EXPLANATORY STATEMENT

DETERMINATION OF RATE PER KILOMETRE

Instrument No. M23 of 2008

EMPOWERING PROVISION

Section 293 of the Military Rehabilitation and Compensation Act 2004 (MRCA).

PURPOSE

The attached instrument specifies a rate per kilometre the Commonwealth will pay an entitled person for a journey by the person for treatment that the person is entitled to receive (60 cents). The previous rate was 47 cents per kilometre.

An entitled person is a member of the Defence Force (including former member) or a dependant of that person who is entitled to treatment under MRCA.

The new rate is identical to that paid under the Safety, Rehabilitation and Compensation Act 1988 (SRCA) in respect of a journey by an employee for treatment. The Military Rehabilitation and Compensation Commission (Commission) decided that in order to ensure parity of benefits in similar situations, the MRCA-rate should be increased to align it to the SRCA-rate.

MRCA provides that the Commission is to determine the cost that is reasonable for a journey for treatment and provides a similar formula as that under SRCA that the Commission may use for working out that cost:

Specified rate per kilometre x Length of the journey in kilometres

For the purposes of the formula, the “specified rate per kilometre” is the rate per kilometre determined, in a legislative instrument, by the Minister for Veterans’ Affairs.

The Minister for Veterans’ Affairs has, by the attached legislative instrument:

- revoked the previous legislative instrument that set a rate-per-kilometre for a journey for treatment by an entitled person entitled
to that treatment (MRCA Instrument No. 5 of 2004 made on 1 June 2004 by the then Minister for Veterans’ Affairs, Danna Vale); and

- determined that for the purposes of the formula, on and after 1 October 2008 the rate is 60 cents per kilometre.

DOCUMENTS INCORPORATED-BY-REFERENCE

None.

RETROSPECTIVE

Yes. The instrument is retrospective. The instrument is taken to have commenced on 1 October 2008. This date was chosen as a practical commencement date for the increased rate for journey-costs and payments will be backdated to that date.

For the purposes of section 12 of the *Legislative Instruments Act 2003* (retrospective legislative instruments) the instrument does not disadvantage any person nor impose any liabilities on any person (other than the Commonwealth).

CONSULTATION

None. The attached legislative instrument is beneficial in nature and increases the amount the Commonwealth will pay for journeys for treatment by entitled persons entitled to the treatment from 47 cents per kilometre to 60 cents per kilometre. For this reason, the Minister for Veterans’ Affairs decided that consultation with interested parties was not necessary and that the increased rate for journey-costs should be paid as quickly as possible.