EXPLANATORY STATEMENT

Veterans’ Entitlements (Direct Deductions Arrangements) Approval 2025

EMPOWERING PROVISION

The Repatriation Commission (the ***Commission***) makes this instrument under section 122B of the *Veterans’ Entitlements Act 1986* (the Act)*.*

PURPOSE

This *Veterans’ Entitlements (Direct Deductions Arrangements) Approval 2025* (the ***instrument***) repeals the *Veterans’ Entitlements (Direct Deductions Arrangements) Instrument 2015* and makes a new instrument in similar terms ahead of the sunset date of 1 October 2025. On that date, the 2015 instrument will “sunset” (expire). The instrument has been re-made with formatting updates and a name change. The instrument has also been re-made to include the veteran payment in the approved classes of pensions, allowances and pecuniary benefits from which deductions may be made under the Act.

**OVERVIEW**

Subsection 122B of the Act allows a person to request the Commission to make payments on their behalf via deductions from periodic compensation they receive under the Act. The requested deductions can be for the purpose of (a) paying the Commissioner of Taxation; or (b) making payments included in a class of payments approved by the Commission. This instrument approves classes of payments for subsection 122B(5) of the Act.

The approved classes of pensions, allowances and pecuniary benefits in this instrument are twofold. Firstly, payments to a State Housing Authority that are –

1. payments of rent,
2. payments of principal or interest of loans, or
3. payments of debts.

Secondly, payments to Westpac Banking Corporation that are –

1. payments for principal or interest of a loan, or
2. payments of insurance premiums.

The approved classes of payments to a State Housing Authority include debts to a State Housing Authority, as distinct from payments of rent or payments of principal or interest of loans. This ensures that if a person has a debt with a State Housing Authority, the person may request the Commission to pay the debt via deductions from periodic payments they receive under the Act. The approved classes of payments to the Westpac Banking Corporation includes payments of principal or interest of loans or payments of insurance premiums. This ensures that if a person has a subsidised home loan through the Defence Service Home Loans Scheme, the person may request the Commission to pay payments of principal or interest of loans or payments of insurance premiums to the Westpac Banking Corporation on their behalf. The instrument has been updated to include the veteran payment in the approved classes of pensions, allowances and pecuniary benefits from which deductions can be made under the Act. This is because the veteran payment is a new benefit under the Act since the instrument was last re-made.

The overall policy objective of the instrument is to mirror the policy under the *Military, Rehabilitation and Compensation Act 2004* (MRCA) and the *Military Rehabilitation and Compensation (Deductions from Compensation) Approval 2025* which allows a person to manage their financial affairs by requesting deductions be made for rent or mortgage payments, or debts of rent or mortgage payments, from their weekly compensation under that Act.

EXPLANATION OF PROVISIONS

**Section 1** provides that the name of the instrument is the *Veterans’ Entitlements (Direct Deductions Arrangements) Approval 2025.*

**Section 2** provides that the instrument commences on the day after it is registered.

**Section 3** sets out the authority for the Commission making the instrument, namely section 122B of the Act.

**Section 4** repeals the *Veterans’ Entitlements (Direct Deductions Arrangements) Instrument 2015*.

**Section 5** defines terms used in the instrument.

**Section 6** sets out the approved classes of pensions, allowances or pecuniary benefits. These are:

* attendant allowances;
* clothing allowances;
* decoration allowances;
* disability compensation payments;
* income support supplements;
* pensions payable to dependants of deceased veterans;
* recreation transport allowances;
* service pensions;
* veteran payment;
* Veterans' Children Education Scheme allowances.

**Section 7** sets out the approved classes of payments. These are:

* payments to a State Housing Authority that are -
  + payments of rent,
  + payments of principal or interest of loans, or
  + payments of debts.
* payments to Westpac Banking Corporation that are -
  + payments for principal or interest of a loan, or
  + payments of insurance premiums.

Consultation

In remaking the instrument, no policy changes have been made. The instrument is essentially the same in substance as the one it is replacing, which is due to sunset on 1 October 2025, except for the addition of veteran payment in the approved classes of pensions, allowances and pecuniary benefits from which deductions may be made under the Act. The instrument maintains the policy intent set out in the sunsetting instrument. Consequently, DVA did not consult directly with individuals likely to be affected by the remake of the instrument, as it was not considered necessary given the remake is administrative in nature, to prevent the instrument from arbitrarily sunsetting on 1 October 2025.

Human rights implications

This instrument is compatible with the human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A full statement of compatibility is set out in **Attachment A.**

Making the instrument

The instrument is made by the Repatriation Commission.

**Approved by**

Repatriation Commission

Rule-maker

Attachment A

Statement of Compatibility with Human Rights

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

***Veterans’ Entitlements (Direct Deductions Arrangements) Approval 2025***

This Disallowable Legislative Instrument 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* (the ***recognised rights***).

**Overview of the Disallowable Legislative Instrument**

The *Veterans’ Entitlements (Direct Deductions Arrangements) Approval 2025* (the ***instrument***) repeals the *Veterans’ Entitlements (Direct Deductions Arrangements) Instrument 2015* and makes a new instrument in similar terms. The instrument approves classes of payments that, under section 122B of the Act, a person might request the Commission to pay on their behalf via deductions from instalments of their pension, allowance or other pecuniary benefits they receive under the Act. The approved classes of payments are certain housing related payments to a State Housing Authority and to the Westpac Banking Corporation. The approved classes of payments to a State Housing Authority include debts to a State Housing Authority, as distinct from payments of rent or payments of principal or interest of loans. This ensures that if a person has a debt with a State Housing Authority, the person may request the Commission to pay the debt via deductions from periodic payments they receive under the Act. The approved classes of payments to the Westpac Banking Corporation includes payments of principal or interest of loans or payments of insurance premiums. This ensures that if a person has a subsidised home loan through the Defence Service Home Loans Scheme, the person may request the Commission to pay payments of principal or interest of loans or payments of insurance premiums to the Westpac Banking Corporation on their behalf. The instrument has been updated to include the veteran payment in the approved classes of pensions, allowances and pecuniary benefits from which deductions can be made under the Act. This is because the veteran payment is a new benefit under the Act since the instrument was last re-made.

**Human rights implications**

The legislative instrument does not engage an applicable right or freedom.  It relates to the Right to Social Security contained in article 9 of the International Covenant on Economic Social and Cultural Rights.

The Right to Social Security is engaged and promoted by the instrument in that it helps a person manage their financial affairs by enabling the Commission, at the person’s request, to make deductions from the person’s pensions, allowances or pecuniary benefits under the Act and make a payment on the person’s behalf, for example, rent to a State Housing Authority or mortgage payments to the Westpac Banking Corporation.

The instrument does not limit the rights to equality and non-discrimination. Although it only authorises payments to the Westpac Banking Corporation as opposed to other financial institutions, the aim of the instrument is to support a legislated agreement between the Commonwealth of Australia and the Westpac Banking Corporation to provide subsidised housing loans to veterans through the Defence Service Homes Loans Scheme. The instrument does not seek to prevent a veteran doing business with other financial institutions. Rather, it offers a convenient method by which veterans can finance their loans under the Defence Home Loans Scheme.

**Conclusion**

The instrument is compatible with the human rights. It engages the right to social security by assisting a person with the management of their financial affairs by supporting deductions from their military compensation payments for housing related payments.

Repatriation Commission

Rule-Maker