

Veterans' Entitlements (Special Assistance - Motorcycle Purchase) Amendment Regulations 2004 (No. 1) 2004 No. 241

EXPLANATORY STATEMENT

Statutory Rules 2004 No. 241

Issued by the Authority of the Minister for Veterans' Affairs

Veterans' Entitlements Act 1986

*Veterans' Entitlements (Special Assistance - Motorcycle Purchase) Amendment Regulations 2004
(No. 1)*

Section 216 of the *Veterans' Entitlements Act 1986* (the Act) provides, in part, that the Governor-General may make regulations, not inconsistent with the Act, prescribing all matters that are required or permitted by the Act to be prescribed, or which are necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Under section 106 of the Act, the Repatriation Commission (the Commission) may, in such circumstances as are prescribed, and subject to such conditions (if any) as are prescribed, grant assistance or benefits to a veteran or to a dependant of a veteran.

The *Veterans' Entitlements (Special Assistance - Motorcycle Purchase) Amendment Regulations 2004 (No. 1)* (the Regulations) prescribe the circumstances in which assistance to a veteran may be granted under section 106 of the Act, that assistance being an amount equal to the Goods and Services Tax (GST) the veteran is required to pay on the purchase of a 4 wheeled motorcycle.

By way of background to this amendment, the *Sales Tax Exemptions and Classifications Act 1992* (the Sales Tax Act), before it was repealed, provided an exemption from sales tax for disabled veterans who purchased new motor vehicles. Under the Sales Tax Act motorcycles, including 4 wheeled motorcycles, were covered by the definition of motor vehicle.

In 2001, the *A New Tax System (Goods and Services Tax) Act 2001* provided a similar exemption for the same class of veterans. However, the exemption was limited to the purchase of a motor car. To correct this, the *Veterans' Entitlements (Special Assistance - Motorcycle Purchase) Regulations 2001* (the Principal Regulations) were made to enable the Commission to reimburse disabled veterans for the amount of GST they pay on the purchase of motorcycles or parts therefor.

The Principal Regulations included a definition of "motorcycle", which refers to a motor vehicle with fewer than 4 wheels that is steered by means of handle bars. 4 wheeled motorcycles were inadvertently not included in this definition.

The purpose of the Regulations is to amend the definition of "motorcycle" in the Principal Regulations to include 4 wheeled motorcycles so that disabled veterans who purchased such vehicles are also compensated for the GST they would pay.

Details of the Regulations are set out in the Attachment.

The Act specifies no conditions that needed to be met before the power to make the Regulations was exercised.

The Regulations would be taken to have commenced on 1 July 2000 being the date on which the Principal Regulations commenced. This ensures that disabled veterans who purchased 4 wheeled motorcycles after this date are also compensated for the GST they would pay.

The fact that the Regulations would take effect before gazettal does not cause the Regulations to be ineffective by virtue of subsection 48(2) of the *Acts Interpretation Act 1901* because the rights of a person at gazettal would not be affected so as to disadvantage the person nor will a liability be imposed on any person in respect of anything done or omitted to be done before gazettal. The Regulations are beneficial legislation.

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ATTACHMENT

Details of the Veterans' Entitlements (Special Assistance - Motorcycle Purchase) Amendment Regulations 2004 (No. 1)

Regulation 1 provides that the name of the Regulations is the *Veterans' Entitlements (Special Assistance - Motorcycle Purchase) Amendment Regulations 2004 (No. 1)*.

Regulation 2 provides for the Regulations to be taken to have commenced on 1 July 2000.

Regulation 3 provides that Schedule 1 amends the *Veterans' Entitlements (Special Assistance - Motorcycle Purchase) Regulations 2001*.

Schedule 1 - Amendment

Item [1] inserts a new definition of "motorcycle" in Regulation 3 of the Principal Regulations:

motorcycle means a motor vehicle with not more than 4 wheels that is steered by means of handle bars.