

Instrument No 3 of 2007

EXPLANATORY STATEMENT

Defence Service Homes Act 1918 Variations under subsection 38A(3)

EMPOWERING PROVISION

Subsection 38A(3) of the *Defence Service Homes Act 1918*.

PURPOSE

The Minister has varied, in accordance with subsection 38A(3) of the *Defence Service Homes Act 1918*, the Statement of Conditions of 23 January 1996 as varied on 29 May 1997.

The Australian Government provides domestic building insurance under the *Defences Service Homes Act 1918* to eligible veterans and ADF personnel delivered through the Defence Service Homes Insurance Scheme. The Statement of Conditions (or insurance policy) sets out in detail the cover offered under this building insurance policy.

A number of variations have been made to the Statement of Conditions to ensure the product continues to be one of the most comprehensive building policies available.

The Department of Veterans' Affairs has made an undertaking to provide the highest standard of client service. Consequently the variations to the terms and conditions of this policy document are inline with innovations in the insurance industry and further enhance the Defence Service Homes Insurance Scheme product.

RETROSPECTIVITY

The attached instrument has retrospective effect. It applies to insurance policies entered into prior to the date the Minister signed the instrument.

Subsection 38A(4) provides that the Minister shall not vary the Statement of Conditions so as to remove the right of a person to receive payment to which the person had become entitled before the variation. Similarly, Subsection 12(2) of the *Legislative Instruments Act 2003* (LIA) provides

(as paraphrased) that retrospective legislative instruments that negatively affect citizens are of no effect.

The attached instrument does not fall within these prohibitions because it is beneficial in nature and does not disadvantage any person or impose liabilities on any person (other than the Commonwealth).

CONSULTATION

Consultation in respect of the attached instrument was not considered necessary because it is beneficial in nature and it was unlikely any useful purpose could be served by consulting interested parties.

DOCUMENTS INCORPORATED BY REFERENCE

Subsection 4(1) LIA requires Explanatory Statements for legislative instruments to describe any documents incorporated-by-reference into the Instrument and to indicate how the document may be obtained.

No documents are incorporated by reference in the attached instrument.