

2022

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**DEFENCE HOME OWNERSHIP
ASSISTANCE SCHEME AMENDMENT
BILL 2022**

EXPLANATORY MEMORANDUM

**(Circulated by the authority of the
Assistant Minister for Defence,
the Honourable Matt Thistlethwaite MP)**

DEFENCE HOME OWNERSHIP ASSISTANCE SCHEME AMENDMENT BILL 2022

GENERAL OUTLINE

1. The Defence Home Ownership Assistance Scheme Amendment Bill 2022 (the Bill) includes measures to amend the *Defence Home Ownership Assistance Scheme Act 2008* (the Act) to:
 - a. remove the post-separation timeframe for accessing the Defence Home Ownership Assistance Scheme (DHOAS);
 - b. reduce the qualifying service periods for initial access to DHOAS and the minimum service periods for each subsidy tier;
 - c. create a power for the Secretary to declare that a subsidy ceasing event under item 1 of the table in subsection 36(1) did not occur where they are satisfied the event was a result of a genuine error, mistake or accident; and
 - d. insert a recoverable payments mechanism to address the risk of breaches of section 83 of the Constitution arising from payments purportedly made under the Act, in good faith in the bona fide administration of the Act, but that are not supported by the Act.

Schedule 1: *Defence Home Ownership Assistance Scheme Act 2008* amendments

2. DHOAS assists current and former Australian Defence Force (ADF) members and their families to achieve home ownership. Home ownership assistance is made available to help those ADF members and their families who choose to purchase a home of their own to live in. This assistance is provided in response to the additional difficulties that ADF members and their families have in purchasing a home as a result of military service.
3. DHOAS is aimed at improving ADF recruitment and retention. Under the scheme, ADF members who have completed a minimum qualifying period of service are eligible to receive a subsidy from the Commonwealth to be paid against a home loan related to a home that the ADF member or their dependants occupy. The scheme pays a progressively higher level of subsidy as ADF members serve for longer periods, providing an incentive for ADF members to remain in active service.
4. The amendments made by the Bill are intended to achieve the following:
 - a. Provide incapacitated members and separated members with a greater time to apply for a subsidy certificate after separating from the Defence Force, by removing the five-year limitation.
 - b. Provide serving members and rejoining incapacitate members with eligibility for DHOAS earlier in their career with the Defence Force, by reducing the qualifying service period.

- c. Provide the Secretary with a power to declare that payment of all outstanding amounts due under the subsidised loan has not caused a subsidy ceasing event where they are satisfied the outstanding amount was paid due to a genuine error, mistake or accident.
- d. Provide the Commonwealth with the power to pay relevant amounts not otherwise authorised by the Act to address the risk of breaches of section 83 of the Constitution.

Financial Impact Statement

5. The amendments to the *Defence Home Ownership Assistance Scheme Act 2008* in Schedule 1 of the Bill are expected to have a moderate financial impact. The financial impact is an estimated additional cost of \$4.8 million for the 2022-23 financial year, \$11.3 million for the 2023-24 financial year, and \$46.2 million for the total forward estimate period.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

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

Defence Home Ownership Assistance Scheme Amendment Bill 2022

This Bill 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*.

Overview of the Bill

1. This Bill contains measures to amend the *Defence Home Ownership Assistance Scheme Act 2008* (the Act) to:
 - a. remove the post-separation timeframe for accessing the Defence Home Ownership Assistance Scheme (DHOAS);
 - b. reduce the qualifying service periods for initial access to DHOAS and the minimum service periods for each subsidy tier;
 - c. create a power for the Secretary to declare that a subsidy ceasing event under item 1 of the table in subsection 36(1) did not occur where they are satisfied the event was a result of a genuine error, mistake or accident; and
 - d. insert a recoverable payments mechanism to address the risk of breaches of section 83 of the Constitution arising from payments purportedly made under the Act, in good faith in the bona fide administration of the Act, but that are not supported by the Act.

Schedule 1: Defence Home Ownership Assistance Scheme Act 2008

Overview and background

Removal of the post-separation timeframe for accessing DHOAS

2. This amendment will remove the post-separation timeframe for accessing a home loan subsidy. Allowing former Australian Defence Force (ADF) members access to the scheme any time after separating will provide them with as long as they need to look for a suitable home and location. Currently, former ADF members who have completed sufficient service must apply for a subsidy certificate within five years of leaving the ADF. A subsidy certificate is in force for a maximum of 12 months. The practical effect is that a former ADF member must have applied for the subsidy certificate within five years of leaving the ADF, and generally have purchased a home with an eligible home loan within six years of leaving the ADF.
3. Given the significance of the transition process for ADF members moving into civilian life, this is not always enough time for these former members and their families to consider all of their options in relation to purchasing a home. Removing the period for

applying for a subsidy certificate means that these former members and their families will not be rushed into making this important decision.

Reduction of the minimum service periods for each subsidy tier

4. This amendment will reduce the minimum effective service periods for each subsidy tier; where the tiers 1 through 3 are 40 per cent, 60 per cent, and 80 per cent of the average house price.

