset of the conditions, but both the VEA and the DRCA will, whereas the MRCA will apply to a claim for the aggravation that occurred in 2006.

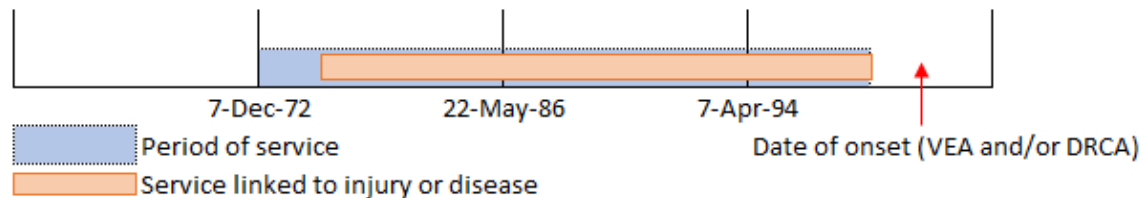
### Dual Eligibility

While the operation of the Transitional Provisions prevents the MRCA from applying to a claim for the same injury or disease as the VEA or the DRCA (with the exception noted above for aggravations), a claim can be made under both the VEA and the DRCA for the same injury or disease.

Where a claim is successful under both Acts, offsetting occurs to ensure that the claimant is not compensated twice under both Acts for the same 'incapacity'. Given the differences in the

separate benefits structures under the two Acts, it is important to recognise that the operation of the offsetting provisions may influence a person's choice about under which Act they want to make a claim.

The diagram below demonstrates where peacetime service may give rise to dual eligibility under the VEA and the DRCA.



## Complexities and differences in the calculation of impairment levels

### MRCA

The MRCA uses the GARP M to assess the level of impairment of a veteran and the amount of compensation. A veteran's impairment is rated from 0–100, based on the level of functional loss suffered by the veteran. For example:

- five impairment points is associated with conditions such as a lower-level speech impairment, severe skin disorder or amputation of multiple toes (aside from the great toe)
- twenty impairment points are assigned to conditions such as those that result in a moderately reduced walking pace and inability to manage stairs without rails
- a person who is blind in one eye would receive a rating of 25 impairment points, while a person who is blind in both eyes would receive a rating of 85 impairment points.

Impairment ratings for each body part are combined to form the whole of person impairment rating, using a table in the GARP M (rather than adding impairment points for each injury together).

The veteran is also assigned a lifestyle factor of between 0–7, depending on how the impairment affects their lifestyle. A veteran who previously had a more sedentary lifestyle may have a lower lifestyle factor than a veteran who had a more active lifestyle.

The impairment rating and lifestyle factor are combined to determine the compensation factor, which is the percentage of the maximum rate of compensation the veteran is entitled to. For example, a veteran with warlike service, with an impairment rating of 20 and a lifestyle factor of 2 would have a compensation factor of 0.222. That is, they would receive 22.2 per cent of the maximum rate of compensation available under the MRCA. Permanent impairment compensation payments under the MRCA may be taken as a fortnightly payment, a lump sum, or a combination of the two.

### VEA

The VEA uses the GARP-V to assess a veteran's level of impairment. The process under the VEA is like the process under the MRCA, with one key difference. Impairment ratings and lifestyle factors are combined to determine the veteran's level of incapacity — a number between 0–100 which reflects the percentage of the General Rate of the DCP that the veteran can receive. It should be

noted that the DCP is calculated as a periodic payment that is paid fortnightly and is not able to be converted to a lump sum payment.

### DRCA

The DRCA uses the Comcare Guide to the Assessment of the Degree of Permanent Impairment to estimate the level of compensation available to the veteran. There are some key differences between the approaches used under the VEA and MRCA, and that under the DRCA:

- the DRCA does not use a whole of person impairment approach. Impairment ratings and compensation are calculated for each injury separately and are not combined together
- lifestyle factors under the DRCA are on a 0–100 scale. These are not combined with the impairment ratings using a table. Rather, there are three components to the DRCA permanent impairment compensation — two of these are estimated using the impairment rating, and the third is estimated using the lifestyle factor.

Permanent impairment compensation payments under the DRCA are paid as lump sums with no option to be taken as periodic payments.

In summary, as described by the Royal Commission into Defence and Veteran Suicide, several other government-commissioned reviews, and by DVA's own admission, the effects of the complexity caused by the current multi-Act legislative system are tangible, potentially detrimental to the physical and mental health of veterans and their families, along with increasing the administrative burden and cost to the Australian Government. The legislation needs to be simplified so veterans can more easily gain an understanding of their entitlements and not experience unnecessary delays in accessing them due to administrative complexity. Ideally, rectification will include alignment of benefits, methods of assessing liability and impairment levels, along with maintaining a fit for purpose, contemporary compensation and rehabilitation scheme that recognises the unique nature of military service.

## Data Gaps

Data gaps are an ongoing issue acknowledged by both DVA and Defence, which are jointly exploring data sharing options within legislated information sharing and privacy boundaries. DVA operates under an 'opt in' model, meaning that clients are not known to DVA until they contact the Department. This presents challenges in determining the total Australian veteran population and consequently, the ability to estimate how many unknown clients may have tri-Act, dual-Act or single Act eligibility. The Australian Government has undertaken several steps to address these challenges. The 2021 Census asked a targeted question aimed at identifying the ADF current and former serving population. This was the first time the Census had been used to identify the size of the veteran population. Additionally, since mid-2018 eligible transitioning members of the ADF have been automatically issued a veteran white health care card for NLHC mental health treatment. These steps have assisted greatly in closing the data gaps, but do not assist in retrospectively identifying veterans that have not yet engaged with DVA.

## Question 1 Summary

Various Government and independent reviews over recent years have identified that the legislative framework governing veterans' compensation and rehabilitation is too complex and that it requires simplification. It is accepted that the complexity contributes to claims processing delays and uncertainty for veterans and families as to what they may be entitled to as current or former serving members of the ADF. It is also accepted that the current legislative complexity contributes to poor physical and mental health outcomes for veterans and families in need of support.

The Royal Commission into Defence and Veteran Suicide is the latest in a list of reviews (detailed in [Appendix A](#)) that have identified the veterans' legislative framework as complex and requiring Government action. The Royal Commission's Interim Report recommendations are a key driver for the need to simplify the complex legislative framework.

Some of the key legislative issues can be broken down into the following categories:

- differences in entitlements and perceived inequities
- general complexity of DVA's claims process under the tri-Act system
- complexities relating to determining liability
- complexities relating to chronology of service and onset of condition
- complexities and differences in the calculation of impairment levels.

The legislation needs to be simplified so veterans can more easily gain an understanding of their entitlements and not experience unnecessary delays in accessing benefits and services due to administrative complexity.



## 2. What are the objectives, why is government intervention needed to achieve them, and how will success be measured?

On 26 September 2022, the Australian Government responded to the 13 recommendations contained in the Interim Report of the Royal Commission into Defence and Veteran Suicide. The Government agreed to Recommendation 1: Simplify and harmonise veteran compensation and rehabilitation legislation which further states “The Australian Government should develop and implement legislation to simplify and harmonise the framework for veterans’ compensation, rehabilitation and other entitlements.” (Royal Commission into Defence and Veteran Suicide, 2022). Recommendation 1 outlined that drafting of new legislation should be completed by 22 December 2023 for presentation to Parliament in early 2024. Implementing legislation can only be accomplished by Government. The final report of the Royal Commission into Defence and Veteran Suicide is expected in September 2024.

There is the strong expectation within the veteran community that the Australian Government will act on this undertaking to simplify the legislative framework that governs veterans’ compensation, rehabilitation, and other benefits for the increasing number of veterans and their families in need of assistance. Adding to this expectation is the fact that veteran claimants were injured in the course of their employment with the Australian Government and as such as the government is seen as having an obligation as the legislative authority to act in their interests by simplifying the framework governing their compensation and rehabilitation entitlements.

The Australian Government is well placed to intervene in response to these expectations as it has developed expertise in part through DVA in implementing major changes to military compensation schemes over the last 38 years. Major legislative changes have included:

- introduction of the VEA in 1986
- introduction of the SRCA to cover Commonwealth employees
- modification of the SRCA in 2017 to enact the DRCA
- the 2004 introduction of the MRCA.

The listed changes have necessitated developing DVA’s capacity to develop and implement different claims processing methodologies including working with information technology providers to create suitable platforms for efficient administration of the claims process. DVA has retained much of the corporate knowledge gleaned from these exercises and as such has the capability to enact future changes to the compensation system if required.

### Reform Objectives

Reforming the veterans’ legislative framework must make the system easier to navigate for veterans and families. This will enhance veteran health and wellbeing by making it easier for veterans and families to understand and access their entitlements. Simplification of the framework will also reduce the administrative burden thereby facilitating more timely access to benefits and services. A further objective is to align differing benefit types and eligibility across the legislative landscape to eliminate inequities (perceived and real) in the current three Acts.

An objective of the reform is to provide a more wholistic approach to support of veterans, beyond compensation and rehabilitation. This includes taking a lifetime approach to supporting veterans and their families and be more focused on wellness and ability (as opposed to illness and disability) along with minimising harm from service. Such an approach needs to be more responsive to the changing needs and circumstances of contemporary veterans, which will require more flexibility in supports and the way they are provided.

Over the longer term, major simplification will also reduce the departmental cost of supporting veterans by reducing the complexity of administrative decision-making processes, and at the same time increase consistency in decision making. The reforms will also reduce the complexity of training of DVA staff and veteran advocates and will decrease the level of legal and advocacy support required by veterans claiming compensation.

Simplification will be achieved at the same time as maintaining a contemporary, fit for purpose rehabilitation and compensation scheme that recognises the unique nature of military service.

The key reform objectives are:

- creation of a simpler compensation system that is easier for veterans and families to navigate
- enhancement of veteran wellbeing by reducing stresses associated with engagement with the compensation system and providing more timely access to benefits
- alignment of benefit types and eligibility for those benefits
- reduction in administrative burden.

Measurable indicators of the proposed new framework operating more efficiently than the existing one would include:

- consolidation of veterans' workers' compensation schemes, with a greater focus on rehabilitation and lifetime wellbeing while continuing to deliver compensation
- greater overall client satisfaction with interactions with the compensation system
- streamlined and improved claims decision making
- alignment of dollar amounts for similar benefit types
- decrease in the time necessary to effectively on-board and train new compensation claims delegates
- streamlining of compensation claims-advocate training.

The success indicators will be measured through DVA's existing performance measurement channels, including but not limited to the yearly Client Insights Survey (previously known as the Client Satisfaction Survey), the Client Benefits Client Satisfaction Survey, claim processing times, DVA delegate onboarding training evaluation and feedback received regarding the Advocate Training and Development Program (ATDP). This strategy will provide a mix of quantitative and qualitative analysis.

Since 2010, the Client Insights Survey has been the key activity to capture statistically robust data to help measure the experiences of clients engaging with DVA and track their satisfaction over time. Survey results are a vital indicator of the success of DVA's transformation and reform journey. The Client Benefits Client Satisfaction Survey commenced in 2020 to gather client feedback on their experience with DVA staff while their claim is being processed. This is a qualitative measure to complement existing quantitative measures in relation to client benefits programs. Both ongoing surveys will measure the overall client satisfaction with interactions with the compensation system.

Success factors are expected to be realised within five years of the implementation of reforms. The 2024 client satisfaction survey was released in early June 2024 and once concluded, will establish a baseline in terms of measurement.

## Barriers to Reform

The Royal Commission Interim Report identified that achieving simplification and harmonisation of veteran compensation and rehabilitation legislation will be difficult. They identified that “barriers may include lack of political will, lack of consensus on a preferred legislative reform model, lack of resources, and risk of additional complexity. But they do not justify inaction.” The overall benefits for veterans and families warrant overcoming the potential barriers to reform.

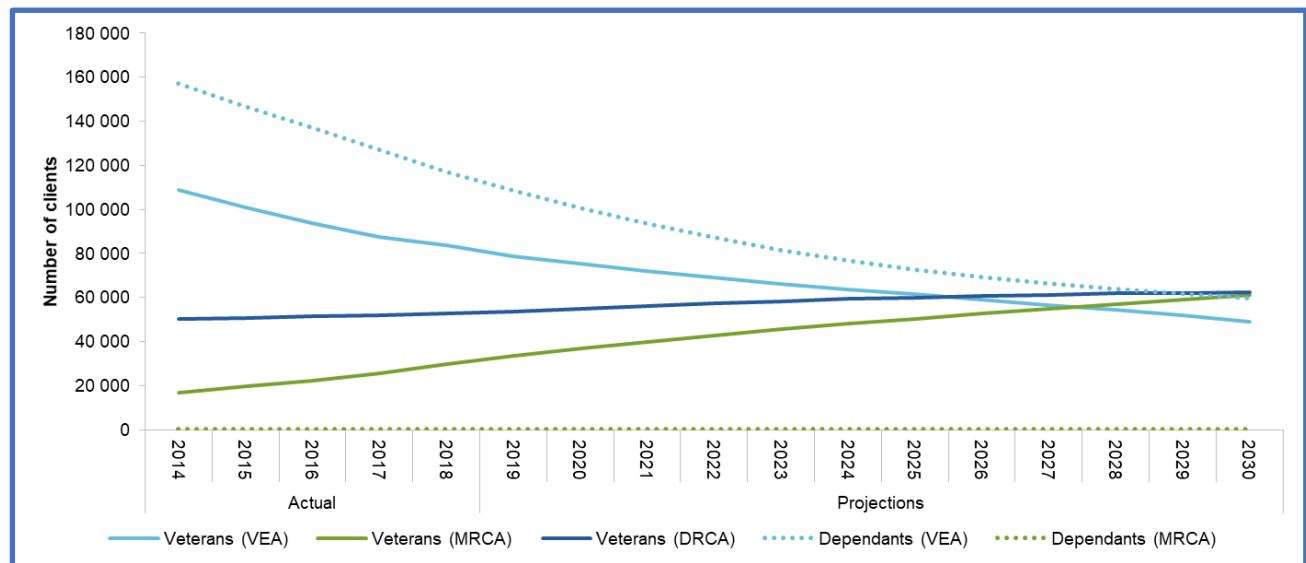
While it is widely accepted that the legislative framework for the veterans’ support system should be simplified, stakeholders have varying views about how this should occur. For example, there are differing views about whether some of the structural differences, such as the varying standards or proof required to determine liability and rates of permanent impairment compensation, should be changed, and if so, how.

In April 2022, in her written statement of evidence to the Royal Commission, the then DVA Secretary Ms Liz Cosson said that there is *“a lack of a shared view or consensus among the veteran community about what a reformed veteran support system should look like.”* Ms Cosson further stated; *“Harmonising the acts is difficult without affecting the existing entitlements of some veterans.”* (Cosson, 2022).

The Australian Government’s *‘Update to the Government Response to the Productivity Commission Report’* again recognised the need for legislative reform while acknowledging lack of consensus on the best way forward as a barrier. It stated that *‘[t]hrough engagement with defence force personnel, veterans, their families and ex-service organisations, it is clear that there are still considerable differences on the best approach to this legislative reform’* (Australian Government, 2021)

The Government’s response also stated that a legislative reform roadmap would be developed and that Government: *“recognises that the most recent legislation, the Military Rehabilitation and Compensation Act 2004, will be the primary veterans’ legislation going forward and there will be a long tail of the two earlier Acts, the Veterans’ Entitlements Act 1986 and the Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988 as illustrated below. DVA has projected that while decreasing naturally, by 2030, there will still be over 60,000 dependants covered under the VEA alone.”* (Australian Government, 2021).

### Actual and projected veterans and dependants by Act



Source: (Australian Government Productivity Commission, 2019)

Historically, achieving consensus within the veteran community regarding significant reform has proven extremely difficult. The ESO sector is diverse with over 5,000 veteran services providers and charities with veterans listed as beneficiaries operating in this space. Each organisation has interests vested within specific Acts largely depending on the demographic makeup of the veteran sector represented.

### Alternatives to legislative change

In recent years, in recognition of the complexity of its legislation and problems created by a growing claims backlog, DVA has implemented several policy measures to enhance veterans' experience in dealing with the department and to expedite their access to support. Some examples of these measures include:

- the extension of non-liability health care for mental health conditions to all serving and ex-serving ADF members with a least one day of full-time service (previously only available for those with operational service and limited peacetime service).
- expanding interim Permanent Impairment compensation payments for veterans making claims under MRCA. Veterans with PTSD, Anxiety Disorder, Depression, Substance Abuse Disorder or Alcohol Use Disorder have been able to receive an interim compensation payment if their impairment assessment demonstrates that they have a level of impairment of 10 points or more, but it is not yet stable.
- introducing Streamlined Processing and Computer Based Decision making where initial liability claims processing is expedited for commonly accepted service-related conditions.
- introducing the PAMT program where veterans with initial liability claims under the MRCA or DRCA can access treatment for 20 commonly accepted conditions while they are waiting for their claims to be determined.
- providing access to the Veteran Payment which provides financial assistance to veterans while their claim for a mental health condition is being considered.
- expanding the use of Combined Benefits Processing where a single team handles the three functions of determining liability, conducting the needs assessment, and determining

permanent impairment compensation. This provides a single point of contact for veterans to support them through all three processes.

