

EXPLANATORY STATEMENT

Veterans' Entitlements Income (Exempt Lump Sum - South Australian Fishery Payment) Determination

2006 No.R4

Subsection 5H(12) of the Veterans' Entitlements Act 1986

The Purpose and Operation of the Attached Instrument

A payment is deemed not to be ordinary income for means-testing once it is stated to be an exempt lump sum by a determination under paragraph 5H(12)(c) of the *Veterans' Entitlements Act 1986* (VEA). The amount specified in the Determination at Part 2 of the Schedule as an exempt lump sum is an exempt lump sum for the purposes of the definition of 'ordinary income' in subsection 5H(1) of the VEA.

The attached instrument provides for the exemption of these payments from the income assessment of the person's or the person's partner's service pension or income support supplement.

Background

This instrument determines that a payment made by the State Government of South Australia in respect of the River Murray fishery licence holders restructure adjustment package is an exempt lump sum for the purposes of subsection 5H(12).

As a result of a restructure of the River Murray fishery, the use of gill nets by commercial fishery licence holders was banned, and the number of commercial fishery licences was reduced. Some of these licence holders were paid an ex gratia payment to give up their licence and exit the River Murray fishing industry. An undetermined number of these licence holders may also be in receipt of an income support payment from the Department of Veterans' Affairs. The effect of this instrument is that a payment received by a client under the River Murray fishery licence holders restructure adjustment package will not be assessed as income under the *Veterans' Entitlements Act 1986*.

Consultation

The Department of Family and Community Services (which made a virtually identical instrument for its relevant clients) has consulted with the Department of Employment and Workplace Relations and the Department of Education, Science and Training, as well as the Department of Veterans' Affairs to ensure a coordinated and consistent approach to the administration of this South Australian Government payment.

This instrument is beneficial to clients as it exempts the South Australian fishery payment from the veterans' entitlements income test. Public consultation was therefore seen as unnecessary.