Veterans' Affairs Legislation Amendment Bill 1987

Date introduced: 18 March 1987
House: House of Representatives
Presented by: Hon. Clyde Holding, M.P., Minister for Aboriginal Affairs and Minister representing the Minister for Veterans' Affairs

Digest of Bill

Purpose
To provide for poverty trap reforms for recipients of Department of Veterans' Affairs service pensions, in line with those incorporated in the Social Security Act 1947 for social security recipients; to incorporate measures to prevent health fraud, in line with provision in the Health Insurance Act 1973; and to make minor changes and correct drafting errors in the Veterans' Entitlements Act 1986 and other veterans' legislation.

Background
In his Reform of the Australian Taxation System statement of 19 September 1985, the Treasurer announced three measures, originally to take effect from 1 November 1986, which were 'to alleviate some of the problems caused by poverty traps.' These were:

(i) increasing the income test free area for pensioners by $10 per week, to $40 per week for a single person, and to $70 per week for a couple;
(ii) removing the separate income test on rent assistance; and
(iii) increasing the income disregard for each child of a pensioner from $6 to $12 per week.

These measures were deferred and will now take effect from 1 July 1987.

For social security recipients, this required amendment to the Social Security (Poverty Traps Reduction) Act 1985. For recipients of Department of Veterans' Affairs pensions, this legislation authorises the implementation of poverty trap reduction measures.

Main Provisions
For a detailed analysis of the clauses of the Bill refer to the Explanatory Memorandum.
Clause 10 will amend section 37 of the Veterans' Entitlement Act 1986 to double the amount of income disregarded under the income test in respect of children of service pensioners.

Clause 13 will amend Section 47 of the Veterans' Entitlement Act 1986 to increase the amount of income a service pensioner may earn before his or her pension is reduced. Clause 14 provides for an equivalent increase in the amount of income that a wife's service pensioner may earn before her pension is reduced. Clause 15 will repeal section 49 of the Veterans' Entitlements Act 1986 and insert new sections 49 and 49A, bringing calculation of the rate of carer's service pension into line with that of service pensions.

Clause 17 repeals sections 55 and 56 of the Veterans Entitlements Act 1986 and inserts a new section 55 which will provide for rent assistance to be treated as an addition to the basic pension rather than as a separate allowance. Hence the separate income test on rent assistance is abolished for service pensioners.


Clauses 51-61, will amend the Veterans' Entitlements (Transitional Provisions and Consequential Amendments) Act 1986. The major amendments relate to pensions and rent allowance.

Clause 65 will amend the Social Security and Veterans' Affairs (Miscellaneous Amendments) Act 1986. The amendments relate to the rate of the service pension.

Clauses 67-71 make amendments to the Seamen's War Pensions and Allowances Act 1940. The major amendment will be the insertion of a new Part IVA dealing with review of Repatriation Commission decisions.

Clauses 81-83 provide for transitional arrangements following the enactment of this Bill.

Schedule 1 makes minor amendments to the Veterans' Entitlements Act 1986.

Schedule 2 makes minor amendments to the Veterans Entitlements Act 1986 relating to rent assistance.

Reference

For further information, if required, contact the Education and Welfare Group.

24 March 1987

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