- seeking supplementary funding for extra claims processing staff.

While these measures have been effective to some degree in enhancing the client experience by increasing timely access to services, they do not address the fundamental problem of legislative complexity but merely temporarily alleviate some of the symptoms caused by that complexity.

The Productivity Commission's 2019 report provides:

*"Despite some recent improvements to the veterans' compensation and rehabilitation system, it is not fit-for-purpose – it requires fundamental reform. It is out-of-date and is not working in the best interest of veterans and their families, or the Australian community"* (Australian Government Productivity Commission, 2019).

There has also been repeated criticism that the system is so complex that many claimants require the assistance of veterans' advocates, even for relatively straightforward claims. There has been significant investment into training volunteer advocates to assist claimants to ameliorate the complexity of the claims process, but the training and accreditation processes required are detailed and lengthy (reflecting the complexity of the system) and the number of volunteers willing to take on the advocacy role is falling (Australian Government, 2018). Inability to navigate the system or to find a qualified advocate may prevent or make it difficult for some veterans to access their entitlements. This is leading to poorer financial and health outcomes as identified by the Royal Commission.

While incremental improvements have been made with implementation of pragmatic policy settings and operational initiatives, change of the magnitude required to have a meaningful impact can only be achieved by significantly reforming the underlying legislative framework.

The need for major legislative change is also summarised by the Productivity Commission 2019 report which states:

*"The key message of this report is that despite recent improvements to the system, the current veterans' compensation and rehabilitation system requires fundamental reform.*

- *It is not working in the best interests of veterans and their families or the Australian community.*
- *It is not set up in a way that minimises harm from service-related injury and illness.*
- *It is not meeting the needs of contemporary veterans and will struggle to meet the needs of future generations of veterans.*
- *It needs to be brought more in line with contemporary workers' compensation schemes and modern person-centred approaches to rehabilitation, health care and disability support. This includes placing veterans and their families at the heart of the system and taking a more holistic, flexible, and individualised approach to supporting them.*
- *It needs efficient and effective governance and administrative arrangements that are suited to meeting the future challenges and emerging needs of veterans"* (Australian Government Productivity Commission, 2019)

## Question 2 Summary

Key reform objectives can be summarised as:

- creating a simpler compensation system that is easier for veterans and families to navigate
- enhancement of veteran wellbeing by reducing stresses associated with engagement with the compensation system and providing more timely access to benefits
- alignment of benefit types and eligibility for those benefits
- reduction in administrative burden.

Some indicators of the proposed new framework operating more efficiently than the existing one would include:

- consolidation of veterans' workers' compensation schemes, with a greater focus on rehabilitation and lifetime wellbeing while continuing to deliver compensation
- greater overall client satisfaction with interactions with the compensation system
- streamlined and improved claims decision making
- alignment of dollar amounts for similar benefit types
- decrease in the time necessary to effectively on-board and train new claims delegates,
- streamlining of claims-advocate training.

In recent years, DVA has implemented several policy measures to improve the client experience by expediting access to support. However, change of the magnitude required to have a meaningful impact can only be achieved by significantly reforming the underlying legislative framework.

### 3. What policy options are you considering?

Four policy options have been considered under the pathway for legislative reform.

The following policy principles were proposed to guide development of all policy options for reform:

1. Any reforms to the veterans' legislation framework should ensure that the veterans and families benefit, and there is no reduction to any benefits an individual veteran or family already receives.
2. Legislative reform should result in a simpler, more sustainable legislative framework. This means that veterans, families, and advocates will find the system easier to navigate and less confusing. It also means that the system will be more efficient and streamlined for DVA to administer.
3. The pathway to legislative reform should be developed and implemented in close consultation with the veteran and Defence communities.

#### Summary of options considered

Option	Details	Government action required to implement?
1	Maintain the status quo (no structural legislative change).	No
2	Small-scale improvements that do not require large scale Government investment and can be implemented at a policy level or legislative amendment basis (no major structural legislative change).	No (if improvements are at a policy level only)  Yes (if legislative change required)
3	A two-scheme approach, as put forward by the Productivity Commission in its 2019 report " <i>A Better Way to Support Veterans</i> ". This policy option entails compensation and rehabilitation delivered under two schemes — the current VEA with some modifications ('Scheme 1') and a modified MRCA that incorporates aspects of the DRCA ('Scheme 2') (requires structural legislative change).	Yes
4	From a future date, all claims received would be determined under the MRCA as the single ongoing Act from a specified future commencement date, irrespective of when and where the veteran served, or when their injury or illness occurred. The VEA and DRCA would be closed to new compensation related claims, but existing entitlements under those Acts at the date of commencement of the new arrangements would be grandparented (requires structural legislative change).	Yes

**Option 1** is to maintain the status quo and retain the current tri-Act system with no structural legislative change or minor amendment. There would be no additional administrative burden attached to this option nor would there be any administrative issues posed by transitioning from one



scheme to another. However, this approach would not address any of the issues identified by the Royal Commission into Defence and Veteran Suicide or previous reports.

In addition to the effects on claimants' mental and physical health outcomes, the current complexity contributes to the need for volunteer and paid advocates to assist claimants and an increased degree of difficulty for DVA to investigate and determine claims under multiple Acts. Unless legislative simplification is accomplished, it is likely that this situation will be exacerbated with the ADF's increased operational tempo of recent years. This is expected to result in an increased number of future claims being processed in a system which is widely acknowledged as too complex and no longer being fit for purpose.

This option would not see a reduction in the time taken to process claims or a reduction in error rates and decision review requests. It would perpetuate a level of complexity that does not support modern compensation philosophies of wellness and rehabilitation. The only advantage of maintaining the status quo is that it would not require any adaptation to a new system by stakeholders and would not incur any extra cost.

**Option 2** is to maintain the status quo while making small-scale improvements that do not require large scale Government investment and can be implemented on a policy level or minor legislative amendment basis. This option would allow for alignment of certain benefits and services across the primary Acts but like **Option 1** would not address the recommendations of the Royal Commission and previous reports to reduce overall legislative complexity and therefore not reduce the potential harms identified as being associated with such complexity. An example of such a small-scale improvement while maintaining the current tri-Act framework would be the alignment of funeral benefits across the three Acts. Current differences in funeral benefits are listed in the table below:

Differences in funeral benefits across the three Acts

VEA	DRCA	MRCA
A one-off funeral benefit payment of up to \$2,000 to help with the funeral costs of an eligible veteran or dependant. This amount is not intended to cover the entire cost of a funeral.	Reimbursement of up to \$14,062.53 to help with the funeral costs of an eligible veteran or dependant (stricter eligibility requirements apply than under the VEA).	Reimbursement of up to \$14,062.53 to help with the funeral costs of an eligible veteran or dependant (stricter eligibility requirements apply than under the VEA).

Aligning benefits under this would allay some concerns regarding inequity of benefits payable under each of the Acts but is unlikely to result in more timely access to benefits for veterans and their families. Additionally, this option perpetuates the tri-Act framework and would not see an overall reduction in complexity. Maintaining the current level of complexity by implementing **Option 2** would not reduce the number of claims decisions being appealed nor is it likely to decrease the number of complaints received regarding claims administration. Like **Option 1**, it would also not provide the scale of reform required to achieve the objective of providing a more contemporary compensation scheme for veterans into the future.

**Option 3** is to move to a two-scheme approach, as put forward by the Productivity Commission 2019 report. This policy option entails compensation and rehabilitation delivered under two schemes for veteran support — the current VEA with some modifications ('Scheme 1') and a modified MRCA that

incorporates aspects of the DRCA ('Scheme 2'). This option would require legislative change (Australian Government Productivity Commission, 2019).

The Productivity Commission also recommended that eligibility for the schemes should be modified so that:

- veterans who only have a current or accepted VEA claim for liability at the implementation date will have all their future claims processed under scheme 1. Veterans on the VEA special rate of disability pension (otherwise known as TPI) would also have their future claims covered by scheme 1.
- veterans who only have a current or accepted MRCA and/or DRCA claim (or who do not have a current or accepted liability claim under the VEA) at the implementation date will have their future claims covered under scheme 2. Other veterans on MRCA or DRCA incapacity payments would have their future claims covered by scheme 2.
- remaining veterans with benefits under the VEA and one (or two) of the other Acts would have their coverage determined by the scheme that is the predominant source of their current benefits at the implementation date. If this is unclear, the veteran would be able to choose which scheme they would be covered by at the time of their next claim (Australian Government Productivity Commission, 2019).

#### Productivity Commission Two Scheme Approach

Scheme 1	Scheme 2
Clients with previous VEA claims	Clients with previous MRCA or DRCA claims All clients without existing claims

Dependants of deceased veterans would receive benefits under the scheme that the relevant veteran was covered by. If the veteran did not have an existing or successful claim under the VEA at the implementation date, the dependants would be covered by scheme 2.

Veterans who would currently have their claims covered by the pre 1988 Commonwealth workers' compensation schemes should remain covered by those arrangements through the modified MRCA legislation.

While reducing the number of Acts from three to two would result in some simplification of the veterans' legislation framework, there are concerns that implementing a two-scheme model may create a new range of complexities in the veteran entitlements system, adding to confusion, workloads, and delays in claims processing. This option would require some veterans to choose which scheme they would fall into. Those veterans would need to assess the potential benefits they may receive under each of the schemes, including the chances of acceptance of claims under differing initial liability processes before they could make an informed decision about which scheme may be more beneficial.

The Productivity Commission's recommendation to implement a two schemes approach was not accepted by the previous Government. In its updated response to the Productivity Commission's report in May 2021, the then Government noted that "*...there are considerable differences on the best approach to this legislative reform*" and that it would continue to consult with the veteran

*community on how to reduce the complexity of the legislative framework.”* (Australian Government, 2021).

While implementing two schemes would simplify the current legislative framework to an extent, and was an option noted by the Royal Commission in its 2022 Interim Report, this approach is not considered optimal because of the new complexities it would bring, along with perpetuating the differences in entitlements and subsequent perceptions of inequities across the VEA and MRCA. The fundamental differences between a pensions-based scheme (VEA) and one based on modern compensation principles (MRCA) would remain.

It does not meet the stated objective of providing contemporary wellness-based workers compensation arrangements in the short to medium terms as the VEA is a scheme based on pensions for life along with lifetime medical treatment and does not encourage rehabilitation and wellness. While natural attrition would ultimately result in veterans being covered under Scheme 2 (MRCA) a large cohort of veterans would remain covered under Scheme 1 well into the future, with dependants being covered for even longer. This option does little to simplify the framework in terms of claims lodgement and processing for veteran advocates and DVA staff as it necessitates familiarity with two systems (acknowledging that this represents some improvement over the current three system framework). Implementing such a system is unlikely to result in reduction in waiting times for veterans claims to be processed as a level of complexity due to administering two acts concurrently remains and will do for some years due to the current veteran demographic.

**Option 4** articulates that from a future date, all claims received would be determined under the MRCA as the single ongoing Act. The MRCA would provide coverage for all future claims for compensation from a specified future commencement date, irrespective of when and where the veteran served, or when their injury or illness occurred. Effectively, this would result in a “single Act” system for all new claims received after that date, which would provide greater clarity and consistency around entitlements for veterans and their families along with improving administration processes.

Like **Option 3**, **Option 4** will require major legislative change.

The VEA and DRCA would be closed to new compensation related claims, but existing entitlements under those Acts at the date of commencement of the new arrangements would be grandparented. This option creates a simpler system that would make it easier for veterans and families to understand their entitlements and receive the support they need in a timely manner.

### Proposed new system

Proposed new system	
Legacy VEA & DRCA	The single ongoing Act (MRCA)
Existing claims under the VEA before 1 July 2026 would remain under grandparented provisions of those Acts.	New claims from 1 July 2026 irrespective of when & where the veteran served or when their injury, illness or death occurred.

It is important to note that under this option the VEA and the DRCA would continue to operate and provide services to veterans with grandparented benefits. This option would achieve a contemporary compensation scheme with enhancements that recognise the special nature of military service for future claims.

Moving to a single Act provides further opportunity for improvements to the veterans' support system such as aligning benefits across the compensation system, abrogating the contention that inequities exist across the Acts for veterans who served under similar conditions. As stated earlier, the notion of inequality amongst the veteran community is a source of considerable consternation and both formal and informal complaints.

It also supports findings from the Productivity Commission:

"Moving to one Act covering all veterans is the ultimate objective of simplification (many participants called for a single Act). The MRCA should be the predominant piece of veterans' compensation and rehabilitation legislation. This is because the VEA has significant shortcomings with its focus on providing set rate pensions for life which is inconsistent with the goals of rehabilitation and person-centred wellness. Nor are the pensions necessarily reflective of the loss faced by individual veterans." (Australian Government Productivity Commission, 2019).

Noting that the MRCA is the single piece of legislation that currently applies to ADF members with service only since 1 July 2004, **Option 4** also includes several other enhancements:

1. Making the VRB the first point of administrative appeal for decision under the DRCA

The VRB is a specialist tribunal that is independent from DVA. It conducts independent merit reviews of DVA decisions. The VRB has authority to review decisions made under the VEA and the MRCA. There is currently no authority to review decisions made under the DRCA. External reviews of DRCA decisions are currently conducted by the AAT. Under **Options 3 and 4**, there is opportunity to streamline the review pathway, and extend the VRB's jurisdiction to review decisions under the DRCA.

2. Providing the capacity to prescribe presumptively accepted conditions under the MRCA (and any replacement)

The RC and MRCC have authorised the use of streamlining or straight through processing (collectively known as 'decision-ready') to simplify processing, reduce evidence required and enable acceptance of claims in circumstances where evidence available to DVA indicates that cohorts of ADF members will have experienced a relevant exposure and have rendered service of a relevant type and where exposures in service will meet a causal factor as defined in the SOPs.

Currently under section 7(1) of the DRCA, claims can also be accepted for specific diseases based on a veteran's service exposure. Sub sections 7(2), 7(8) and 7(9) also enable presumptive acceptance of conditions for specific cohorts such as firefighters.

Under the proposed reforms to veterans' legislation, it is planned to allow presumptive acceptance of liability for certain conditions under the MRCA, with the initial list of conditions being based on those conditions that are currently considered under the 'decision-ready' and firefighter arrangements noted above. These provisions will have the effect of enshrining into legislation the existing administrative practices aimed at making it easier to establish the causal link between a claimant's ADF service and their claimed condition(s), and reducing the time taken to process those claims.

The enhancements listed are supplementary to the proposed broader reforms but add significant value to the proposal.

### Question 3 Summary

Four policy options have been considered under the pathway for legislative reform.

**Option 1** (non-regulatory) - to maintain the status quo and retain the current tri-Act system with no structural legislative change or minor amendment.

**Option 2** - to maintain the status quo while making small-scale improvements that do not require large scale Government investment and can be implemented at a policy level or by minor legislative amendment. This option would allow for alignment of certain benefits and services across the primary Acts with no major structural legislative change.

**Option 3** - to move to a two-scheme approach, as put forward by the Productivity Commission in its 2019 report "A Better Way to Support Veterans". This option entails compensation and rehabilitation delivered under two schemes — the current VEA with some modifications ('Scheme 1') and a modified MRCA that incorporates aspects of the DRCA ('Scheme 2'). This option would require legislative change.

**Option 4** – from a future date the VEA and DRCA would be closed to claims and all claims received would be determined under the MRCA as the single ongoing Act. The MRCA would provide coverage for all future claims for compensation irrespective of when and where the veteran served, or when their injury or illness occurred. This option also seeks to implement further improvements to the veterans' support system such as aligning benefits across the compensation system. Implementation of **Option 4** would require major legislative change.

## 4. What is the likely benefit of each option?

In its Interim Report of August 2022, the Royal Commission summed up the urgent need for reform:

*“While we acknowledge that harmonisation and simplification of the legislative system is difficult to achieve without consensus, we do not consider this an adequate reason to continue to delay legislative reform. Difficult policy decisions are required to reform the legislative system for the overall benefit of veterans and their families. Ongoing failure to do so will continue to contribute to veteran suicidality.... To this end, we are not recommending incremental piecemeal change to the legislative system. Rather, we are recommending change which reduces overall complexity by simplifying and harmonising the system. Fundamental reform of the legislation will require political will, decisions on highly contestable policy positions, legislative change, administrative reform, and funding for the preparation, implementation and administration of a new, simplified legislative model. We consider that the barriers to implementation can, and must, be overcome urgently, to ensure complexities and harmful delays to veterans and their families do not continue.”* (Royal Commission into Defence and Veteran Suicide, 2022).

The Royal Commission documented that they had repeatedly heard from advocates, veterans' organisations, and veterans themselves about the difficulty of submitting a claim and navigating DVA's claims system. One submission described the experience of struggling to navigate the claims process in these terms:

*“Like many veterans, my claim is complex. Primarily as a consequence of my period of service and deployment; resulting in my claim being covered under multiple legislations (VEA, DRCA and MRCA)”* (Royal Commission into Defence and Veteran Suicide, 2022).

