



# **VETS Act Reform: Standardisation of transport compensation rates**

---

# Topics

Background

What's changing?

Examples and quiz



# Background

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

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

The *Veterans' Entitlements, Treatment and Support (Simplification and Harmonisation) Act 2025* (VETS Act) was drafted and introduced into Parliament in July 2024 and was passed by both houses in February 2025.

The VETS Act takes effect on 1 July 2026 and the existing 'tri-Act' system will be replaced with a single, ongoing Act: an improved MRCA.

# What's changing?

From 1 July 2026, the *Veterans' Entitlements Act 1986* (VEA) and *Safety, Rehabilitation and Compensation (Defence related claims) Act 1988* (DRCA) will close to new claims for compensation and rehabilitation.

Claims and transport compensation will be considered under the improved MRCA.

Travel in a private vehicle will be reimbursed at the MRCA rate of \$0.68/km for all eligible treatment card holders.

This is a higher rate than is payable under the VEA (which is currently \$0.44/km).

- This change will mean an increase in travel compensation due to the higher 'per-kilometre' compensation rate for most VEA veterans.

When travelling by private vehicle, the MRCA minimum distance requirement of 50km return trip is also being removed.

- Removal of the 50km threshold will mean greater numbers of veterans will be able to access compensation for travel, including for current DRCA veterans who are also currently subject to this threshold.



# Example: Fred, a VEA veteran

Fred is 77 and is receiving Extreme Disablement Adjustment (EDA) Disability Compensation Payment (DCP) and service pension. Fred uses his own car to travel to and from medical treatment.

Fred's normal trip to attend treatment is 25km (round trip). Under the current legislation:

- 25kms private vehicle at 0.44c per km = \$11.00
- \$5.00 parking
- Fred is paid a total \$16.00

From 1 July 2026 Fred's trip will be compensated under the improved MRCA.

- 25km private vehicle at 0.68c per km = \$17.00
- \$5.00 parking
- Fred is paid a total \$22.00**

The single ongoing Act aligns transport benefits under the improved MRCA system and removes the 50km threshold for private vehicle compensation. This will result in Fred being compensated at a higher rate for his travel.



# Example – Mark, a DRCA veteran

Mark is 45 years old with accepted conditions under the DRCA.

Mark uses his own car to travel approximately 40km (round trip) to treatment for his service-related conditions.

Currently, travel under the DRCA is compensated in the same manner as under the MRCA

Under the current legislation Mark's 40km round trip it is too short (under 50kms) to be compensated.

From 1 July 2026 Mark's trip will be compensated under the improved MRCA, which will not have a 50km threshold:

- 40km private vehicle at 0.68c per km = \$27.20
- \$10.00 parking
- Mark is paid a total \$37.20**

The single ongoing Act aligns transport benefits under the improved MRCA system, and removes the 50km threshold for private vehicle compensation. This will result in Mark being compensated for his travel.



# Example – Andrew, a MRCA veteran

Andrew is 30 years old with accepted conditions under the MRCA.

Andrew uses his own car to travel approximately 20km (round trip) to treatment for his service-related conditions.

Under the current legislation Andrew's 20km round trip it is too short (under 50kms) to be compensated.

From 1 July 2026 Andrew's trip will be compensated under the improved MRCA, which will not have a 50km threshold:

- 20km private vehicle at 0.68c per km = \$13.60
- \$15.00 parking
- Andrew is paid a total \$28.60**

The single ongoing Act aligns transport benefits under the improved MRCA system, and removes the 50km threshold for private vehicle compensation. This will result in Andrew being compensated for his travel.

# Thanks for watching

Visit [Travel for Treatment Legislative reform](#) or [Veterans' Legislative Reform](#) on the DVA website for more.

