Defence Force (Home Loans Assistance) Amendment Bill 2006

Sue Harris Rimmer
Law and Bills Digest Section

Contents

Purpose........................................................................................................................................2

Background ...................................................................................................................................2

Basis of policy commitment ......................................................................................................2

For further background see:..............................................................................................3

Financial implications.................................................................................................................3

Main provisions ..........................................................................................................................3

Schedule 1—Amendments to Defence Force (Home Loans Assistance) Act 1990 ............3

Endnotes......................................................................................................................................4
Defence Force (Home Loans Assistance) Amendment Bill 2006

Date introduced: 31 May 2006
House: House of Representatives
Portfolio: Defence
Commencement: The date of Royal Assent

Purpose

The Bill would amend the Defence Force (Home Loans Assistance) Act 1990 to extend the operation of the Defence HomeOwner Scheme for a further 12 months beyond its current finishing date of 31 December 2006.

Background

Basis of policy commitment

The Defence HomeOwner Scheme (DHOS) was introduced in 1991 to assist eligible members and ex-members of the Australian Defence Force to purchase their own home by providing a subsidy on the interest of a home loan borrowed from the approved lender, the National Australia Bank.

The scheme is administered in accordance with the Defence Force (Home Loans Assistance) Act 1990. The Defence Housing Authority administers the scheme on behalf of the Department of Defence.

The Explanatory Memorandum states that the purpose of the 12 month date extension provided by this Bill is to:

- provide the Department of Defence with the opportunity to conduct a review of home ownership assistance that is more appropriate to the contemporary home loan market
- permit the issue of certificates of entitlement that establish ADF members eligibility and access to the assistance up to 31 December 2007
- preserve the entitlements of ADF members who are eligible to assistance under the Defence HomeOwner Scheme, but have not accessed the entitlement, pending the implementation of revised assistance, and

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments. This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.
give effect to an agreement reached between the Commonwealth and the National Australia Bank, as the sole provider, to extend the current franchise date to 31 December 2007.¹

A review of the DHOS was announced by the ADF on 10 May 2006. The broad objectives of the review are to develop a revised scheme that:

- supports recruitment, retention and resettlement;
- is cost effective for defence; and
- recognises the benefits home ownership provides to both members and defence.²

For further background see:


Financial implications

The Explanatory Memorandum states that there are no financial implications of this Bill.³ It is not clear whether this refers to any new or fresh costs to the Commonwealth. Presumably extending the scheme for a further year requires financial resources to be expended by the Commonwealth in the same manner as the current arrangements.

Main provisions

Schedule 1—Amendments to Defence Force (Home Loans Assistance) Act 1990

Item 1 amends section 3 of the above Act (‘definition of finishing day’). The item would omit ‘31 December 2006’, and substitute ‘31 December 2007’.

Endnotes

© Copyright Commonwealth of Australia 2006

Except to the extent of the uses permitted under the Copyright Act 1968, no part of this publication may be reproduced or transmitted in any form or by any means including information storage and retrieval systems, without the prior written consent of the Department of Parliamentary Services, other than by senators and members of the Australian Parliament in the course of their official duties.

This brief has been prepared to support the work of the Australian Parliament using information available at the time of production. The views expressed do not reflect an official position of the Parliamentary Library, nor do they constitute professional legal opinion.

Members, Senators and Parliamentary staff can obtain further information from the Parliamentary Library on (02) 6277 2784.

Warning:
This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.
This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.