The reform option that is chosen must bring about change of sufficient magnitude to address barriers that veterans experience when seeking support from the compensation system.

In its 2019 report, the Productivity Commission wrote:

*“Australians are willing to support veterans who are affected by their service, but they also want to know that the system designed to support them improves, and does not harm, their lives. The veteran support system should be about more than compensation and rehabilitation. It must take a lifetime approach to supporting veterans and their families and be more focused on wellness and ability (not illness and disability) and minimising harm from service. It needs to be more responsive to the changing needs and circumstances of veterans, which will require more flexibility in supports and the way they are provided.”* (Australian Government Productivity Commission, 2019).

Empirical quantification of the benefits of each option (including regulatory costs) is difficult because there are often few commonalities between claims, and each individual veteran experience of the cause and effect of injury or disease is different. Every compensation claim is different and while some claims may be straightforward and resolved in a matter of days, others may take many months and require the gathering of complex medical evidence to provide the information necessary to fully investigate and determine that claim. For these reasons the magnitude of benefits and changes in regulatory cost will vary significantly between veteran cohorts. Factors affecting the level of benefit achieved include the complexity of individual veteran's cases and their current capacity to engage with the rehabilitation and compensation framework. It has been identified in several independent reports, including the Interim Report of Royal Commission that simplifying the legislative framework will positively affect the veteran community as a whole.

To inform the decision as to which of the four options is optimal, a multi-criteria analysis was conducted along with completing an estimation of the regulatory cost of each option. This approach provides both a qualitative and quantitative approach when comparing the relative benefits of each option. The chosen option should reflect the greatest benefit in terms of the multi criteria analysis score and the increase/decrease in regulatory cost.

Effectively, the regulatory burden will decrease for Option 4 as barriers to the thorough understanding of the claims process are removed by the simplification and harmonisation of the legislation governing a veteran's service and subsequent entitlement to benefits and services.

The multi criteria analysis on the following pages examines the relative benefits of each option. Given the degree of difficulty attached to determining a precise quantitative value, a simple scale ranging from -3 to +3 (with 0 representing no net change in benefit) has been chosen to illustrate and compare the relative benefits of each of the four options in relation to specific cohorts. The analysis focuses on the impacts of each option on the following cohorts as these are the stakeholders (external to Government) likely to be most affected:

- Veterans & families with multi-Act coverage
  - This group is the most affected under the current system by the effects of its complexity.
- Veterans & families with MRCA only (service post 2004) coverage
  - This group will constitute the bulk of contemporary veterans hence potentially the largest cohort moving forward.
- Veterans & families experiencing mental health issues
  - This group are disproportionately negatively affected by current system complexity as identified by the Royal Commission and other independent reports.
- Community groups/veterans' services
  - This group provides claims advice to veterans and sometimes acts on their behalf. Simplification of the framework will directly benefit this cohort with benefits also flowing back to those that use their services.
- Service Providers
  - Medical and allied health providers are affected by current complexity and will benefit from system simplification. Benefits will flow back to veterans using their services during the claims process.

Cohort	Impacts
Veterans & families with multi-Act coverage	<p><b>Options 1 and 2</b> provide no benefit to this cohort as changes are either non-existent or negligible. It is arguable that the net effect of these options on this cohort would be negative as the identified complexity of the current system could continue to impact veterans' mental health, and delays caused by the burden of administering three systems could hinder access to treatment, contributing to poor health outcomes. Because of the potential to be detrimental to the wellbeing of his cohort, Options 1 and 2 have been assigned a benefit value of -1.</p> <p>Under <b>Options 3 and 4</b>, impacts will include the time and effort taken for claimants (veterans and their families) to learn about the effects of the changes. <b>Option 3</b> simplifies the legislative framework somewhat by reducing the number of Acts from three to two and would have minimal impact on those with current claim only under the VEA who did not elect to move, or</p>



Cohort	Impacts
	<p>those with a current claim under only the MRCA. However, any benefit reaped by this approach is likely to be offset by the fact that remaining veterans will be forced to make the complex choice of which of the remaining two schemes to seek coverage under. The 2019 Productivity Commission Report outlined that approximately 86,000 veterans would have the complex choice of choosing between Schemes 1 or 2 for future coverage. DRCA only veterans will have the added burden of gaining an understanding how the new VEA/MRCA system will affect them. Because of this likely offset of gains coupled with the remaining inequities of two systems with very different entitlement structures, <b>Option 3</b> is likely to result in a net benefit of 0 for this cohort.</p> <p>Benefits for these stakeholders under <b>Option 4</b> are likely to arise from the increased understanding of a simplified compensation and rehabilitation system. This will increase veterans' ability to lodge claims without the assistance of third parties along with potentially reducing the time taken for their claims to be processed by reducing the administrative burden of operating three separate systems. <b>Options 1, 2 and 3</b> do not provide the alignment of benefits and services provided by <b>Option 4</b>. Stakeholders expressed concerns about the possibility of losing entitlements under this option; however, these concerns were addressed by the grandparenting of benefits currently being received. With this proviso in place, there was broad support for <b>Option 4</b> from this cohort (see Question 5). It is the most beneficial and is assigned a relative rating of +2.</p>
Veterans & families with MRCA only (service post 2004) coverage	<p>All four options do not create difficulties related to transitioning to a new scheme for MRCA only clients as the basic benefit structure will remain the same for them. <b>Options 1, 2 and 3</b> however do not add any value for this cohort as the administrative burden of maintaining the capacity to efficiently operate multiple compensation systems is likely to perpetuate delays in claims processing for this group. <b>Options 1, 2, and 3</b> have been allocated a benefit rating of 0 indication no net gain. Inaction may have an acute negative effect on some individual MRCA veterans experiencing mental health issues due to unresolved complexities. <b>Option 4</b> provides significant benefits for MRCA only veterans and families in the flow on benefits over the long-term arising from a greatly simplified administrative system, likely to result in less delays with claims processing and more consistent outcomes along with the better physical and mental health outcomes delivered by more efficient operation. Due to this reason, <b>Option 4</b> is rated as +1.</p>
Veterans & families experiencing mental health issues	<p>As highlighted through Recommendation 1 of the Royal Commission's Interim Report, and the Productivity Commission 2019 Report, maintaining the status quo (<b>Option 1</b>) has no additional benefit for veterans or families. This option could conceivably exacerbate clients' mental health issues as it does nothing to simplify the current complex legislative landscape or reduce the burden associated with administering three separate but interactive systems. The lack of change coupled with the potential catastrophic impact of possible</p>

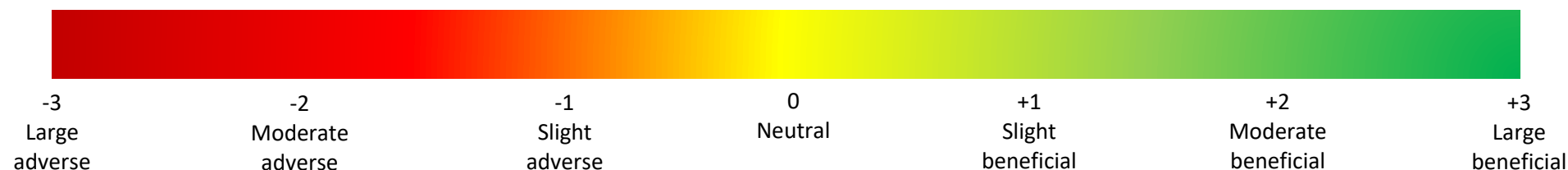
Cohort	Impacts
	<p>poor/worsening mental health means the relative benefit for <b>Option 1</b> is rated at -2.</p> <p>There is little or no benefit for this cohort in continuing to make only small-scale improvements (<b>Option 2</b>). These improvements may allow for alignment of certain benefits and services across the primary Acts, but do not address the underlying complexities of the current legislative landscape. This option does not provide greater clarity for the cohort regarding the nature of and access to their entitlements, nor is it likely to contribute to increased efficiency of claims processing. Like <b>Option 1</b>, this cohort's mental health issues could be exacerbated by retaining complexity and perpetuating delays in claims processing. On this basis the assigned benefit rating is -2.</p> <p><b>Option 3</b> is likely to present no net benefit to this cohort because of the retention of inequitable benefit structures, complex choices some veterans will have to make and the added burden for DRCA veterans in understanding how the new VEA/MRCA system will affect them. There may be potential for some reduction in administrative load by reducing three schemes to two which could improve claims processing timeliness somewhat. The possibility of improvement results in a slightly higher rating than <b>Option 2</b> for this cohort of -1, again reflecting the potentially serious consequences of not enacting major change.</p> <p><b>Option 4</b> is likely to be the most beneficial for this cohort as it provides the greatest level of simplification, alignment of benefits, clarity regarding entitlements and access to rehabilitation services. Offsetting these benefits somewhat for this cohort is the possibility of stress that might be caused by transitioning to a new scheme. This would be likely to affect a subset of VEA veterans to a greater degree as the benefit structure of the VEA is fundamentally different to those of the MRCA and DRCA. The MRCA is the most contemporary military compensation scheme and covers all current members. It was designed to recognise the unique nature of service within the ADF and incorporates desirable elements of both the DRCA and VEA schemes. It also focuses on wellbeing and building the capacity of veterans to return to employment and participate in activities of daily living. It is more beneficial than the older legislative schemes in compensating and treating mental health conditions that may result in self-harm. The relative benefit rating assigned is +2.</p>
Community groups/veterans' services,	<p>The services provided by veterans' organisations are broad but can be grouped into three main categories:</p> <ul style="list-style-type: none"><li>• claims advocacy (assisting veterans with submission of claims)</li><li>• wellbeing supports</li><li>• policy input and influence.</li></ul>

Cohort	Impacts
	<p>Analysis will focus on the claims advocacy services provided by organisations as this is the area likely to be most affected by legislative change, taking cognisance of current and projected future advocate numbers.</p> <p>The Productivity Commission 2019 Report documented concerns raised by several participants regarding advocates leaving the system because of its complexities, contributing to an overall decline in advocate numbers. One participant stated:</p> <p><i>"A particular concern is the falling numbers of advocates, pension and welfare officers and the corresponding reduction in support to veterans, their families and dependants ... ESO succession plans aren't being as fruitful as they have been in the past. Furthermore, and very sadly some of the well-intentioned replacements aren't coping with the complications and associated difficulties of the current system so they are not staying."</i></p> <p>The 2018 Veterans' Advocacy and Support Services Scoping Study (the Cornall review) reported that most current advocates are from the Vietnam war generation with 83.8% being born before 1965, highlighting the problem of natural attrition on the advocate population. The report identified the increased load on claims advocates caused by the complex legislative system. Cornall stated:</p> <p><i>"In addition, there is the increased complexity of the more recent veterans' entitlements legislation which must be squarely confronted to ensure veterans receive competent and accurate advice. ... Compensation advocates will have to have a sound knowledge of all three Acts and the interaction between them."</i></p> <p>Legislative complexity has become a problem for the advocacy sector, increasing the time it takes to train claims advocates to the required competency level along with the time it takes to consider and provide advice to claimants. <b>Options 1, 2 and 3</b> will not be of significant benefit to this cohort as either the full or partial level of complexity will remain. Hence the relative benefit rating provided is 0. <b>Option 4</b> provides the greatest level of simplification with flow on effects to training times for advocates and reduced administration in submitting claims. Another benefit provided by <b>Option 4</b> is that it will potentially decrease veteran reliance on advocates and organisations for simple claims matters. This will free some of the advocate resource to focus on assisting vulnerable veterans with more urgent needs and/or more complex claims. This will become particularly important if the number of trained claims advocates dwindles. Because of the potential future benefit <b>Option 4</b> had been rated as a benefit of +1.</p>
Service Providers	<p><b>Options 1 and 2</b> will perpetuate the complexities and difficulties experienced by providers of services to the veteran community i.e. nothing substantial will change. The net impact will be 0. Under <b>Options 3 and 4</b>, there will be moderate impacts on service providers. These options may increase the</p>

Cohort	Impacts
	<p>number of Gold Card recipients as DRCA veterans transition to the MRCA resulting in a larger demand for DVA funded private services but will also provide a simpler legislative framework that will reduce business costs. State and Territory governments that provide Gold Card holders with concessions may be impacted to a small degree by the slightly larger Gold Card cohort.</p> <p>Currently, the complexity of the tri-Act system causes difficulty for medical service providers which flow on to the veteran seeking treatment or compensation.</p> <p>Professor Alex Collie stated in his 2019 report:</p> <p><i>"Each step or component of the process involves some form of evidence gathering by the DVA and a decision. For example, to establish liability the DVA requires proof of identity, evidence of service, medical evidence for the claimed condition and demonstration of a causal link between service and the claimed condition. To assess permanent impairment for a claim in which liability has been accepted, the DVA requires further medical evidence to establish the level of impairment and its permanency, and also requests information from the veteran of lifestyle effects of the condition. This, combined with the sequential processing, introduces the potential for requesting similar or the same evidence at multiple stages throughout a claim."</i></p> <p>One prominent veterans' organisation told the Royal Commission that:</p> <p><i>"One individual can have a condition that is covered under the three different Acts. So for some veterans, they may receive a decision for the same condition up to three times. That means three sets of documents, three different outcomes, three different forms back and forth between the GPs or the specialists, and that in itself becomes confusing"</i>.</p> <p>For claims made under the MRCA and VEA, medical opinion on causation is not usually required as the legislation provides a mechanism (SoPs) for assessing causation. SoPs do not apply under the DRCA meaning that medical professionals must be broadly familiar with the two systems.</p> <p>The multi-Act system further complicates the situation for GPs and Specialists when it comes to assessing impairment levels. Under MRCA and VEA, all conditions contributing to an impairment need to be identified, and their relative contribution to the impairment estimated. This process is known as apportionment. Doctors may be asked to apportion all conditions individually, or between groups of conditions. This differs from the approach that must be taken under the DRCA. Under the DRCA, the impact of a condition needs to be assessed 'in isolation'; that is, as if the veteran is otherwise healthy and normal. This can be a clinically non-intuitive process, but it is a legally necessary one.</p>

Cohort	Impacts
	<p>Service providers, particularly those providing medical assessment services will benefit from <b>Option 4</b> by no longer having to consider causal links of conditions to service in the context of several different and sometimes intersecting legal and medical frameworks. Additionally, they will only be required to assess impairment levels using one methodology and the subsequent reporting paperwork will be greatly simplified. Alignment of health care related services such as transport for treatment and in-home care services will provide a simpler framework for providers to work within when considering their business models. DVA's 2022/23 Annual Report documents in the 22/23 financial year, 118,923 service providers delivered health services to 190,828 DVA clients. Due to the number of providers potentially positively affected with benefits flowing to individual veterans, <b>Option 4</b> has been given a rating of +1.</p>

### Impact Rating Scale



Overall impact of options on stakeholders

Stakeholder	Reform Option				Explanation
	1	2	3	4	
Veterans & families with multi-Act coverage	-1	-1	0	1	<b>Option 1</b> will provide no net benefit as there will be no change to the current tri-Act system. Similarly, there is little, or no net benefit provided to this cohort by <b>Option 2</b> as it does little to reduce the overall system complexity. Any benefit obtained by <b>Option 3</b> is negated by the complex choices that will be faced by veterans and their families with current multi-Act act coverage. <b>Option 4</b> (moving to a single ongoing Act) will provide far greater clarity and equity regarding entitlements for veterans and families as one system will apply to all entitlements after implementation.
Veterans & families MRCA only coverage	0	0	0	1	<b>Option 1</b> will provide no net benefit as there will be no change to the current tri-Act system. Similarly, there is little, or no net benefit provided to this cohort by <b>Option 2</b> as it does little to reduce the overall system complexity. <b>Option 3</b> minimises disruption to this cohort as there is no change to coverage for MRCA only veterans although the perceptions of inequity between the two systems will remain. <b>Option 4</b> will provide far greater clarity and equity regarding entitlements for veterans and families and minimal disruption to this cohort as the proposed new system would be based on the Act which they are already covered by.
Veterans & families experiencing mental health issues	-2	-2	-1	2	<b>Option 1</b> will provide no net benefits other than not having to adjust to a new system. Difficulties caused by the overly complex current system will remain and perpetuate difficulties with navigating the system. Similarly, there is little, or no net benefit provided to this cohort by <b>Option 2</b> as the underlying complexities would remain for veterans and families. <b>Option 3</b> would eventually reduce to a single ongoing scheme due to natural attrition providing significant benefit but not for many years post implementation and would create stresses around decision making for this group in the meantime. <b>Option 4</b> provides greater simplification, streamlining and accessibility to services but will require

					adjustment to the new system for veterans with service pre-July 2004. It will provide faster access to a scheme with a greater rehabilitation focus.
<b>Community groups/veterans' services</b>	0	0	0	1	<b>Options 1 &amp; 2</b> will provide no net benefit as there will be no reduction in system complexity; in fact, while this is a no cost option it could well contribute to accentuating delays in claims processing being experienced by the veteran community. <b>Option 3</b> will eventually reduce system complexity over the years due to natural attrition but does nothing in the short to medium term to simplify the system for those that provide services and advice to veterans and their families such as compensation and wellbeing advocates. <b>Option 4</b> will significantly reduce the training burden on such organisations, by reducing the number of Acts from 3 to one. All new accredited advocates are already being trained in the MRCA. Training for advocates in the new system would merely need to be augmented rather than completely reinvented.
<b>Service Providers</b>	0	0	0	1	Service providers, particularly those providing medical assessment services will benefit from <b>Option 4</b> by no longer having to consider causal links of conditions to service in the context of several different and sometimes intersecting legal and medical frameworks. Alignment of health care related services such as transport and in home care will provide a simpler framework for providers to work within when considering their business models. <b>Options 1 &amp; 2</b> provide no benefit as system complexities and differentials remain. <b>Option 3</b> reduces system complexity to some degree but retains two systems with consequential differentials in the types of services available under each system, negating much of any benefit created.