5. Currently, permanent ADF members are eligible for tier 1 after four years effective service, tier 2 after eight years effective service, and tier 3 after 12 years effective service. Under the proposed amendments, permanent ADF members will be eligible for tier 1 after two years effective service, tier 2 after four years effective service, and tier 3 after eight years effective service.

6. Additionally, reserve ADF members are currently eligible for tier 1 after eight years effective service, tier 2 after 12 years effective service, and tier 3 after 16 years effective service. Under the proposed amendments, reserve ADF members will be eligible for tier 1 after four years effective service, tier 2 after eight years effective service, and tier 3 after 12 years effective service.

7. These amendments will further assist ADF members in entering the housing market by providing a more valuable subsidy earlier in their career.

Creation of a power to declare that a specified subsidy ceasing event did not occur

8. Currently, one of the ways a subsidised borrower's subsidy stops being payable is where all outstanding amounts due under the subsidised loan are paid.

9. It is acknowledged that from time to time, a subsidised loan may be paid down to a zero or credit balance due to a genuine error, mistake or accident. Currently, where this occurs the subsidy stops being payable and cannot be reinstated.

10. The amendment will create a power for the Secretary to declare that payment of all outstanding amounts due under the subsidised loan is taken not to have occurred where they are satisfied the outstanding amount was paid due to a genuine error, mistake or accident. This amendment will allow subsidised borrowers to continue to receive the subsidy as if the subsidy ceasing event did not occur, where the event was the result of a genuine error, mistake or accident.

Insertion of a recoverable payments mechanism

11. This amendment would insert a recoverable payments mechanism to address the risk of breaches of section 83 of the Constitution arising from payments purportedly made under the Act, in good faith in the bona fide administration of the Act, but that are not supported by the Act.

Human rights implications

12. The amendments made by this Bill engage and promote the right to an adequate standard of living in Article 11(1) of the *International Covenant on Economic, Social and Cultural Rights*, in particular as it relates to housing. The amendments:

- a. allow current ADF members to access DHOAS earlier in their careers and allow former members to access DHOAS later after separating from the ADF;
- b. increase the value of DHOAS relative to the duration of effective service; and
- c. ensure subsidised borrowers can continue to access DHOAS in particular circumstances where a genuine error, mistake or accident has occurred that would otherwise amount to a subsidy ceasing event.

Conclusion

13. This Bill is compatible with human rights because it promotes and advances the right to an adequate standard of living, and does not otherwise engage any human rights.

**DEFENCE HOME OWNERSHIP ASSISTANCE
SCHEME AMENDMENT BILL 2022**

Clause 1 Short title

1. This is a formal provision specifying the short title.

Clause 2 Commencement

2. This clause provides for the amendments to the *Defence Home Ownership Assistance Scheme Act 2008* (the Act) to commence on 1 January 2023.

Clause 3 Schedules

3. This clause provides that legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

SCHEDULE 1 – AMENDMENTS

Part 1 – Amendments

Defence Home Ownership Assistance Scheme Act 2008

Item 1 – Paragraph 8(2)(a)

4. This item amends paragraph 8(2)(a) to reduce the qualifying service period for a member of the Permanent Forces from four years to two years.
5. This item will allow members of the Permanent Forces to access DHOAS earlier in their service. This will further support home ownership amongst ADF members and former ADF members.

Item 2 – Paragraph 8(2)(b)

6. This item amends paragraph 8(2)(b) to reduce the qualifying service period for a member of the Reserves from eight years to four years.
7. This item will allow members of the Reserves to access DHOAS earlier in their service. This will further support home ownership amongst ADF members and former ADF members.

Item 3 – Paragraph 8(2)(c)

8. This item amends paragraph 8(2)(c) to reduce the qualifying service period for a foreign service member from four years to two years.
9. This item will allow foreign service members to access DHOAS earlier in their ADF service. This will further support home ownership amongst ADF members and former ADF members.

Item 4 – Paragraph 10(2)(a)

10. This item amends paragraph 10(2)(a) to reduce the qualifying service period for a rejoining incapacitated member of the Permanent Forces from four years to two years.

11. This item will allow rejoining incapacitated members of the Permanent Forces to access DHOAS earlier in their service. This will further support home ownership amongst ADF members and former ADF members.

Item 5 – Paragraph 10(2)(b)

12. This item amends paragraph 10(2)(b) to reduce the qualifying service period for a rejoining incapacitated member of the Reserves from eight years to four years.

13. This item will allow rejoining incapacitated members of the Reserves to access DHOAS earlier in their service. This will further support home ownership amongst ADF members and former ADF members.

Item 6 – Subsection 17(1)

Item 7 – Subsections 17(2) and (3)

14. Subsection 17(1) of the Act provides what the Secretary must be satisfied of before giving a subsidy certificate to an applicant.

15. These items repeal subsections 17(2) and (3) and consequentially amend subsection 17(1).

16. The amendments remove the five-year limit on incapacitated members and separated members applying for a subsidy certificate after separating from the Defence Force. The amendments allow applicants that are eligible as an incapacitated member or a separated member to apply for a subsidy certificate any time after leaving the Defence Force.

