



VETS Act Reform: GARP M Enhancements

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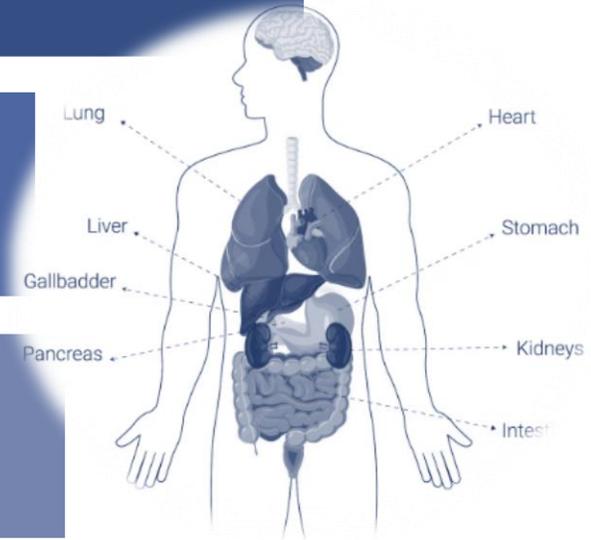
What is GARP M and what does it do?

The Guide to Determining Impairment and Compensation 2016 (GARP M) is the approved guide under the *Military Rehabilitation and Compensation Act 2004* (MRCA)

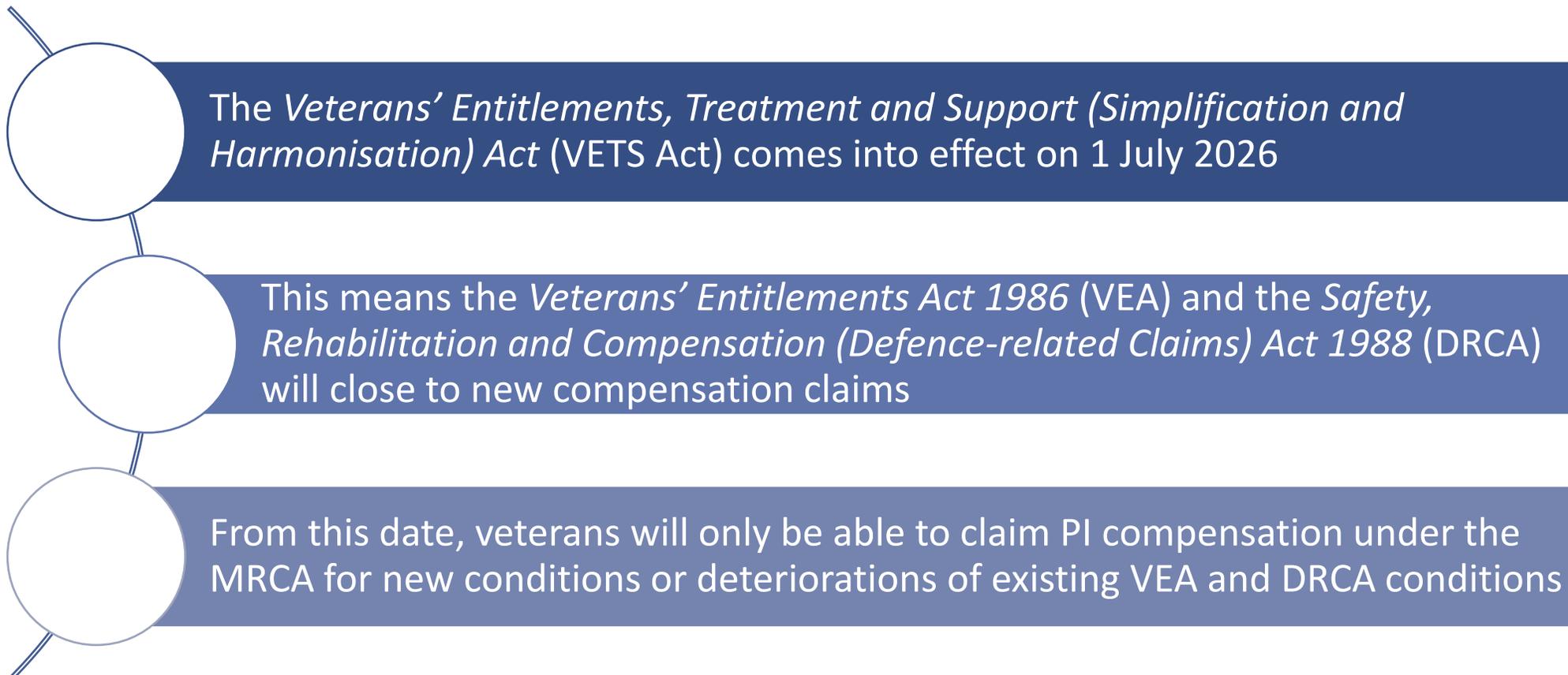
It is used to assess impairment and lifestyle ratings, when determining the amount of permanent impairment (PI) compensation payable under the MRCA

Chapter 25 of GARP M contains the formula for calculating the amount of MRCA PI compensation for veterans with service-related conditions accepted under the MRCA and other Acts

The Chapter 25 formula calculates the PI payable for MRCA conditions only, by working out the notional amount payable for all conditions under all Acts and subtracting the notional amount payable for other Act conditions



Compensation claims from 1 July 2026



The *Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Act* (VETS Act) comes into effect on 1 July 2026

This means the *Veterans' Entitlements Act 1986* (VEA) and the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) will close to new compensation claims

From this date, veterans will only be able to claim PI compensation under the MRCA for new conditions or deteriorations of existing VEA and DRCA conditions

Why will GARP M change?