While there is an element of subjectivity to the analysis, **Option 4** provides the highest level of positive impact to the subject cohorts. It should be noted that the analysis results have been influenced by the likely high negative impact of inaction on veterans and families experiencing mental health issues when compared with the high positive impact of Option 4 on this cohort.

<b>Option 1</b> total relative benefit score	-3
<b>Option 2</b> total relative benefit score	-3
<b>Option 3</b> total relative benefit score	-1
<b>Option 4</b> total relative benefit score	6



The table below provides an estimate of the benefits achievable by each of the four options in the context of the reform objectives outlined in Chapter 2. For the purposes of this illustration, the four objectives have been condensed into two categories - Timeliness/Ease of access to benefits and Equity. This summary draws on the previous multi-criteria analysis to estimate the likelihood of each option to achieve the objectives.

### Impact Rating Scale

						
-3	-2	-1	0	+1	+2	+3
Large adverse	Moderate adverse	Slight adverse	Neutral	Slight beneficial	Moderate beneficial	Large beneficial

Impact	Reform Option				Explanation
	1	2	3	4	
<b>Timeliness/Ease of access to benefits</b>	0	0	1	3	<p><b>Options 1 and 2</b> will provide no net benefits about timeliness other than not having to adjust to any new regulations and/or procedures. Difficulties caused by the overly complex current system will remain. The two-scheme approach outlined in <b>Option 3</b> would eventually reduce to a single ongoing scheme due to natural attrition but not for many years post implementation. While <b>Option 3</b> reduces the number of primary Acts from 3 to 2 it creates added complexity for veterans about making choices about which scheme to seek coverage under, creating a small gain in terms of rationalising the legislative framework timeliness but potentially contributing to slowing the claims process. While some impacts from <b>Option 4</b> such as simplifying the overall framework by closing off the DRCA to new claims will also be fully or partially realised under <b>Option 3</b>, benefits will be offset by the potentially complex choices veterans will need to make regarding scheme coverage. Service providers, particularly those providing medical assessment services will benefit from <b>Option 4</b> by being able to assess conditions using one legal and medical framework for liability and impairment. <b>Option 4</b> will significantly reduce the training burden on such organisations, by reducing the number of Acts from 3 to one. All new accredited advocates are already being trained in the MRCA. Training for advocates in the new system would merely need to be augmented rather than reinvented. Similarly, DVA's administrative burden of maintaining the ability to efficiently operate a tri- Act compensation system would be eliminated, providing the opportunity to consolidate training and processing systems potentially improving claims processing times and consistency of outcomes for veterans and their families. <b>Option 4</b> will expand access to benefits and services for VEA and DRCA veterans, for example DRCA veterans (subject to meeting MRCA criteria) will become eligible for Gold Cards, the more beneficial MRCA incapacity payment scheme, along with their children being eligible</p>

					for the benefits afforded by the MRCA Education Scheme (again subject to meeting the MRCA eligibility criteria). VEA veterans will have access to household and Attendant Care services as well as increased funeral benefits and the option to receive any future compensation payments as lump sums instead of periodic payments.
Equity	0	0	1	3	<b>Options 1 &amp; 2</b> will provide no net benefit as there will be no reduction in system complexity and the variations in types and levels of benefits across the three acts will remain. <b>Option 3</b> will eventually reduce system complexity over time due to natural attrition but does nothing in the short to medium term to simplify the system, perpetuating the notion of inequity for years into the future. <b>Option 4</b> will provide greater clarity regarding entitlements for veterans and families and will mean veterans are treated equitably regardless of when they served. It provides the opportunity to align most benefits and payments under one system. Implementing <b>Option 4</b> will align eligibility for benefits that have been identified as causes for concern during consultation activities such as MRCA incapacity payments, access to Gold Card and Education Schemes for DRCA veterans, alignment of travel for treatment costs, access to Household and Attendant Care Services for VEA veterans as well as providing the choice for VEA veterans to receive further permanent impairment compensation payments as lump sums. Moving to the MRCA as the single ongoing Act provides veterans with the opportunity to be covered by a modern compensation scheme that also recognises the unique nature of service in the ADF.

## Regulatory Costs

The chosen option (**Option 4**) is the only option of the four discussed that will achieve a meaningful reduction in the regulatory cost. The regulatory cost for veterans and families, business and community/veteran organisations will reduce because of the implementation of the changes outlined in this option. This is largely achieved by mandating that all future claims lodged after the commencement date must be lodged under the MRCA. This major simplification of the veterans' legislative framework requires that in the future, stakeholders will only need to be familiar with the benefit structures governed by one piece of legislation instead of three. Accordingly, costs are estimated in the context of multi- Act claims compared with the single Act approach. The estimated reduction in regulatory cost is illustrated in the table below. Calculations are based on 2022-23 claims data and attach a conservative estimated monetary value to potential time and effort saved as an average per year by each cohort due to simplification of the legislative framework. The assumptions that have been used are:

- 23,814 dual or tri-Act claims were submitted in 2022-23 and this number is likely to be replicated for some years due to the "long tail" (estimated to be in the order of 60 years) of VEA and DRCA veterans (assuming no other action is taken to simplify the framework)

- that veterans will save 3 hours per claim due to only having to familiarise themselves with the vagaries of one scheme instead of three coupled with the flow on benefits of overall simplification of liability and impairment claims processes. There will be less need to interact with DVA throughout the claims process
- community/veteran organisations will save time in assisting veterans with claims due to system simplification. It is estimated that organisations representing veterans in the claims process will save 1 hour per claim as a result of less interaction with DVA coupled with more straightforward evaluation of benefits available under the one scheme as opposed to comparing the relative benefits of three schemes and the complexity of providing advice regarding eligibility under the current multi-Act approach. Consultation with prominent experienced advocates supported this particularly regarding the time saved by less advocate interaction with DVA through the claims process
- The regulatory cost for service providers is calculated using the number of multi-Act claims submitted in 2022/23. It is estimated conservatively that simplification outlined in **Option 4** will save service providers 1 hour per claim per year. This is largely due to providers no longer having to consider causation or impairment levels under different legal and medical frameworks and the administration time that this will save
- Roll out of Option 4 is likely to incur some small regulatory costs. This has been taken into account in by taking a conservative approach when estimating overall decrease in regulatory cost of Option 4
- OIA recommended hourly rate for volunteer organisations and those submitting claims on their own behalf is \$37.00 per hour
- OIA recommended hourly rate for professional organisations providing professional services to veterans is \$85.17 per hour.

Based on the conservative assumptions above, the estimated decrease in regulatory burden for:

- Individuals (veterans and families) is \$2.6M per year
- Business (service providers) is \$2.0M per year
- Community (veteran) organisations is \$0.9M per year.

It is important to recognise that the regulatory burden estimates are conservative, especially noting the degree of difficulty in quantifying the impact on those with complex claims across multiple Acts. It is likely that the estimates are not picking up the full benefits of Option 4 to this group.

Average annual regulatory costs in Million \$ (from business as usual)

Change in costs (\$ million)	Veterans and families	Business/Service Providers	Community/Veteran organisations	Total change in costs
<b>Total, by stakeholder cohort</b>	<b>" 2.6"</b>	<b>" 2.0"</b>	<b>"0.9"</b>	<b>"5.5"</b>

Over 10 years, the treatment population impacting on service providers is forecast to grow, potentially increasing aggregate regulatory costs. This increase will be offset over the same period as more veterans transition into the new system, simplifying administrative processes for stakeholders in the compensation claims process.

The change in regulatory costs has been conservatively estimated using the assumption that moving to a single Act system will decrease the overall time stakeholders will need to interact with the claims process. This is supported by the various reviews noted in this IA and feedback gathered from stakeholders during the consultation process.

As discussed earlier, the circumstances of every veteran and every claim are different and as such it is not possible to provide meaningful baseline data to compare the recommended approach to the current multi-Act system in terms of the identified cohorts. The data gaps discussed in Chapter One add to this difficulty. For these reasons, it is important to note that the assessment considers the cost of the impact of change alone i.e. the calculations apply an empirical monetary value to the change. The figures quoted represent the estimated change (increase/decrease) in regulatory costs for the identified cohorts under the single ongoing Act approach outlined in **Option 4**.

## Question 4 Summary

**Options 1 and 2** provide a negative benefit to veterans and families with multi-Act coverage, as they would have to continue to navigate the identified complexities of the current system. **Option 3** provides a neutral benefit to veterans and families with multi-Act coverage, with a somewhat simpler approach with the reduction from three to two Acts. This benefit is offset by the fact that veterans will be forced to make a choice of which of the two remaining schemes, with different entitlements structures, to seek coverage under. **Option 4** will provide a net benefit to veterans and families with multi-Act coverage due to the reduction in complexity of claims, greater understanding of the simpler system and decreased administrative burden.

**Options 1, 2 and 3** provide a neutral benefit for veterans and families with MRCA only (service post 2004) coverage as the administrative burden of maintaining the capacity to efficiently operate multiple compensation systems is likely to perpetuate delays in claims processing. **Option 4** will provide a net benefit for veterans and families with MRCA only coverage due to the flow on benefits over the long-term arising from a greatly simplified administrative system. These may include reduction in claims processing delays and more consistent claims outcomes along with better physical and mental health outcomes delivered by improved access to benefits.

**Options 1 and 2** provide a negative benefit for veterans and families experiencing mental health issues. The link between poor mental health and the complex legislative framework has already been identified. **Option 3** is likely to present no net benefit to this cohort because of the retention of inequitable benefit structures and complex choices some veterans will have to make. **Option 4** is likely to be the most beneficial for veterans and families experiencing mental health issues as it provides the greatest level of simplification, alignment of benefits, clarity regarding entitlements and access to rehabilitation services.

**Options 1, 2 and 3** will be of no benefit to community groups and veterans' services. A full or partial level of complexity will remain under the options. **Option 4** provides a net benefit as the simplification will have flow on effects on training times for advocates and reduced administration in submitting claims.

**Option 1 and 2** will not provide any change to service providers. **Option 3 and 4** will provide moderate impacts on service providers. There may an increase to the number of Gold Card recipients but there will also provide a simpler legislative framework that will reduce business costs. Service providers, particularly those providing medical assessment services will benefit from **Option 4** by no longer having to consider causal links of conditions to service in the context of several different and sometimes intersecting legal and medical frameworks. Additionally, they will only be required to assess impairment levels using one methodology.

Conservatively, **Option 4** would bring a total regulatory cost saving of approximately \$5.5M for the nominated cohorts.

## 5. Who did you consult and how did you incorporate their feedback?

The Australian Government commenced the first of three rounds of public consultation regarding the reform of veterans' legislation in October 2022. While the three rounds were conducted as discrete intervals, engagement with organisations and individuals continued between and outside of these periods to ensure all relevant feedback was captured and to ensure that stakeholder groups were well informed regarding the progress of the reform agenda. The consultation processes ultimately informed the drafting and modification of the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024 for introduction to Parliament.

It was important for DVA to work with the veteran community to help shape the reform options. Initial consultation undertaken in late 2022 ultimately led to three underpinning reform principles:

- The development and future implementation strategy will need to be created in consultation with the veteran community
- The changes should result in a simpler, sustainable legislative framework
- There will be no reduction in payments currently or previously received by veterans.

During the initial consultation, concerns were raised that the Productivity Commission's recommendation to move to a two-scheme approach (**Option 3**) would create a new range of complexities in the veterans' entitlements system, adding to confusion, workloads and delays in claims processing for veterans in a way that would be counter-productive to the overall objectives of simplifying veterans' entitlements legislation.

This approach would create complexities by allowing some veterans to choose which scheme they would be covered by, necessitating assessment of claims against both of the two ongoing schemes along with considering possible future claims in order to form a view as to which scheme may be more beneficial for a particular veteran.

This first round of consultation resulted in the design of the Veterans' Entitlements Legislation Reform Pathway which proposed a single ongoing Act model (**Option 4**). Importantly, this pathway was underpinned by the three reform principles determined during the 2022 consultation process.

### Legislative Reform consultation timeline



## Stakeholder engagement strategy summary

### Stakeholder cohorts

For the purposes of designing an effective stakeholder engagement strategy, stakeholders in the legislation reform process were classified into six broad cohorts:

1. Veteran Organisations and individual veterans
2. internal DVA personnel and business units
3. Australian Government
4. currently serving ADF personnel
5. other groups (professional organisations etc.)
6. subject matter experts

Potential stakeholders were identified by the following parameters:

- previous and current engagement with DVA regarding veteran issues channelled through DVA's National Consultation Framework (NCF)
- engagement with the Royal Commission into Defence and Veteran Suicide
- engagement with the Productivity Commission inquiry and subsequent 2019 report
- groups that are most likely to be affected by legislative change
- organisations and individuals that self-identified.

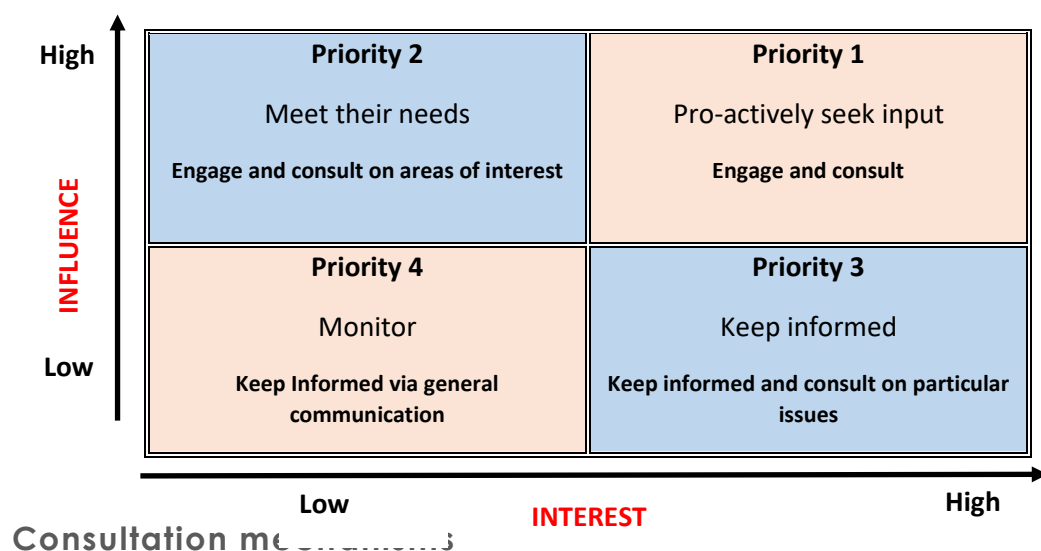
### Mapping of stakeholders

Stakeholder mapping within the cohorts identifies the constituent stakeholder groups and individuals, and classifies them into one of four groups, depending on their estimated likely levels of interest in the project and overall outcomes (see figure below).

The stakeholders identified with higher levels of influence and interest are contained within Priority 1 and Priority 2.

The stakeholder groups with lower levels of interest and influence were identified as requiring less attention throughout the consultation process, often with larger organisations or an overarching national body representing their specific area of interest..

### Stakeholder map





The consultation process was designed to disseminate information on the proposed veterans' legislation reforms and to allow stakeholders to share their input via formal and informal submissions.

#### Initial consultation – October to November 2022

Following the Government's agreement to Recommendation 1 of the Royal Commission Interim Report, an initial round of consultation on that recommendation and related Productivity Commission recommendations was undertaken from 17 October 2022 to 14 November 2022.

On 17 October 2022, the Minister for Veterans' Affairs, the Hon Matt Keogh MP, announced the consultation process and invited submissions. An invitation to provide feedback was also disseminated to stakeholders via DVA's communications channels and through emails to members of consultation forums. These invitations targeted the public and members of existing veteran community consultation forums.

69 pieces of feedback were received. 35 submitters identified as a veteran, 7 as representing an ex-service organisation and 5 as veteran advocates.

