

EXPLANATORY STATEMENT

Veterans' Entitlements (Partially Asset-test Exempt Income Stream - Exemption) Amendment Principles 2010

Summary

The *Veterans' Entitlements (Partially Asset-test Exempt Income Stream - Exemption) Amendment Principles 2010* (the Amendment Principles) are made by the Repatriation Commission (the Commission) under subsection 52 (1AB) of the *Veterans' Entitlements Act 1986* (the Act).

The purpose of the Amendment Principles is to amend the *Veterans' Entitlements (Partially Asset-test Exempt Income Stream - Exemption) Principles 2005* (the 2005 Principles) to incorporate amendments to the Act made by the *Same-Sex Relationships (Equal Treatment in Commonwealth Laws – General Law Reform) Act 2008* (the Same-Sex Act) to eliminate any possible discrimination against same-sex couples.

Background

The 2005 Principles specify circumstances in which certain income streams are fully (100%) exempt from the assets test under the Act.

Explanation of provisions

Amendment Principles

Section 1 provides that the name of the Amendment Principles is the *Veterans' Entitlements (Partially Asset-test Exempt Income Stream - Exemption) Amendment Principles 2010*.

Section 2 provides that the Amendment Principles commence on the day after the day they are registered on the Federal Register of Legislative Instruments.

Section 3 provides that the 2005 Principles are amended as set out in Schedule 1 to the Amendment Principles.

Schedule 1 of the Amendment Principles

Item [1] inserts the definition of *partner* into the 2005 Principles. The term *partner* takes its meaning from subsection 5E(1) of the Act.

Items [2] and [4] omit the words 'primary beneficiary's spouse (or former spouse)' from paragraphs 7(b) and 8(b) of the 2005 Principles and insert the words 'primary beneficiary's partner (or former partner)'. This amendment ensures that the 2005 Principles are consistent with amendments made to Commonwealth primary legislation by the Same-Sex Act to eliminate discrimination against same-sex couples.

Item [3] omits the words ‘spouse (or former spouse)’ from paragraph 7(c) of the 2005 Principles and inserts the words ‘partner (or former partner)’. As with items [2] and [4], this amendment ensures consistency with Commonwealth primary legislation due to the Same-Sex Act.

Consultation

No public consultation was considered necessary as these amendments merely ensure consistency with the Same-Sex Act and the Same Sex Act (as a Bill) was the subject of consultation.

Regulatory Impact Statement

This instrument does not require a Regulatory Impact Statement and/or a Business Cost Calculator Figure. This instrument is not regulatory in nature, will not impact on business activity and will have no, or minimal, compliance costs or competition impact.