

EXPLANATORY STATEMENT

MRCA Treatment Principles (HomeFront - Frequency of Subsidy) Instrument 2009

EMPOWERING PROVISION

Section 286 of the *Military Rehabilitation and Compensation Act 2004* (the Act).

PURPOSE

The attached instrument (M46/2009) amends the *MRCA Treatment Principles*. The *MRCA Treatment Principles* is a legislative instrument made under subsection 286(2) of the Act and sets out the circumstances in which the Military Rehabilitation and Compensation Commission (Commission) may accept financial liability for treatment provided to members and former members of the Defence Force and their dependants (entitled persons).

The attached Instrument amended the *MRCA Treatment Principles* (the Principles) to alter HomeFront subsidies to one per 12 month period rather than one per calendar year as was formerly the case.

The HomeFront Program operates under paragraph 11.9 of the *Principles*. The Program provides for small grants to be made to entitled persons eligible for treatment under Part 3 of Chapter 6 of the Act who live at home to enable them to purchase items that will facilitate their physical safety around the home e.g. bathroom grab-rails and non-slip strips for steps. Under the Instrument financial assistance to a maximum amount of \$200 is available per 12 month period towards the cost of minor home modifications that reduce the risk of falls and accidents.

Prior to the attached Instrument a subsidy could be paid only once in a calendar year. Unfortunately this formula provided scope for an assessor, towards the end of a calendar year, to recommend that an entitled person only required say, one handrail, when in fact the person required two, resulting in the payment of a \$200 subsidy, but at the commencement of the next calendar year, the assessor would recommend the entitled person required the other handrail, resulting in the payment of another \$200 subsidy.

If the entitled person had received both handrails at the same time, the subsidy would have been limited to \$200 instead of \$400.

By permitting the subsidy only once in a 12 month period, instead of once in a calendar year, “year straddling” will not occur and this could deter assessors from making split-assessments which unnecessarily resulted in payment of a double subsidy, because the entitled person would need to wait longer for the next assessment i.e. 12 months.

RETROSPECTIVITY

None.

CONSULTATION

Yes. The Ex-Service Organisations Round Table was consulted on the proposal and the outcome was favourable.

DOCUMENTS INCORPORATED -BY-REFERENCE

No.

FURTHER EXPLANATION

Attachment A

Attachment A

Items

- Paragraph [1] sets out the name of the Instrument.
- Paragraph [2] provides that the Instrument commences on the 29th day from and including the day after the day it is registered on the Federal Register of Legislative Instruments. This allows for a period of notice to entitled persons and other relevant parties under the HomeFront Program.

Schedule

- Item 1 omits paragraph 11.9.1 and substitutes a new paragraph 11.9.1 and inserts new paragraphs 11.9.1A and 11.9.1B.

Paragraph 11.9.1

New paragraph 11.9.1 is the same as the former provision except that the relevant period is 12 months and not a calendar year. The provision will enable the *Commission* to assist in providing aids and appliances for accident prevention and personal safety for an entitled person and will limit financial assistance to once in any period of 12 months.

Paragraph 11.9.1A

New paragraph 11.9.1A specifies that a period of 12 months commences on the date that the *Commission* approves financial assistance for an aid or appliance and that the *Commission* will not approve financial assistance if a period of 12 months has not elapsed from and including the date of any previous approval.

Paragraph 11.9.1B

New paragraph 11.9.1B covers the situation where the *Commission* approved financial assistance prior to the commencement of this Instrument and on the commencement date of the Instrument a period of 12 months had not expired from and including the date of approval. In this situation, new paragraph 11.9.1B

provides that the approval is taken to have been granted under this Instrument and the period of 12 months commences on the date of the previous approval.