Much of the feedback related to individual concerns with current claims, supports or personal circumstances. However, there was strong overall support for legislative simplification and harmonisation, and by extension Recommendation 1 of the Royal Commission's Interim Report. This was reflected when the feedback was categorised by main theme:

- complexity of DVA claims assessment process 24
- legislative complexity 21
- rehabilitation 5
- delays with claims processing/claims backlog 2
- incapacity/ superannuation 2
- DVA structure 1
- other/Miscellaneous 14

In relation to DVA claims processes, the prevailing concern of the feedback was related to the length of time for claims to be assessed and processed, as well as concerns around eligibility and the different evidentiary requirements to satisfy the standards of proof for initial liability under the current complex tri-Act system. Miscellaneous items of feedback included concerns regarding transition from the ADF to civilian employment, training of claims advocates, rehabilitation, possible treatment of conditions before liability is established, and higher compensation rates for those who are injured because of warlike service along with a reduced evidentiary burden to allow for the difficulty of thorough recordkeeping in war zones.

In relation to legislative complexity, the feedback identified that the three Acts are complicated to navigate and there was a strong need for simplification, but there was also concern about the potential for the reduction of existing or future benefits because of potential legislative reform.

#### Veterans' Legislation Reform Consultation Pathway – February to May 2023

The outcomes of the initial round of consultation informed a proposed pathway developed by Government to simplify veterans' compensation and rehabilitation legislation. The proposed Pathway, consistent with **Option 4** above, entailed:

- new claims under existing schemes ceasing after a transition period, from which point all new veteran claims would be dealt with under an improved MRCA as the sole ongoing Act.
- all benefits being received by veterans under existing schemes continuing, with only new claims or claims relating to deteriorated conditions to instead be covered by the single ongoing Act.

On 16 February 2023, the Minister for Veterans' Affairs, the Hon Matt Keogh MP, announced the commencement of public consultation on this proposed Pathway. The consultation period ran from 16 February 2023 to 12 May 2023.

Formal written submissions were invited on the proposed Pathway.

The Minister, and the Assistant Minister for Veterans' Affairs met face to face with key members of the ex-service community at meetings around the country, as well as with key stakeholder groups through DVA's NCF.

DVA State and Territory Deputy Commissioners also briefed local ex-service communities.

DVA staff working on legislative reform met directly with stakeholders, where requested. A group of legal and academic experts was also invited to provide advice on technical and other legal issues.

The following communication platforms were established to ensure sufficient reach during the consultation process:

- dedicated email channel established to contact the DVA Legislation Reform Branch
- dedicated website pages established to disseminate information and facilitate consultation including options to provide anonymous feedback
- webinars delivered nationally with open registration to attend and participate. Webinars were also recorded and published on the DVA website
- questions and answers from stakeholder engagements published on the DVA website along with scenarios illustrating the effects of new legislation on individual circumstances
- regular updates and postings on social media platforms
- correspondence to the Minister for Veterans' Affairs and the Department.

246 written submissions were received. 226 of these were from individuals (35 submitted anonymously were assumed to be from individuals), 16 were from organisations representing veterans (generally ex-service organisations) and 4 were from other organisations.

Overall, 27 written submissions were received that explicitly supported the proposal, although some with qualifications (outlined below). Most of the ex-service organisations that submitted feedback provided qualified support. On the other hand, 3 submissions did not support the proposal, stating that the current compensation and rehabilitation focus of the current schemes should be broadened to address wider issues faced by veterans. Feedback received through other means, such as meetings, generally reflected this diversity of views.

Other written feedback received on the Pathway and on legislative reform more generally largely fell into 8 main themes.

### Theme 1 – Equity of and continued access to entitlements

There were 63 submissions received that advocated for equity in entitlements for veterans. Many noted current differences in entitlements, including:

- the inclusion of a remuneration loading and exclusion of a notional superannuation contribution in MRCA incapacity payments, in contrast to DRCA incapacity payments

- differences in transport, funeral benefit, and children's education entitlements between the three Acts
- the requirement for a person to be unable to undertake more than ten hours of remunerative work to be eligible for the MRCA's Special Rate Disability Pension, as opposed to the requirement for less than eight hours for the VEA's Totally and Permanently Impaired (Special Rate) pension.

42 submissions expressed the view that there should be no detriment to veterans arising from legislative reform. One submission suggested that veterans receiving entitlements under the VEA should be offered a one-off choice to continue to receive entitlements under the VEA or move to the MRCA [for new claims].

16 submissions expressed concern about entitlements under the VEA that would not be available to veterans subsequently having their claims assessed under the MRCA. Primarily, these concerns related to an inability for pension to be reassessed for the deterioration of accepted conditions, or the unavailability of new grants of Above General Rate payments under the VEA (EDA, Intermediate Rate, Special Rate (TTI & TPI)) after the new scheme commences.

### Theme 2 – Gold Cards

26 submissions were received on Gold Cards, the majority advocating for expansion of eligibility. Submissions sought expanded eligibility for:

- DRCA veterans
- those with more than 20 years of ADF service
- an increased range of partners and dependants.

### Theme 3 – SoPs and the RMA

24 submissions provided views on the Statements of Principles (SoPs) regime and/or the RMA. The majority expressed a view that the SoPs system and the dual standards of proof should be retained, but that in certain circumstances where a claim does not meet a Sop factor for that condition SoPs should not be binding if other evidence linking the condition to service is available. Other issues raised were about the application of the SoPs, including determining the date of onset of a condition and the use of time frames to establish causation. Others considered that there should be enhanced education about the critical role of the SoPs in decision making.

### Theme 4 – Dependants' benefits

82 submissions provided views on dependants' benefits. However, 52 of those were concerned about a Productivity Commission recommendation to remove automatic eligibility for the spouses of certain veterans. The proposed Pathway did not suggest such a change.

Most of the remaining submissions addressing dependants' benefits were concerned about retention of the automatic grant of pensions to spouses under the VEA and equity of spouses' entitlements under the three Acts and advocated for the legislation to address the needs of families. One submission recommended removing the term "wholly dependent partner" from the MRCA and replacing it with the VEA's "War Widow/er".

### Theme 5 – Presumptive Liability

32 submissions supported the proposal to prescribe presumptively accepted conditions. However, one submission noted that it may incentivise dishonesty in claimants, while another was sceptical about whether it would provide additional compensation to veterans.

## Theme 6 – Grandparenting of existing VEA entitlements

22 submissions addressed the proposal to grandparent VEA entitlements at the commencement of the new framework. 15 of those submissions supported this proposal. The remaining submissions did not support grandparenting, citing a belief that VEA clients may be underserved in future, that VEA benefits and payments are inferior to those available under the MRCA, or that it will perpetuate the differential treatment of veterans.

## Theme 7 – Coverage for police and civilians

4 submissions addressed the current lack of coverage for police under military compensation schemes, and inequities in the treatment of police members and ADF members, especially where police were deployed alongside the ADF. However, none of those submissions called for reinstatement of the coverage of police under military compensation schemes.

3 submissions expressed the belief that military compensation schemes should cover civilians, where they are actively deployed alongside the ADF.

## Theme 8 – Increasing a wellbeing focus

9 submissions advocated for an increased focus on wellbeing, including a suggestion that the legislation focus more on the health and wellbeing of veterans rather than compensation.

## Other issues

Other issues raised in submissions included:

- aligning Household Services and Veterans Home Care
- budgetary constraints on legislative and other improvements
- improving communication between DVA and Veterans
- improving accessibility of the claims process, especially for disabled or illiterate Veterans considering offsetting and taxation implications for compensation
- advocacy services.

In addition, several submissions were received that were not within the scope of legislation reform. Such submissions centred on issues such as progress of individual compensation claims, historical claims determinations and suggestions regarding granular policy positions rather than legislative reform. These items were referred to appropriate DVA business areas for response.

## Incorporating Feedback

The feedback provided by stakeholders in the 2022 and 2023 rounds of consultation informed a submission to Government in the second half of 2023 on the way forward. This resulted in the drafting of the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024. Some of the key elements arising from the consultation processes that were incorporated into the draft legislation include:

- the safeguarding of current veteran and dependant entitlements by grandparenting existing payments
- recognition under the new Act of previously determined compensable conditions, with no need to re-establish liability
- continuation of the automatic eligibility for benefits for those dependants whose partner died while they had permanent impairments of more than 80 points or were eligible for the MRCA SRDP
- retention of two standards of proof when applying the SoPs

- inclusion of the ADA in the MRCA to replicate the EDA payment under the VEA to veterans who are of age pension age and have high levels of incapacity due to service conditions
- legislating the ability to prescribe conditions subject to presumptive liability
- an exception to the prohibition of acceptance of liability under the MRCA for conditions related to service caused by tobacco use
- inclusion of the ability to accept liability under the MRCA by establishing a temporal connection between defence service and a medical condition.

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

The exposure draft legislation designed to achieve the outcomes outlined in **Option 4** and encompassing feedback from the previous consultation periods was released for public comment from 28 February 2024 to 28 April 2024.

After the success of the consultation conducted in 2023, it was decided to take a similar approach to this consultation round incorporating some improvements identified by feedback received during the last process. Communication channels like those used in 2023 were implemented to ensure appropriate reach in providing stakeholders with access to information and the opportunity to contribute to the consultation process.

A total of 26 consultations were conducted in person and online across Australia, including sessions in each capital city and Townsville. The Minister for Veterans' Affairs convened two of these face-to-face meetings in Brisbane and Canberra. Over 230 individuals attended these sessions, including veterans, families, advocates, legal experts, and representatives from ex-service organisations (including members of DVA's NCF). DVA also met with other stakeholders, such as the Veterans' Review Board and other Government agencies.

The DVA website was updated with materials to support consultation on the draft legislation, including an explanation of what the draft legislation is and what it will do, scenarios to illustrate how the changes will impact the veteran community, how to be involved in the consultation and provide feedback, an update on the 2023 consultation and what we heard from the veteran community, an information booklet, marked up copies of current and proposed legislation and the accompanying Explanatory Memorandum, facts sheets and answers to questions from stakeholder engagements. This webpage was viewed 23,632 times between 28 February and 28 April 2024.

DVA used its social media platforms (Facebook, Instagram, X and LinkedIn) to communicate to all Australians regarding the opportunity to participate in the consultation process. Over the course of the consultation period, DVA's social media posted 103 times and received 1,138,104 total impressions (times a post was seen by users) and 699,635 total engagements (unique users who saw the content). The Minister for Veterans' Affairs also posted regularly on his personal social media.

3 online public webinars were delivered between 3 and 17 April 2024, with 200-239 estimated attendees. Senior DVA staff talked through the proposed changes in detail and answered questions from participants. 99 questions were received during the webinars, with some answered during the presentations and written answers to all relevant questions published on the DVA website. One webinar session was recorded and made available for viewing on the DVA website.

The Government received a total of 323 submissions: 278 from individuals, and 45 from veteran, community, and private organisations.

This consultation round revealed broad general support for the single ongoing Act approach with many organisations and individuals agreeing that this approach would achieve the stated outcome of simplifying the legislative system. Submissions expressed support for the expanded and equitable access to benefits; for example, DRCA veterans would have access to children's education schemes

and potential eligibility for Gold Cards. Support was also expressed for the MRCA as the single ongoing Act because of its greater focus on rehabilitation.

The inclusion of the ADA was well received by the veteran community.

Several issues raised by stakeholders during this consultation round remain unresolved at the time of writing and are subject to further consideration by Government. These issues include the potential harm caused by the payment of compensation lump sums to vulnerable veterans under the MRCA. Views were mixed in this regard. While it is acknowledged that managing large lump sums can be problematic for some, people were also of the view that it is not up to Government to decide how a legal entitlement is to be used by regulating the manner of payment.

While generally supportive of the single Act approach outlined in **Option 4**, some concerns were expressed about implementation issues such as timing, resourcing, legislation review and practical issues relating to veterans transitioning from coverage under the VEA and DRCA to the MRCA. These issues are out of scope of the proposed reforms but are likely to be subject to further consultation as the parliamentary process unfolds and during the implementation process if the Bill proposing the recommended approach is passed by Parliament. The Parliamentary process may result in further consultation and amendments to the Bill.

### Concerns around alignments of benefits

Unsurprisingly, all consultation periods highlighted the need for simplification and alignment of benefits. VEA veterans were mostly concerned with being able to access benefits the same or like those they are currently eligible for such as the DCP at the special (TPI) and EDA rate. DRCA veterans were generally more concerned about becoming eligible for benefits under the MRCA such as the Gold Card and the supports offered through childrens' education schemes. DRCA veterans also showed significant interest in transitioning to the more beneficial MRCA incapacity system. While supportive of the proposal to move to a single ongoing Act, all three cohorts were of the strong view that there should be no detriment to veterans and families by way of reduction in any existing benefits. Submissions from individuals generally reflected their own circumstances and to this end DVA expanded the number of scenarios on its website to better inform individual veterans of the likely effect of the changes on their personal circumstances. Future consultation relating to implementation would target veterans' groups by legislation coverage and identify any further specific concerns within these cohorts.

## Question 5 Summary

The Australian Government undertook three rounds of public consultation on veterans' legislation reform. While the 3 rounds were conducted as discrete intervals, engagement with organisations and individuals continued between and outside of these periods to ensure all relevant feedback was captured and that stakeholder groups were well informed regarding progress of the reform agenda.

The first round of consultation was undertaken on the Royal Commission and related Productivity Commission recommendations from 17 October 2022 to 14 November 2022. Much of the feedback related to individual concerns with current claims, supports or personal circumstances. However, there was strong overall support for legislative simplification and harmonisation.

The outcomes of this consultation informed a proposed pathway developed by Government to simplify veterans' compensation and rehabilitation legislation. The proposed pathway, entailed:

- establishing an improved MRCA as the sole ongoing scheme.
- closing out VEA and DRCA to new compensation related claims
- grandparenting all existing arrangements to ensure there is no reduction in entitlements currently being received by veterans and families.

Public consultation on the proposed pathway ran from 16 February 2023 to 12 May 2023. The feedback provided by stakeholders in both rounds of consultation informed a submission to Government in the second half of 2023 on the way forward. This resulted in the drafting of the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024. Many of the key elements arising from the consultation processes were incorporated into the draft legislation.

The exposure draft legislation encompassing feedback from the previous consultation periods was released for public comment on 28 February 2024.

This consultation rounds revealed broad general support for legislation to be consolidated into a single ongoing Act, with many organisations and individuals agreeing that this approach would achieve the desired outcome of simplifying the legislative system. Submissions expressed support for the expanded and equitable access to benefits, such as DRCA veterans gaining access to children's education schemes and potential eligibility for Gold Cards. Support was also expressed for the MRCA as the single ongoing Act because of its greater focus on rehabilitation.



## 6. What is the best option from those you have considered and how will it be implemented?

### Best option

**Option 4** is recommended as the best option.

As discussed in Chapter Four, a multi-criteria analysis was conducted along with an estimation of the regulatory cost of each of the four options. This provided both a qualitative and quantitative approach for comparing the relative benefits of each option. These activities clearly identified **Option 4** as the best option because it reflects the greatest benefit across the identified cohorts in terms of the multi criteria analysis score and the increase/decrease in regulatory cost.

In addition, **Option 4**:

- provides the greatest alignment with the policy objectives and principles
- positions the Government to consider further streamlining of administrative systems as more veterans transition to the new scheme
- is broadly supported by key stakeholder groups due to the alignment of benefits, simplification of the legislative framework, reduction of barriers to veterans accessing entitlements and the more contemporary nature of benefits.

Following the two initial rounds of consultation, the Government invited feedback on a proposal that aligns with **Option 4**, which provides significant structural improvements while maintaining the focus on providing a modern rehabilitation and compensation scheme.

In their submission of 26 April 2024, a veteran organisation summarised their support of **Option 4** by saying:

*"[name] write in support of the suggestions outlined in the draft Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024 under the Veterans' Legislation Reform ... We believe these crucial and timely proposed updates will assist in simplifying an unnecessarily complex legislative framework, to provide better support to veterans and their families."* (Anonymous a, 2024)

Feedback and analysis confirmed that **Options 1 and 2** involve insufficient change regarding the reduction of complexity to meet future needs, and **Option 3** imposes added complexity for veterans and their families. If the legislation is not greatly simplified and more aligned with current and future needs, its complexity will continue to burden a growing number of veterans considering the increased operational tempo of the ADF in recent years and the forecast increase in treatment population.

Stakeholder feedback played an important role in refining **Option 4** by identifying areas of the proposal where further consideration and subsequent clarification was necessary. An example of this is the inclusion of critical safeguards to ensure there is no reduction in compensation payments currently being received by veterans, and payment rates are maintained and indexed as they would be under the current system.

## Creating a simpler compensation system that is easier for veterans and families to navigate

By reducing the number of primary Acts covering veterans' compensation and rehabilitation from three to one, **Option 4** will remove the complexity associated with determining which Act applies depending upon the timing of service and date of injury or onset of condition. From the date of implementation of the new system all service-related injuries and conditions will be covered under a single ongoing Act (MRCA) regardless of timing of service, eliminating confusion for veterans and their advocates. Veterans with service spanning two or three Acts will no longer have to consider under which period or type of service their injury or disease occurred and which benefits under which scheme they might be entitled to.