Veterans currently covered exclusively under VEA and DRCA, who claim after 1 July 2026 for increases in impairment of their existing conditions, will require an increase of 5 points under the GARP M for further PI compensation to be paid under MRCA



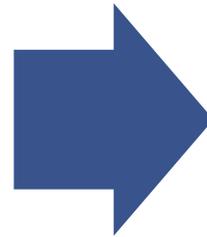
As these veterans have not ever had their impairment assessed under the GARP M, they will need a starting degree of impairment to assess any increases in impairment in relation to a MRCA PI claim after 1 July 2026



The GARP M will change to include a new methodology that will be used to find a veteran's starting degree of impairment
The method will translate any previous impairment ratings determined under the VEA and the DRCA (where compensation has been paid)

New baseline impairment rating

This translation of impairment ratings under the VEA and the DRCA is called the baseline impairment rating



The baseline impairment rating is designed to recognise prior impairment ratings under the VEA and the DRCA in a consistent way

When will the baseline method apply?

The new baseline impairment rating methodology will apply to veterans who lodge a MRCA PI claim after 1 July 2026 who have never been assessed under GARP M before.

For VEA and DRCA veterans who are applying for additional compensation for increases in impairment for their accepted conditions, an increase of 5 impairment points from baseline will be required for MRCA PI compensation to be paid.

For all subsequent claims after these veterans' first MRCA PI claim is finalised, the baseline impairment rating will simply be the previous rating at Step 1 of Chapter 25 of GARP M

For veterans with service-related conditions under the MRCA and other Acts who were assessed under GARP M in relation to a claim before 1 July 2026, the baseline will be the rating at Step 1 of Chapter 25 of GARP M.

How baseline is determined

VEA

Unrounded impairment ratings used to determine the VEA Disability Compensation Payment will be the baseline

This is because the GARP M does not adopt the rounding approach

DRCA

% whole person impairment ratings will be expressed as impairment points. Where there are multiple ratings under the same functional tables, only the highest will be used

This aligns with how GARP M assesses multiple ratings for the same loss of function

Dual VEA/DRCA

Only DRCA impairment ratings for conditions not accepted under the VEA will be combined with VEA ratings

This is to ensure ratings/conditions are not counted twice

How baseline is determined

Once the VEA and DRCA ratings are translated for GARP M purposes, the next step will be to combine those impairment ratings to find the baseline using whole person impairment combining principles

These whole person impairment combining principles already exist in the GARP M, using Table 18.1



How baseline is determined: Loss of Efficient Use

Loss of Efficient Use (LOEU) ratings under the *Compensation (Commonwealth Government Employees) Act 1971* and the *Commonwealth Employees' Compensation Act 1930* will not be translated into a baseline impairment rating

Unlike the MRCA and the GARP M, LOEU does not:

- adhere to whole of person impairment principles
- require that impairment is permanent and stable

LOEU is also assessed against a criteria for employment purposes and for general purposes, creating a further disparity with the whole person impairment approach under GARP M

Not counting LOEU ratings will not negatively impact veterans, as the baseline impairment rating is not used to determine eligibility for MRCA PI compensation or ancillary benefits

What the baseline will not be used for

The baseline impairment rating will not be used for determining thresholds for ancillary benefits (such as a Gold Card) under the MRCA

The overall impairment rating for that purpose will be assessed and determined based on new medical evidence under the GARP M for claims after 1 July 2026 (i.e. the rating at Step 1 of Chapter 25)



Example 1: Captain Johnson

Pre VETS Act, Captain Johnson is a DRCA-only veteran with service-related conditions, hypertension and cervical spondylosis.

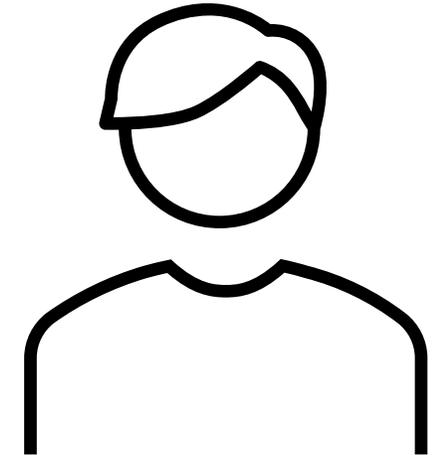
DRCA PI compensation previously paid 15% WPI (hypertension) and 28% WPI (cervical spondylosis).

