

EXPLANATORY STATEMENT

Veterans' Entitlements (Treatment Principles – HomeFront Subsidy Increase) Instrument 2006 (Instrument No. 2006/R9)

EMPOWERING PROVISION

Subsection 90(4) of the *Veterans' Entitlements Act 1986* (Act).

PURPOSE

To increase the subsidy payable under the HomeFront program for the purchase of aids and appliances from \$163 max. pa to \$187 max. pa and to provide a mechanism for indexing that subsidy.

The HomeFront Program operates under paragraph 11.9 of the *Treatment Principles*. The *Treatment Principles* are made under subsection 90(1) of the Act. The HomeFront Program provides for small grants to be made to veterans and dependants eligible for treatment under Part V of the Act who live at home to enable them to purchase items that will facilitate their physical safety around the home eg bathroom grab-rails; non-slip paint for steps.

The Homefront subsidy is to be increased (indexed) annually on 1 January in each year (assuming the application of the following formula results in an increase). The amount of increase is worked out by ascertaining the percentage increase in the movement of the Wage Cost Index 5 (WCI 5) for the previous financial year. The Australian Government Treasury advises the Department of Veterans' Affairs of the increase in the WCI 5. The existing subsidy (including as indexed) is then multiplied by the percentage increase in the WCI 5, the resulting amount rounded, if need be, and the final amount is the increase in the subsidy for the Calendar year in question.

RETROSPECTIVITY

None. The Instrument commences after registration on the Federal Register of Legislative Instruments and on 5 October 2006.

CONSULTATION

The Rule-Maker (the Repatriation Commission) decided that consultation in respect of the attached instrument was not necessary because the instrument is beneficial in nature and no useful purpose would appear to be served by consulting interested parties.