**Option 4** delivers legislation which is contemporary in terms of modern-day compensation thinking while reflecting the unique nature of military service in the ADF. Due to providing coverage to all veterans under a single Act, this option also allows for other streamlining and enhancements, including but not limited to:

- the implementation of a single review pathway. This will allow for claims that would have been referred to the AAT as the first external review point to instead be reviewed by the VRB. The VRB is recognised as a more veteran- friendly environment.
- merging the RC with the MRCC, removing duplication of responsibilities, and providing greater administrative clarity about governance matters.

Moving to a simpler single ongoing Act system has the potential to decrease the reliance that veterans and their families place on claims advocates to help them navigate the claims process. This could create the added benefit of more advocates becoming available to assist those with more complex compensation matters or who are identified as vulnerable.

## Enhancement of veteran wellbeing by reducing stresses associated with engagement with the compensation system and providing more timely access to benefits

**Option 4** will alleviate some of the stress associated with the claims process for veterans by reducing complexities associated with chronology of service, different methods of determining liability under the respective Acts and differences in the way impairment level and compensation payments are calculated across the different pieces of legislation. Moving to the MRCA as the single ongoing Act will provide veterans and families with more certainty and in some cases access to a greater range of benefits by implementing the following:

- veterans currently with MRCA only coverage would continue to have their compensation and rehabilitation benefits governed under the MRCA.
- protecting all payments and benefits currently being received by grandparenting them to provide assurance that they will not be removed or reduced under the new system.
- all claims after a certain date will be determined under the same legislation (MRCA).
- a single system for determining liability via the use of SoPs.
- the use of one instrument (GARP M) to determine impairment levels under the MRCA, significantly simplifying the permanent impairment compensation landscape.
- providing veterans with the option to receive compensation payments either as lump sums, periodic payments, or a combination of the two. This allows veterans and families to tailor payments to best suit their individual financial circumstances.
- providing access to rehabilitation services focusing on recovery rather than just treatment and compensation.

- veterans who would previously have had their claims considered under the VEA and who are of working age would have the opportunity to receive incapacity compensation payments (i.e. income replacement payments), which are not currently available under the VEA.
- VEA veterans who lodge new claims under the new system would also have a choice to receive any new Permanent Impairment payments as an age-based lump sum under the MRCA, whereas the VEA provides only periodic pensions. Greater flexibility in the way veterans and families can elect to receive entitlements has the potential to be of greater benefit as they will be able to consider options to best suit their own circumstances.
- partners of deceased VEA veterans whose death is due to service would have the choice to receive compensation as an age-based lump sum and receive increased compensation, when compared to claims made under the VEA. For service-related deaths, the reimbursement amount for funeral costs will also significantly increase.
- DRCA veterans who meet eligibility criteria would also be able to receive 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.
- providing access to education schemes for eligible children of veterans with high impairment levels.

Over the longer term, implementation of **Option 4** will also simplify the administrative landscape for DVA in relation to claims processing. Divesting itself of the burdens associated with maintaining the ability to process claims under the current tri-Act system will result in faster more consistent outcomes for veterans in the processing of their claims, potentially decreasing the delays currently being experienced with claims processing and subsequent access to compensation and rehabilitation services.

#### Alignment of benefit types and eligibility for those benefits

**Option 4** will address a common source of criticism and dissatisfaction within the veteran community, being the differing benefits available under each Act in the current system and the resultant perceptions of inequity. This option will ensure an equitable playing field for all veterans and their families moving forward and maintain key elements of the existing frameworks, while standardising eligibility for benefits and quantum of such benefits.

In their submission of 26 April 2024, one organisation said:

*“We welcome the removal of inequities within existing entitlements under the proposed legislative framework. Currently the three Acts effectively discriminate based on when and where a veteran served and the conditions that arose during different types.....”*  
(Anonymous b, 2024)

As an example, during the consultation processes the Government received feedback regarding the inequity between DRCA and MRCA incapacity payments - in short, the MRCA system is more beneficial in that there is no notional 5% superannuation deduction under the MRCA incapacity scheme and recipients are paid a remuneration loading which is not available under the DRCA. **Option 4** will allow the transition of DRCA incapacity recipients to the more beneficial MRCA scheme.

Another example of achieving benefit alignment is extending eligibility for Household Services to VEA veterans as well as DRCA and MRCA veterans. Currently VEA veterans are only able to access

domestic services through the Veterans' Home Care program, which does not provide the flexibility or dollar value of services available under the Household Services program.

Throughout the consultation process, DRCA veterans voiced their dissatisfaction that there was no eligibility under the DRCA for the Gold Card. By moving to the MRCA as the single ongoing Act, current DRCA veterans will be eligible for the Gold Card if they meet the MRCA criteria.

Moving to a single ongoing Act (**Option 4**) is the only way to eliminate the perception of inequity and ensure a "level playing field" for veterans moving forward.

#### Reduction in administrative burden

There is a significant administrative burden attached to maintaining DVA's capability to determine compensation claims under three different pieces of legislation. As discussed previously, in an environment where the number of claims received is increasing, this complexity impedes efficient claims processing as it requires that a disproportionate number of resources need to be directed to maintaining a three-tiered system when compared with those required to maintain a single act approach.

Service providers, particularly those providing medical assessment services will reap the benefits of a simpler single ongoing Act system by no longer having to consider the impairment levels related to injury/conditions in the context of different legal and medical frameworks depending upon which Act the compensation claim is made under.

#### Complexities relating to chronology of service and onset of condition

There is a considerable imposition on DVA's resources in maintaining the corporate knowledge to determine which Act covers a veteran's service. Coverage is determined in some cases not only by the timing of service but also by the type of service being rendered at the time of injury or occurrence that caused the injury or condition.

**Option 4** will remove the complexity associated with determining which Act applies depending upon the timing of service and date of injury and onset of condition. From the date of implementation of the new system all service-related injuries and conditions will be covered under a single ongoing Act (MRCA) regardless of timing, eliminating confusion for veterans, their advocates, and claims processing staff. **Options 1, 2 and 3** would perpetuate the complexity, although **Option 3** would provide some simplicity by reducing the number of primary Acts from three to two.

#### Complexities relating to determining liability

The criteria under each of the Acts that define when a medical condition can be deemed to be service related are almost identical under the VEA and MRCA. The DRCA differs substantially.

**Options 3 and 4** would simplify the initial liability system somewhat by eliminating the need for determining initial liability under the DRCA, with **Option 4** remaining optimal in that all future liability claims would be considered using one system.

The MRCA and VEA use the SoPs when determining liability. Individual SoPs define specific conditions and list a set of causal factors for that condition. Each causal factor contains an event (such as 'experiencing a significant physical force applied to or through the affected joint' or 'being bitten by a mosquito') and a time between that event and clinical onset or worsening of the condition (for example, 'at the time of clinical onset/worsening' or 'within the two years before clinical onset/worsening'). The DRCA however does not use SoPs as binding instruments although

decision makers may still use them as a guide when determining liability. Currently DVA must process and maintain the capability to process liability claims using both systems.

**Options 1 and 2** would maintain the complexities and inconsistencies of having a SoP and non-SoP liability system. **Options 3 and 4** would eliminate this duality, with **Option 4** (moving to a single ongoing Act) providing the greatest simplification.

### Complexities and differences in the calculation of impairment levels

Under the current tri-Act system there are three different instruments used by decision makers to determine impairment levels- a separate instrument for each Act.

- GARP refers to one of two different instruments: GARP V or GARP M. GARP V is the fifth edition of the Guide to the Assessment of Rates of Veterans' Pensions used to assess DCP under the VEA.
- GARP M, or the Guide to Determining Impairment and Compensation, is a specially adapted edition of GARP V that is used to assess compensation claims under MRCA.
- the DRCA PI Guide (PIG) is the Guide to the Assessment of the Degree of Permanent Impairment 2023, used to assess compensation claims under DRCA.

**Option 4** would revert to the use of one instrument (GARP M) to determine impairment levels under the MRCA, significantly simplifying the permanent impairment compensation landscape while **Options 1, 2 and 3** would retain either two or three instruments. In terms of reducing complexity in this domain, **Option 4** is clearly the best alternative.

## Implementation

**Option 4** has been identified as the best option of the four alternatives considered. Implementation of this option requires passage of the Veterans' Entitlements Treatment and Support (Harmonisation and Simplification) Bill 2024 through Parliament. This IA will be provided as part of the Bill package to inform the Government's decision. The draft Bill is due to be introduced to Parliament in mid-2024, with the legislation due to be operational by 1 July 2026.

Should the legislation be passed by Parliament, a comprehensive implementation plan will be developed and managed in accordance with the requirements of the DVA project management framework to ensure a smooth and timely transition to the new arrangements. This will include the identification and prioritisation of activities and milestones and the development of a schedule. Potential risks will also be identified, assessed, and managed in accordance with the DVA Risk Management Framework. Progress will be monitored through regular reporting to DVA's governance arrangements.

At a high level, implementation will involve:

- creation of subordinate Instruments as well as addressing any potential unintended consequences
- the design, preparation for and execution of the ICT system changes necessary to support the transition
- updating policy, processes, procedures, website content, forms, client letters and training material
- training for advocates and DVA delegates.

The implementation risks that have already been identified are outlined in the table below and have been categorised using DVA's Risk Assessment Matrix. As noted above a more comprehensive risk analysis will be undertaken as part of designing the implementation plan.

DVA's Risk Assessment Matrix

Risk level ↑	Opportunity				Likelihood	Threat				Risk level ↑
	Very high	Very high	High	Medium		Medium	High	Very high	Very high	
	Very high	High	Medium	Low		Low	Medium	High	Very high	
	High	High	Medium	Low		Low	Medium	High	High	
	High	Medium	Low	Low		Low	Low	Medium	High	
	Outstanding	Major	Moderate	Minor		Minor	Moderate	Major	Extreme	
	Positive consequences ←					Negative consequences →				

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Attachment G

Risk Description	Inherent Consequence	Inherent Likelihood	Inherent Rating	Mitigation	Residual Consequence	Residual Likelihood	Residual Rating
Veterans do not perceive the compensation system to be simpler or easier to navigate.	Major	Possible	High	Implementation will be monitored and evaluated to identify if this occurs and targeted strategies will be identified and implemented as appropriate.	Major	Unlikely	Medium
The improved MRCA does not enhance veteran wellbeing / reduce the stress associated with engaging with DVA.	Major	Possible	High	Implementation will be monitored and evaluated to identify if this occurs and targeted strategies will be identified and implemented as appropriate.	Major	Unlikely	Medium
Veterans and their families do not understand the changes and how they impact their individual circumstances.	Moderate	Possible	Medium	The DVA website provides information to assist veterans in understanding how the changes may impact them. This is updated in response to questions and feedback from the veteran community. A communication and stakeholder engagement plan will also be developed in the lead up to implementation.	Moderate	Unlikely	Low
DVA delegates and the advocacy network do not understand the changes and are unable to provide advice to the veteran community	Moderate	Possible	Medium	Delegates and advocates will receive communication and training in advance of implementation.	Moderate	Unlikely	Low
Service providers (such as medical and allied health professionals) do not understand the changes.	Moderate	Possible	Medium	Service providers will receive communication and education in the lead up to implementation.	Moderate	Unlikely	Low



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Attachment G

Risk Description	Inherent Consequence	Inherent Likelihood	Inherent Rating	Mitigation	Residual Consequence	Residual Likelihood	Residual Rating
There is an influx of claims prior to or after commencement of the new arrangements, which results in delays to the processing of claims and potential impact to veterans' wellbeing	Major	Possible	Medium	DVA actively monitors the claims intake, which enables DVA to provide timely advice on staffing needs. The training burden will be significantly reduced with the MRCA as the single ongoing Act allowing DVA to recruit and train staff more efficiently.	Moderate	Unlikely	Low
There is no reduction in administrative burden for the department.	Moderate	Unlikely	Low	Implementation planning will ensure that administrative processes are reviewed and streamlined appropriately.	Minor	Unlikely	Low
There are unintended consequences of the improved MRCA.	Moderate	Possible	Medium	Implementation will be monitored and evaluated to identify if this occurs and targeted strategies will be identified and implemented as appropriate.	Minor	Possible	Low
The changes required to DVA systems, policy and processes to support the revised compensation model cannot be delivered by the commencement date.	Moderate	Possible	Medium	Effective project management, including prioritisation of activities, tracking of progress and the escalation and management of issues.	Moderate	Unlikely	Low

A stakeholder engagement and communication plan will also be developed for continued consultation with:

- Veterans and families
- ESOs and veteran advocacy service providers and accreditation bodies such as registered training organisations (advocate training packages will require major update)
- statutory bodies such as the RC, MRCC, VRB, RMA and SMRC
- industry representative bodies such as the AMA and AHPA
- other Australian Government agencies such as Services Australia with interdependencies or service agreements such as the provision of information technology services
- state and territory governments (existing state-based legislation that refers to the current veterans' legislation framework may also be impacted by the proposed changes. For example, several Victorian Acts e.g. the *State Concessions Act 2004* refer to the current *Veterans' Entitlements Act 1986*).

The implementation plan will also be informed by the recommendations in the Final Report of the Royal Commission into Defence and Veteran Suicide (which is due in September 2024) as well as the Government response to the Final Report.

These activities would span an almost two-year lead-in to full implementation.

Implementation including ICT delivery is fully funded through the 2023/24 MYEFO budget round.

### Impact Analysis/ Decision points

The following table documents the development of the IA in relation to major decision points in the process.

Decision point/point in policy development	Timeframe	Status of the IA
Government agrees with Recommendation 1 from the Interim Report of the Royal Commission into Defence and Veteran suicide	September 2022	Undeveloped
Government announces first round of stakeholder consultation	October 2022	Undeveloped
Consultation closed. Feedback collated and analysed	November 2022	Under development
IA draft sent to OIA for comment	December 2022	Under development
Consultation on proposed pathway announced	February 2023	Under development
Consultation closed. Feedback collated and included in IA	May 2023	Under development
Draft IA sent to OIA for informal comment	August 2023	OIA provided feedback
Consultation on exposure draft legislation announced	February 2024	Under development
Consultation closed	April 2024	Under development
Feedback collated and incorporated into IA	May 2024	Under development

Decision point/point in policy development	Timeframe	Status of the IA
Draft IA sent to OIA for informal comment	May 2024	OIA provided feedback
IA adjusted and sent back to OIA for informal comment	May 2024	OIA suggest further development
IA submitted to the OIA for 1st Pass Final assessment	June 2024	First pass assessment IA completed.
OIA first pass assessment comments addressed in the IA and IA submitted to the OIA for 2nd Pass Final assessment	June 2024	IA presented to OIA for second pass assessment
Final policy decision to proceed with proposal	TBC	To be informed by an IA that has been assessed by the OIA

## Outcomes for stakeholders

Adopting a single ongoing Act approach under **Option 4** will reduce the regulatory burden the current complex tri-Act system places on Australia's veterans and their families. Over time it will simplify the processing of compensation claims within DVA, providing veterans with more timely access to benefits and entitlements and facilitating a greater understanding of underpinning legislation and principles within the veteran community.

One organisation representing legal professionals noted in their submission of 17 April 2024:

*"The [name] strongly supports the harmonisation of legislation concerning veterans' entitlements, rehabilitation and compensation claims, with there being a single piece of legislation to cover all compensation claims for Veterans moving forward – that is, the Military Rehabilitation and Compensation Act 2004 (MRCA). We submit that a single, harmonised scheme will improve access to compensation for veterans and their families, as well as providing an overall better experience for veterans during this simplified claims process."*

## Question 6 Summary

**Option 4** is recommended as the best option. This option provides the greatest alignment with the policy objectives and principles and positions the Government to consider further streamlining of administrative systems as more veterans transition to the new scheme. The move to the MRCA as the single ongoing Act is broadly supported by key stakeholder groups due to the expansion of and alignment of benefits, the increase in benefits for some, simplification of the legislative framework, reduction of barriers to veterans accessing entitlements and more contemporary nature of benefits. Multi criteria analysis also points to this approach as the most beneficial. **Option 4** provides a reduction in regulatory cost, and it is the most likely option to achieve the key objectives of reform.

If **Option 4** is implemented by Government, DVA will design and execute a comprehensive implementation plan to ensure a smooth transition to the new system. This will include further consultation with internal and external stakeholders. Implementation including ICT delivery is fully funded through the 2023/24 MYEFO budget round. The new legislation is not scheduled to be operational until 1 July 2026 providing sufficient lead time to develop and review the implementation plan. Critically, this timeline will allow veterans, advocates, and other stakeholders time to familiarise themselves with the new system and make informed decisions as to whether to claim under the current or new arrangements. Implementation and progress will be monitored and assessed through DVA's governance and management framework.

## 7. How will you evaluate your chosen option against the success metrics?

DVA will evaluate the outcomes of implementing **Option 4** to ensure they align with the objectives and success metrics outlined in Question 2 and to gauge its effectiveness.

Implementation and progress will be monitored and assessed through DVA's governance and management framework, and evaluation will be designed taking into account the Commonwealth Evaluation Policy.

