

## EXPLANATORY STATEMENT

### **Social Security (Essential Medical Equipment Payment – Energy) Specification 2012**

The *Social Security (Essential Medical Equipment Payment – Energy) Specification 2012* (the Specification) is made under subsection 917E(3) of the *Social Security Act 1991* (the Act).

#### **Background**

As part of the Clean Energy Household Assistance package, the essential medical equipment payment is an annual indexed payment of \$140 paid to certain households where a person, for medical reasons, must use essential medical equipment or additional heating or cooling, resulting in higher than average energy use.

The essential medical equipment payment is provided for by Division 4 of Part 2.18A of the Act. A person is qualified for an essential medical equipment payment if they satisfy the medical needs requirement in section 917C, the concession card requirement in section 917D and the energy account requirement in section 917E, and otherwise meet the requirements of section 917B. Part of the energy account requirement in section 917E is that the person or their partner holds an account for the relevant EMEP residence, or contributes, or the person they care for contributes to paying the energy account for the relevant EMEP residence. The energy account for a residence means any account for electricity or any other specified form of energy that is supplied to the residence.

An essential medical equipment payment may alternatively be payable in relation to holders of concession cards under the *Veterans' Entitlements Act 1986* (the Veterans' Entitlements Act), based upon identical criteria.

#### **Purpose**

The purpose of the Specification is to specify forms of energy to which the relevant energy account for the EMEP residence may relate. The Specification will also have effect for subsection 63E(3) of the Veterans' Entitlements Act. Schedule 1 to the Specification lists forms of energy as specified forms of energy.

The effect of the Specification is to potentially allow a claimant to qualify for an annual essential medical equipment payment if they, their partner or a person for whom they care holds an account or contributes to paying the energy account for a specified form of energy for the residence that is the person's home.

The Specification commences on 18 June 2012.

## **Consultation**

Consultation on the Specification was undertaken with the Department of Climate Change and Energy Efficiency and the Department of the Treasury.

These agencies advised on the forms of energy that power essential medical equipment and will increase in cost under a carbon price. The forms of energy identified by these agencies appear in the Specification.

## **Regulatory Impact Analysis**

The Specification is not regulatory in nature, will not impact on business activity and will have no, or minimal, compliance costs or competition impact.

## **Statement of Compatibility with Human Rights**

The Specification is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

## **Human rights implications**

The Specification does not engage any of the applicable rights or freedoms.

## **Conclusion**

The Specification is compatible with human rights as it does not raise any human rights issues.