To find Captain Johnson's baseline, the DRCA PI ratings are expressed as impairment points and combined.

DRCA PI WPI% ratings expressed as impairment points: 15 and 28 points.

These are then combined using scale 18.1.

Captain Johnson's baseline is 39 impairment points.



Example 2: Private Harris

Pre VETS Act, Private Harris is a DRCA-only veteran with 4 lower limb conditions. DRCA PI was paid for 3 conditions at 20% WPI and 1 condition at 30% WPI.

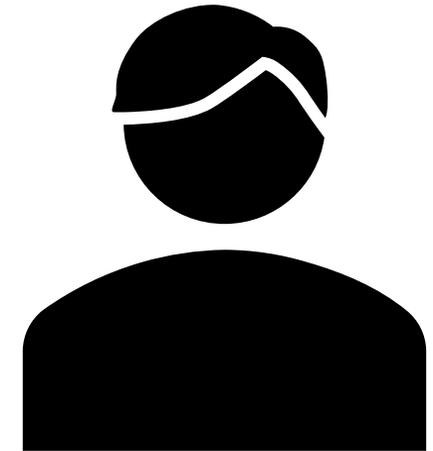
Private Harris also has 1 mental health condition paid at 10% WPI.

To find Private Harris' baseline, only the highest lower limb rating is counted. The mental health rating is also counted.

DRCA PI WPI% ratings expressed as impairment points: 30 and 10 points.

These are then combined using scale 18.1.

Private Harris' baseline is 37 impairment points.



Example 3: Warrant Officer Williams

Pre VETS Act, WO Williams is a VEA & DRCA veteran.

Under the VEA, her conditions are PTSD, bruxism, tinea & bilateral shoulder OA. She is receiving a VEA DCP of 100%, which is 65 points (unrounded) under GARP V.

Her conditions under the DRCA are PTSD, bruxism, tinea, bilateral shoulder OA & lumbar spondylosis.

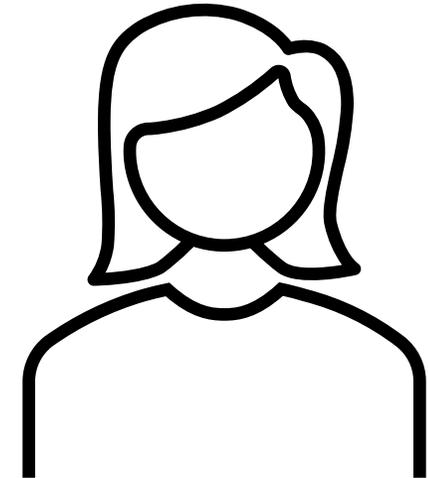
For the lumbar spondylosis, which is the only unique DRCA condition, DRCA PI was paid for 28% WPI.

DRCA PI WPI% rating expressed as impairment points: 28 points.

To find WO Williams' baseline, the VEA GARP V points and DRCA PI ratings expressed as impairment points, are combined.

Baseline is therefore 65 GARP V points combined with 28 DRCA points.

WO Williams' baseline is 75 impairment points.

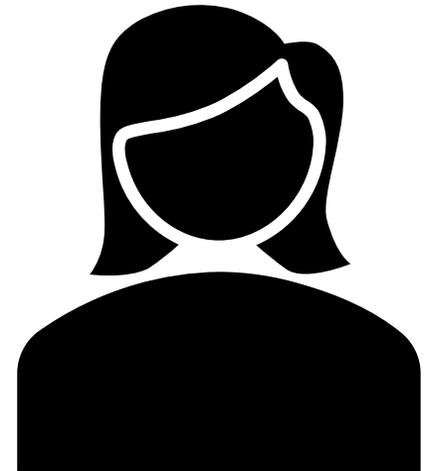


Example 4: Major Smith

Pre VETS Act, Major Smith has an LOEU rating of 20% for a lower limb condition under the 1971 Act.

LOEU ratings are not counted towards the baseline impairment rating.

Major Smith's baseline is therefore 0 impairment points.



Time to test your learning



Quiz

Question 1

What presumptive legislation function will apply to claims received before 01 July 2026?

(a) Take into account all of the WPI% ratings under Table 9.5.

(b) Only take into account the highest rating assessed under Table 9.5

Quiz

Question 2

When converting VEA ratings to a baseline impairment rating, the rounded ratings used to calculate the VEA Disability Compensation Payment will be considered.

True

False

Quiz

Question 3

A person lodges a claim under MRCA for permanent impairment for the first time after 1 July 2026. The person's baseline impairment rating is determined at 60 points. Will this baseline rating be used for determining their eligibility for a Gold Card?

Yes

No

Resources:

Website

www.dva.gov.au/legislationreform

Email

legislation.reform@dva.gov.au