- DVA's committees operate with suitable terms of reference to enable the implementation of appropriate controls and the sound monitoring of activities and performance
- DVA's Risk Management Framework supports effective risk management across agency operations and business functions
- DVA's corporate planning framework, strategies, planning processes and performance measures also provide assurance and measure success.

As this legislative reform forms part of the Government's response to the recommendations of the Royal Commission, monitoring and evaluation will also occur as part of the broader monitoring of DVA's implementation of the Royal Commission's recommendations.

The short-term success indicators listed below are measurable in terms of outcome achievement while the longer-term indicators can be quantified in terms of improvement/decline and when measured will provide some indication of the overall achievement of the broader reform objectives.

Shorter term benefits will include:

- an alignment of eligibility for benefits such as Gold Cards, Household Services, Incapacity Payments, Funeral Benefits, Education Schemes and Travel for Treatment arrangements
- the removal of the need to consider different 'Heads of Liability' in the initial liability determination process
- the transition to the use of one instrument for the assessment of impairment levels
- the removal of complexities regarding the timing of occurrence of service-related conditions in terms of which Act applies
- it will be simpler for veterans to establish the causal link between their service and their claimed condition(s).

Longer term success indicators will include:

- decreased turnaround times for compensation claims
  - this quantitative data is collated, analysed and publicly reported monthly via the DVA website.
- a decrease in the time taken to effectively train compensation claims processing staff
  - this will be measurable via DVA's Human Resources services and Client Benefits Division's Service Delivery Learning Development section by establishing clear pre-implementation quantitative baselines.
- a decrease in the time taken for advocates to complete accredited training
  - this data can be obtained through the Advocacy Training and Development Program and the Registered Training Organisation that provides accreditation to establish pre-implementation quantitative baselines.

- greater consistency in claim outcomes
  - quantitatively measured through DVA's Quality Assurance framework and qualitatively measured through client satisfaction surveys
- a decrease in the number of compensation claims related complaints registered with DVA
  - quantitatively measurable through DVA's Client Feedback Management System
- a decrease in the percentage of compensation claims referred to the VRB
  - qualitatively measurable through routine DVA data collection
- Improved results through the DVA client satisfaction survey
  - Both qualitative and quantitative measures with baselines established by previous survey results.

Baseline measures for the success factors listed above will be established in 2025 prior to implementation of reforms. It should be noted that these factors are contingent upon passage of the Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Bill 2024 through Parliament without major amendment. Significant amendment via the parliamentary process may necessitate revision of evaluation.

Given the magnitude of the proposed reforms, broader overall success of the new system should be measured at a reasonable interval post implementation (suggested interval of five years like the timing of the 2011 "*Review of Military Compensation Arrangements*"). Feedback from a range of system users and stakeholders (including success factors listed above) will need to be considered. The views of veterans, their families and the organisations that represent them will be key when measuring the success or otherwise of the proposed reforms. Review options for future consideration include:

- a legislative review similar to the "*Review of Military Compensation Arrangements*" which commenced in 2009, five years after the introduction of the MRCA and concluded in 2011
- internal audit reporting directly to the DVA Executive
- engagement with the new Australian Centre for Evaluation.

In the interim, information on implementation and any realised benefits will be included as part of updates on Royal Commission recommendations in DVA's Portfolio Budget Statements (as appropriate), Corporate Plan and Annual Report. The existing web page for legislation reform will continue to provide updates to the veteran community on key activities regarding the implementation of legislation reform as they occur.

The proposed implementation date of 1 July 2026 provides sufficient lead time to design a robust evaluation process.

### Question 7 Summary

If **Option 4** is implemented by Government, DVA will evaluate the outcomes of implementation to ensure they align with the objectives and success metrics outlined in Question 2 and to gauge their effectiveness. The evaluation will be designed taking into account the Commonwealth Evaluation Policy. DVA will establish baseline measures to evaluate performance of the new system against the listed success factors and incorporate them into a broader review when such a course of action is determined and implemented. In the interim DVA will provide reports on implementation and any realised benefits through its Portfolio Budget Statements, Corporate Plan and Annual Report. Updates on key activities will also be provided through DVA's website.

## Conclusion

While it has long been recognised that the legislation covering veterans' rehabilitation and compensation needs major reform, change has proven difficult to effect, largely due to the enormity of the task and the diverse and the differing stakeholder views. Through its Interim Report of August 2022, the Royal Commission has provided a significant additional impetus to revisit the reform agenda.

If implemented, the proposed movement to a single ongoing Act, i.e. that after a nominated date all future claims will be administered under the MRCA, will represent the largest single reform to the veterans' legislation landscape in over 100 years. It will supersede the complex multi-Act piecemeal system that evolved over the 20<sup>th</sup> century in response to the changing nature of conflicts and defence service.

The proposed approach will build on a framework that has been developing since 2004, and create a modern system, reflective of contemporary workers' compensation philosophies while recognising the unique occupational nature of serving in Australia's defence forces. Importantly, safeguards will be built into the new framework protecting the benefits currently being received by veterans and their families. Moving to a single ongoing Act will provide greater clarity regarding 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 quicker accessibility to rehabilitation and compensation entitlements and simplify the administrative landscape for veterans, their families, and veteran advocates. Veterans and their dependants will also directly benefit from a streamlined and simplified environment for service providers and government, which will significantly reduce the burden associated with submitting and processing compensation claims.



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## Appendix A

# Summary of Reviews and Reports with recommendations or findings related to simplifying DVA Legislation

## Interim Report of the Royal Commission into Defence and Veteran Suicide August 2022

In its August 2022 Interim Report, the Royal Commission into Defence and Veteran Suicide stated: *"It is clear to us that Australia's veteran compensation and rehabilitation legislative system is so complicated that it adversely affects the mental health of some veterans – both serving and ex-serving ADF members – and can be a contributing factor to suicidality. In Chapter 4, we recommend that the Australian Government should, without delay, implement legislative reforms to simplify and harmonise the veteran entitlement system (see Recommendation 1). We have heard evidence and received submissions that suggest that the system is too complex. Previous reports and inquiries – including the Productivity Commission's 2019 report, A Better Way to Support Veterans – have called for legislative simplification and harmonisation. We recognise that making change will not be easy, but the difficulties of reform provide no justification to delay any further."*

The Royal Commission was particularly critical of the Australian Government's response to the 2019 Productivity Commission report "A Better Way to Support Veterans" as outlined below in further excerpts from its Interim Report:

*"In our view, the Australian Government failed to respond with appropriate effort or speed between June 2019 and mid-May 2022, as it did not:*

- *publish its 'Interim Response to the Report of the Productivity Commission 'A Better Way to Support Veterans' until October 2020, more than 15 months after it received the Productivity Commission report;*
- *publish its 'Update to Government Response to the Productivity Commission report, A Better Way to Support Veterans' until May 2021, nearly two years after it had received the Productivity Commission report;*
- *conduct the 'first of a series of internal policy workshops to discuss key issues with ex-service and Defence groups in relation to legislative simplification and harmonisation' until December 2021."*

## Preliminary Interim Report Interim National Commissioner for Defence and Veteran Suicide Prevention November 2021

On 5 February 2020, the Prime Minister announced that the Australian Government would establish a new National Commissioner for Defence and Veteran Suicide Prevention (National Commissioner) to inquire into, and support the prevention of, the deaths by suicide by ADF members and veterans.

On 16 November 2020, the Australian Government appointed Dr Bernadette Boss to the role of National Commissioner for Defence and Veteran Suicide Prevention of on an interim basis in anticipation of legislation to formally create the role of the National Commissioner for Defence and Veteran Suicide Prevention. Dr Boss's primary task was to commence the Independent Review of Past Defence and Veteran Suicides in accordance with the Terms of Reference promulgated by the Australian Government. Dr Boss was to provide an interim report by November 2021 and a final

report by May 2022. The role of National Commissioner has since been subsumed (at least for the time being) by the Royal Commission into Defence and Veteran Suicide. Dr Boss was able to complete her preliminary interim report during her tenure as National Commissioner. During her investigations as National Commissioner, Dr Boss identified the need to “fundamentally reimagine” the entire veteran’s legislative framework.

In Recommendation 4.1 of her preliminary interim report, Dr Boss stated:

*“The Australian Government should fundamentally reconsider the purpose of the Department of Veterans’ Affairs (DVA) rehabilitation and compensation legislative framework. The current framework, which is premised on a compensation model, should be replaced with a wellbeing model, which incorporates concepts of social insurance more aligned with the National Disability Insurance Scheme. This model should include safety net access to payments.”*

Dr Boss also agreed with the Productivity Commission’s 2019 report in that system is “not fit for purpose” and went on to say: “but trying to make the system work by simplifying or harmonising the current legislative framework, and doing it through a process that is, in the Australian Government’s words, ‘evolutionary’ and according to a ‘legislative harmonisation plan over time,’ will not be enough. The entire legislative framework needs to be fundamentally reimaged and transformed from its current ‘illness’ model to a modern ‘wellness’ model. This transformation needs to be done sooner, rather than later, if we want to improve the wellbeing of veterans. Serious focus also needs to be on the processes and procedures used to give effect to the legislation. The current experience is that they are cumbersome, burdensome and harmful to the mental and physical wellbeing of veterans.”

#### Productivity Commission Inquiry Report “A Better Way to Support Veterans” June 2019

On 27 March 2018, the Productivity Commission received from the then Treasurer, the Hon Scott Morrison MP, a request that it “undertake an inquiry into the system of compensation and rehabilitation for veterans (Serving and Ex-serving Australian Defence Force members)” The inquiry was “to examine whether the current system for compensating and rehabilitating veterans is fit for purpose now and into the future”.

The Productivity Commission report was provided to the Australian Government on 27 June 2019. The Productivity Commission commenced its list of ‘Key points’ with: “Despite some recent improvements to the veterans’ compensation and rehabilitation system, it is not fit-for-purpose – it requires fundamental reform. It is out-of-date and is not working in the best interest of veterans and their families, or the Australian community.”

The Productivity Commission’s made five key recommendations relevant to reform of the legislation for veterans’ compensation and rehabilitation. The five recommendations are:

- recommendation 8.1: Harmonise the initial liability process
- recommendation 8.4: Move MRCA to a single standard of proof
- recommendation 13.1: Harmonise the DRCA with the MRCA
- recommendation 14.1: A single rate of permanent impairment compensation
- recommendation 19.1: Two schemes for veteran support.

Recommendation 19.1 proposed that from 2025 onwards there should be two schemes for veteran support. According to the Recommendation: Scheme 1 would be based on the VEA and would continue to provide benefits to older veterans (and their families) who are currently receiving benefits under the VEA. Younger veterans covered by the VEA would be offered a one-off choice to switch their benefits to scheme 2.

Scheme 2 would be based on a modified MRCA. It would provide benefits for veterans (and their families) who are not covered by scheme 1, including: those receiving current MRCA or DRCA benefits.

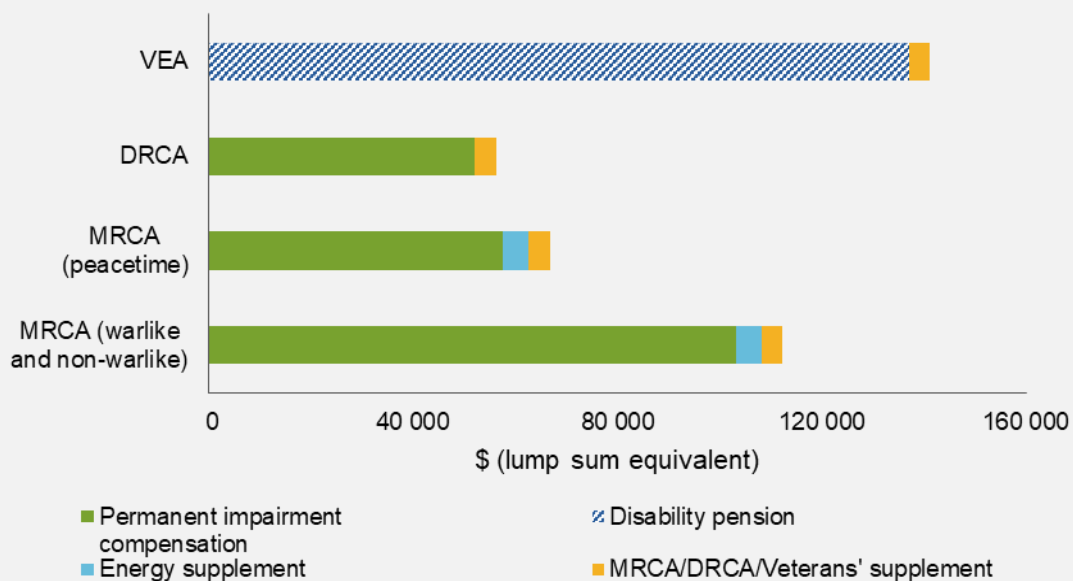
In accordance with the model recommended in the Productivity Commission report, a veteran would be eligible under only one scheme, thereby removing dual Act eligibility and the need to offset entitlements. Scheme 1 would eventually cease, but not for some time, and Scheme 2 would be the primary scheme moving forward. The Productivity Commission also identified variances in the amounts of compensation payable depending on coverage under respective Acts. These variances can lead to perceived inequities in benefits available to veterans with seemingly similar periods and types of service. The Commission used the following Example A to illustrate this point in the overview of its report.

### Example A

*The amount of compensation payable, and how the compensation is calculated or paid, varies depending on which Act applies. As an example, Jane is a 30-year-old veteran who suffered a shoulder impairment graded at about 20 impairment points. While the amount and type of compensation will vary based on which Act she is covered by and the type of service under which the impairment was suffered, she will be entitled to:*

- either a permanent impairment payment or a pension to compensate for the pain and suffering from the impairment. (Because Jane's ability to work is not affected by her impairment, she will not be entitled to an income replacement payment.)
- various supplements.

Jane could expect to receive between \$56 000 and \$140 000 in lifetime financial compensation (with the VEA being the most generous Act).



### Joint Standing Committee on Foreign Affairs, Defence and Trade Inquiry into transition from the ADF April 2019

This inquiry had its genesis in the Senate Foreign Affairs, Defence and Trade References Committee's 2017 report on its inquiry into suicide by veterans and ex-service personnel. A number of submissions referred to the difficulties experienced by former members of the ADF in submitting applications to DVA for acceptance of their illness or injury as service-related, and that they were disaffected with the outcomes.

It was suggested that rationalising the three Acts (the VEA, DRCA, and MRCA) into a single Act, would be beneficial and that New Zealand had taken this approach and has one Act, the Veterans' Support Act 2014.

One submission stated; *"Our goal ought to be new veteran related legislation that preserves veterans' entitlements while simplifying the process under a single piece of legislation"*.

As part of Recommendation 1 in its report, the Joint Standing Committee recommended that the Government *"Reduce the complexity of the legislative framework reporting on the outcomes for veteran support (VEA, DRCA, MRCA) with the objective of transitioning over time to a single system under a single Act."*

### Independent Review of the Implementation of the Recommendations of the Joint Inquiry into the Management of Jesse Bird's Case, March 2019

In 2017, following the death of Australian veteran, Mr Jesse Bird, who died by suicide on 27 June 2017, the then Minister for Veterans' Affairs, the Hon Dan Tehan MP, asked DVA, the Department of Defence and the Veterans and Veterans Families Counselling Service (now Open Arms) to undertake a 'Joint Inquiry' into the circumstances of Mr Bird's death. The Joint Inquiry made 19 recommendations, which the Government accepted.

In 2018, the Hon Darren Chester MP, the then Minister for Veterans' Affairs, commissioned Emeritus Professor Robyn Creyke AO to undertake an independent review of the implementation of the 19 recommendations of the Joint Inquiry.

In her March 2019 report, *Independent Review of the Implementation of the Recommendations of the Joint Inquiry into the Management of Jesse Bird's Case*, Professor Creyke noted that one of the "hurdles" DVA faces is *"its complex claims legislation ... and the consequential impact of this complexity on DVA's claims processes, staff capability, and client experience"*. Professor Creyke also stated *"... that there needs to be continued focus on legislative change to the VEA, alongside that for the MRCA/ DRCA, pending more wholesale legislative changes following the final report of the Productivity Commission."*

### Foreign Affairs, Defence and Trade References Committee: The Constant Battle: Suicide by Veterans August 2017

The burden of legislative complexity and administrative hurdles impacts veterans when they are seeking support at a vulnerable period in their lives. The complexity of the legislative framework was a key theme from the evidence received. While arguably the most important issue during the inquiry, the committee recognises there is no quick fix.

The complexity of the three legislative schemes and the inconsistency of their application to veterans were key issues raised during this inquiry. Legislative and resulting administrative complexity was identified as a key cause or contributing factor to a range of problems for veterans

seeking to access compensation, rehabilitation, health services and other support. The committee stated, *"The burden of legislative complexity and administrative hurdles impacts veterans when they are seeking support at a vulnerable period in their lives."*

In its submission, the South Australian Government commented:

*"This legislative framework is cumbersome, complex, confusing, and difficult to navigate for advocates, DVA staff and members of the serving and ex-serving community. In some circumstances a veteran may have a claim under more than one Act requiring the claimant (or their advocate) to make a number of applications to more than one compensatory scheme. The assessment process within DVA requires delegates to have a thorough understanding of all legislation in order to assess the validity of a claim. The complexity of the legislative framework can lead to significant delays to the processing of claims adding unwarranted stress to those involved."* (South Australian Government, 2017).

The committee acknowledged that simplifying the legislative framework would result in efficiencies and benefits for all, including flowing through to the time taken to process compensation claims.

The inquiry culminated in the committee recommending that the government ask the Productivity Commission to review the legislative framework and administrative processes with the objective of simplifying the system.

## Appendix B

## Comparison of VEA/DRCA/MRCA benefits

(Note: This document is for illustrative comparison purposes only. Rates quoted were current as at November 2023 but may have been updated since.)

Benefit	VEA	DRCA	MRCA
Compensation for permanent impairment	Disability Compensation Payments (DCP) for life, tax-free, with the rate depending on the degree of incapacity.		Up to \$303,684.45 tax-free lump sum for PI and NEL.
	<b>Rates</b>	Max SRCA PI amount \$94,404.35 for severely injured employees under the <i>Defence Act 1903</i> with a WPI rating of 80% or more, due to paraplegia, quadriplegia, total blindness or any other injury having a similar effect.	Up to \$405.11pw (+ES \$3.80pw) tax-free for life. The rate depends on the degree of impairment
	Special	\$853.85 (+ES \$10.75pw)	This may be converted to an age-based lump sum.
	Intermediate	\$565.95 (+ES \$7.25pw)	In the case of someone who receives the maximum PI payment, there is also a lump sum payment of \$104,291.61 to the veteran for any dependent children less than 16 years or from 16–24 years incl. in FT education.
	EDA	\$460.70 (+ES \$5.90pw)	
Incapacity for service or work	General (10% to 100%)	\$29.63 to \$296.30 (+ES \$3.85pw)	
	<b>Loss of Earnings Allowance</b> (LOE) is paid where treatment for an accepted disability, or attending a medical appointment in relation to a disability, results in an <i>actual</i> loss of earnings that has not been compensated from another source.		Weekly, taxable, incapacity payments for loss of earnings at 100% of normal weekly earnings, less a 5% notional superannuation contribution, reducing to 75% after 45 weeks in receipt of compensation. Payments cease at age pension age.
	LOE tops up the DCP to the Special Rate (SR) of pension, or pays the amount of salary, wages or earnings actually lost, whichever is the lesser amount.		Weekly, taxable, incapacity payments for loss of earnings paid at 100% of normal earnings reducing to 75% after 45 weeks after discharge, which cease at age pension age.
	<b>Temporary Incapacity Allowance</b> (TIA) is paid where hospital or institutional treatment has resulted in an incapacity for work for a period of at least 28 days.		In the case of more seriously injured, the person may choose to receive a tax-free SRDP of \$864.60pw (including ES) payable for life instead of incapacity payments.
	TIA tops up DCP to SR of pension.		
	*Both LOE & TIA payments are offset by the fortnightly equivalent of <i>any</i> lump sum received under the DRCA regardless of whether that lump sum was for a VEA accepted disability or not.		



Benefit	VEA	DRCA	MRCA
<b>Attendant allowance</b> <b>Attendant Care Services</b>	Paid in cases of 'service' accepted multiple amputations, blindness, disease affecting the cerebrospinal system or a condition accepted as being similar in effect or severity. \$100.70 pw (low) \$201.65 pw (high)	Reimbursement of up to \$552.12pw for the cost of ACS reasonably required as a result of the accepted conditions.	Reimbursement of up to \$573.61pw for the cost of ACS reasonably required as a result of the accepted conditions.
<b>Household services</b>	Low-level domestic support services according to assessed need (Gold Card) or assessed need related to accepted disability (White Card). Up to 15 hours pa of garden maintenance (safety-related only) and home maintenance. CVC program, if eligible.	Reimbursement of up to \$552.12pw for the cost of HHS reasonably required as a result of the accepted conditions.	Reimbursement of up to \$573.61pw for the cost of HHS reasonably required as a result of the accepted conditions.
<b>Vehicle purchase, modification and maintenance</b>	Vehicle Assistance Scheme including up to \$39,810 for a new vehicle (only available to certain amputees, complete paraplegics, or someone who has a condition accepted as being similar in effect and severity to certain amputees).  Modifications necessary for accepted disabilities.  Maintenance allowance towards running costs \$2,802.80 pa.	Reasonable cost of any modifications to the vehicle, which are reasonably required as a result of accepted injury.  Assistance to purchase a new or second-hand vehicle may be provided for someone whose vehicle cannot be modified or who does not own a vehicle, and will derive real benefit from the vehicle.	Motor Vehicle Compensation Scheme (MVCS) provides compensation in relation to an accepted condition to: <ul style="list-style-type: none"> <li>• modify a motor vehicle;</li> <li>• maintain and/or repair modifications to a motor vehicle;</li> <li>• subsidise the purchase of a new or second-hand vehicle; or</li> <li>• pay other kinds of compensation relating to motor vehicles specified under the MVCS, such as increased insurance due to modifications.</li> </ul>

Benefit	VEA	DRCA	MRCA
<b>Repatriation Health Card — For Specific Conditions (White Card)</b>	Yes	<p>No — Reimbursement for medical expenses reasonably required as a result of accepted injury.</p> <p>May be eligible for NLHC treatment, whether war caused or not, for the following conditions: malignant cancer (neoplasia) pulmonary tuberculosis, and any mental health condition.</p> <p>White Card may be issued to eligible transitioning members of the ADF for the purposes of accessing mental health treatment under NLHC.</p>	<p>Ongoing medical expenses arising from the accepted medical condition will be met through either: reimbursement of expenses; or provision of a White Card.</p> <p>White Card may be issued to eligible transitioning members of the ADF for the purposes of accessing mental health treatment under NLHC.</p>
<b>Repatriation Health Card — For All Conditions (Gold Card)</b>	<p>Gold Card if receiving a disability compensation payment (DCP) at or above 100% of the General Rate, or 50% DCP or has 30 impairment points under the MRCA and any amount of service pension, or 70 years old with qualifying service, or an ex-POW.</p> <p>Gold Card for widowed spouse, only where the members' death has been accepted as service caused.</p> <p>Gold Card for dependent child, only where the members' death has been accepted as service caused <i>and</i> the child is less than 25 years and still in full-time education.</p>	No — Reimbursement for ongoing medical expenses reasonably required as a result of accepted injury.	<p>Gold Card — if 60 or more impairment points, or if eligible to choose to receive the SRDP.</p> <p>Gold Card — to widowed spouse where:</p> <ul style="list-style-type: none"> <li>death is service caused;</li> <li>member was eligible to choose to receive the SRDP at time of death;</li> <li>member suffered a PI of 80 or more impairment points at the time of death.</li> </ul> <p>Gold Card to dependent child of deceased member, under 16 or between 16 and 25 in full time education where:</p> <ul style="list-style-type: none"> <li>death is service caused;</li> <li>member was eligible to choose to receive the SRDP at time of death;</li> <li>The member suffered a PI of 80 or more impairment points at the time of death</li> </ul>
<b>VEA or MRCA supplement</b>	Yes, for holder of a treatment card. Low rate: \$6.60pf High rate: \$13.20pf	No allowance, but the cost of all reasonable pharmaceuticals is reimbursed for accepted conditions.	Yes, for holder of a treatment card. Low rate: \$6.60pf High rate: \$13.20pf
<b>Cost of attendance for medical treatment</b>	Reimbursement of travel allowance at specified rates.	Reimbursement of travel at specified rates for travel in excess of 50 km return.	Reimbursement of travel at specified rates for travel in excess of 50 km return.
<b>Rehabilitation</b>	Veterans' Vocational Rehabilitation Scheme — limited in scope and assistance.	All rehabilitation required or deemed appropriate to return the person to their best possible functioning in their home and their work life.	All rehabilitation required or deemed appropriate to return the person to at least the same physical and psychological state and at least the same social, vocational and educational status as he or she had before the injury or disease.

Benefit or dependant	VEA	DRCA	MRCA
Home modifications	Limited availability under some DVA programs.	Alterations to the home that are reasonably required due to the person's injury.	Provided through rehabilitation, alterations to the home that are reasonably required due to the person's injury.
Aids and appliances	Appropriate aids and appliances according to assessed clinical need (Gold Card) or accepted disability (White Card).	All reasonable cost of aids and appliances reasonably required as a result of the person's injury.	All reasonable cost of aids and appliances reasonably required as a result of the person's injury.
Workplace modifications	Under Veterans Vocational Rehabilitation Service.	All reasonable costs for necessary alterations requested as a result of the client's accepted condition.	Provided through rehabilitation program. All reasonable costs for necessary alterations.
Compensation for loss of, or damage to, property used by employee where employee is NOT injured	No	Reimbursement of the cost of replacing property used by the employee that was lost or damaged as a result of an accident arising out of, and in the course of, employment, but in which the employee was <i>not</i> injured. For example, the cost of replacing glasses broken in a scuffle during the apprehension of a person where the employee was not injured.	Reimbursement of the cost of replacing medical aid used by the member that was lost or damaged as a result of an accident occurring while rendering defence service, but for which the member has not lodged a claim for injury. For example, the cost of replacing glasses broken in a scuffle during the apprehension of a person where the member was either not injured, or was injured and did not lodge a claim for liability.
Widow(er)'s benefits	\$551.05pw (+\$7.10pw ES) tax-free war widow(er)'s pension payable fortnightly for life in respect of death due to service. Gold Card for life.	Up to \$617,130.59 tax-free lump sum (shared with child dependants, if any, but minimum of 75% to spouse).  Additional payment under <i>Defence Act 1903</i> (spouse), of \$68,132.07. Additional payment under Defence Act 1903 to Max DRCA PI payment for severe injury adj - \$94,404.35. Dependent child benefit \$100,143.27 under the <i>Defence Act 1903</i> .	\$551.05pw tax-free for a wholly dependent partner of a deceased member. The partner may elect to convert the payment to an age-based lump sum.  An additional age-based lump sum is provided where the death is service caused. A widow or widower would be eligible for a maximum additional death benefit of \$173,819.34.
Dependent children benefits	Orphan's pension (if war/service caused death of parent). Conditions apply if child is older than 16 years (e.g. not eligible if receiving education benefits). \$58.15pw if service parent deceased. \$116.2pw if both parents deceased. Gold card while in FT education.	\$100,143.27 tax-free lump sum ( <i>Defence Act</i> ) payment for each dependent child younger than 16 years, or from 16-24 years inclusive if in full-time education. Held in trust until child reaches 18 years of age. \$169.72pw (while younger than 16 years or from 16-24 years inclusive if in FT education).	\$104,291.61 tax-free lump sum payment for each dependent child younger than 16 years, or from 16-24 years inclusive if in full-time education. \$173.46pw (while younger than 16 years, or from 16-24 years inclusive, if in FT education).

Benefit or dependant	VEA	DRCA	MRCA
<b>Children's education benefits</b>	<p>VCES benefits (non-means tested) for eligible children of certain severely disabled members or members whose deaths have been accepted as service caused.</p> <p>VCES has various rates of education allowances:</p> <ul style="list-style-type: none"> <li>primary education rate of \$307.90 per year.</li> <li>secondary/tertiary rates range from \$63.70pf (inc. ES) for a student aged younger than 16 years and living at home, to a maximum \$609.80pf (inc. ES) for those aged 18 and over who are forced to live away from home for educational purposes (based on Centrelink Youth Allowance rates for those 16 years and over).</li> </ul>	<p>No — would have to apply for Youth Allowance through Centrelink. Youth Allowance rates and VCES rates are identical for students aged 16 years and over.</p>	<p>MRCAETS for dependent children of severely injured members or deceased members where:</p> <ul style="list-style-type: none"> <li>the member's death is accepted as service caused;</li> <li>the member is eligible to choose to receive the SRDP at time of death; or</li> <li>the member suffers a PI of 80 or more impairment points.</li> </ul> <p>MRCAETS has various rates of education allowances:</p> <ul style="list-style-type: none"> <li>primary education rate of \$307.90 per year.</li> <li>secondary/tertiary rates range from \$63.70pf (inc. ES) for a student 16 years or younger and living at home, to a maximum \$609.80pf (inc. ES) for those aged 18 years and over, who are forced to live away from home for educational purposes (based on Centrelink Youth Allowance rates for those aged 16 years and over).</li> </ul>
<b>Funeral benefit</b>	<p>Yes, for service-caused death. Reimbursement up to \$2,000. Also, automatic grants of funeral benefit of \$2,000 to the estates of certain deceased veterans.</p>	<p>Yes, where death is due to service, or to a service-related medical condition. \$14,062.53 reimbursement maximum.</p>	<p>Yes, where death is due to service or to a service-related medical condition. \$14,062.53 reimbursement maximum.</p>
<b>Bereavement payment (disability pension)</b>	<p>Deceased person's DCP continues for 6 fortnights if there is a surviving spouse.</p> <p>From 1 July 2008, a deceased single veteran's estate may be eligible to receive a bereavement payment if the veteran was in receipt of SR of pension or EDA and dies in indigent circumstances.</p>	<p>No.</p>	<p>The following payments continue for 6 fortnights if there is a surviving spouse or dependent child:</p> <ul style="list-style-type: none"> <li>weekly PI payments;</li> <li>incapacity payments;</li> <li>SRDP.</li> </ul>
<b>Financial advice</b>	<p>No.</p>	<p>\$1,990.52 payable under the <i>Defence Act 1903</i>.</p>	<p>\$3,076.16 for member offered the choice between SRDP and weekly IP and PI payment.</p> <p>\$3,076.16 for a member who has PI of 50 or more IP.</p> <p>\$3,076.16 for wholly dependent partner when offered choice between weekly payment or conversion of that payment to a lump sum.</p>



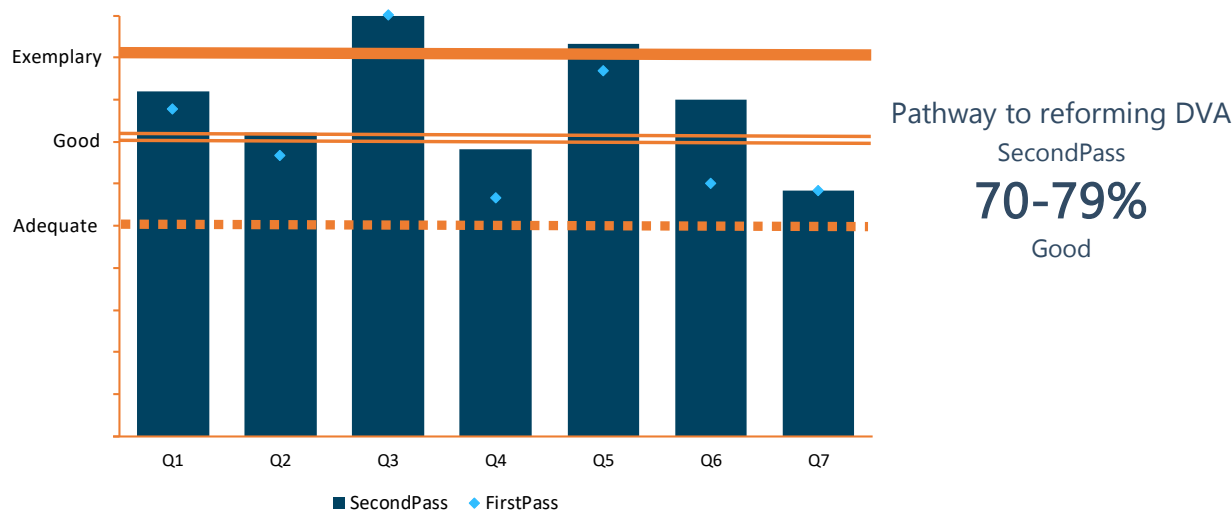
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# Impact Analysis (IA) Assessment

## Veterans' Compensation and Rehabilitation Legislation Reform

### Assessment: Second Pass

Overall, each IA is assessed by the OIA on a four tier scale (Exemplary, Good practice, Adequate, Insufficient). To support this broad assessment, the OIA also individually grades your responses to each of the seven IA questions. This data is intended to provide more specific feedback to assist in improving your IA and narrative as well as identifying areas of analysis that may require focused improvement. This information is intended to be used as a guide only and will not be published by the OIA.



IA Questions		SecondPass	Rating
Q1	What is the problem you are trying to solve and what data is available?	75-84%	Good
Q2	What are the objectives, why is government intervention needed to achieve them, and how will success be measured?	65-74%	Good
Q3	What policy options are you considering?	90-100%	Exemplary
Q4	What is the likely net benefit of each option?	60-69%	Adequate
Q5	Who did you consult and how did you incorporate their feedback?	85-94%	Exemplary
Q6	What is the best option from those you have considered and how will it be implemented?	75-84%	Good
Q7	How will you evaluate your chosen option against the success metrics?	50-59%	Adequate
OVERALL SCORE		70-79%	Good