17. These items will assist incapacitated members and separated members transitioning to civilian life by providing them with unlimited time to look for a suitable home before applying for and accessing DHOAS. It is intended that these items will better enable former ADF members to purchase their own home and subsequently assist with improving the overall wellbeing of former ADF members and their family.

Item 8 – Subsection 18(1)

Item 9 – Subsections 18(2) and (3)

18. Subsection 18(1) provides what the Secretary must be satisfied of when giving a subsidy certificate to an applicant who is a surviving partner.

19. These items repeal subsections 18(2) and (3) and consequently amend subsection 18(1).

20. The amendments remove the five-year limit on surviving partners to apply for a subsidy certificate after their deceased partner separated from the Defence Force or, in any other case, after the death of their deceased partner. The amendments allow applicants that are eligible as a surviving partner to apply for a subsidy certificate any time after their deceased partner's death.

21. These items will assist surviving partners by providing them with unlimited time to look for a suitable home before applying for and accessing DHOAS. It is intended that these items will better enable the surviving partner to purchase their own home and subsequently assist with improving the overall wellbeing of the deceased partner's family.

Item 10 – Section 36

Item 11 – At the end of section 36

22. These items renumber the existing content in section 36 as subsection 36(1) and insert subsequent subsections 36(2) and (3).

23. Subsection 36(1) details when a subsidy stops being payable by identifying a range of subsidy ceasing events and their critical times. New subsection 36(2) provides the Secretary with the power to declare that a subsidy ceasing event under item 1 of the table in subsection 36(1) did not occur, where they are satisfied all outstanding amounts due under a subsidised loan were paid due to a genuine error, mistake or accident. That is, declare that a subsidy ceasing event under item 1 of the table in subsection 36(1) is taken not to have occurred.

24. In considering whether a genuine error, mistake or accident occurred, the Secretary may consider any matter thought to be relevant, including:

- a. whether the genuine error, mistake or accident was on the part of the borrower, loan provider, Secretary, or another person;
- b. whether there was immediate action to stop or undo the effect of the action which caused the subsidy ceasing event;
- c. whether the Secretary was notified of the circumstances as soon as reasonably practicable;
- d. whether the amount deposited into the subsidised loan account, which caused the loan to be paid down or placed in credit, was transferred by the subsidised borrower or a third party;
- e. whether hindsight or a change of circumstance caused the member to view their action which caused the subsidy ceasing event, as a genuine error, mistake or accident; and
- f. whether there was a pattern of frequent redraws on the loan to keep it at a low debit balance.

25. Some examples of situations in which the Secretary might be satisfied that there was a genuine error, mistake or accident under subsection 36(2) are set out below.

- a. A subsidised borrower receives an unintended payment from a third-party into their subsidised loan account. The payment causes all outstanding amounts due under the subsidised loan to be paid. The subsidised borrower transfers the money to the intended account as soon as reasonably practicable. The subsidised borrower contacts the Commonwealth and provides a written statement as soon as reasonably practicable, explaining what happened. The written statement includes

evidence showing the subsequent transfer of funds caused the subsidised loan to be reinstated to its former status.

- b. A subsidised borrower mistakenly transfers money from a bank account to their subsidised loan account where they had intended to transfer it to a different account. The transfer causes all outstanding amounts due under the subsidised loan to be paid. The subsidised borrower transferred the money to the correct account as soon as reasonably practicable once they became aware that the money had gone into the wrong account. The subsidised borrower contacts the Commonwealth and provides a written statement as soon as reasonably practicable explaining what happened. The written statement includes evidence showing the subsequent transfer of funds caused the subsidised loan to be reinstated to its former status.
- c. A subsidised borrower asked their loan provider to change their subsidised loan from a fixed interest rate to a variable interest rate. The loan provider made an administrative error, and converted the loan from a DHOAS home loan product to a non-DHOAS loan product. The change in loan product caused all outstanding amounts due under the subsidised loan to be paid. The loan provider provides a written confirmation to the recipient or Commonwealth that they made an error and converted the loan back into a DHOAS home loan product.

26. It is not intended that the above examples are read to be an exhaustive or binding list. The Secretary is expected to consider each circumstance to which subsection 36(2) may apply on a case-by-case basis.

27. Subsection 36(2) is intended to provide a broad discretion to the Secretary in reaching a level of satisfaction that a 'genuine error, mistake or accident' has occurred. This acknowledges the multitude of circumstances in which a subsidised loan may be paid in full in error. A narrower, more prescriptive, scope would limit the Secretary's power to make beneficial decisions in atypical situations.

28. The Secretary's power under subsection 36(2) would be delegable to a senior employee of the authorised Commonwealth contractor administering the DHOAS (currently the Department of Veterans' Affairs (DVA)) under section 81 of the Act. It could therefore be delegated to a Senior Executive Service (SES) employee or acting SES employee of DVA. Delegating the power in this manner would be appropriate as it would ensure the decision-maker is appropriately familiar with the DHOAS policy and has access to subject matter experts.

29. Item 13 contains a consequential amendment that provides that a refusal to make a declaration under s 36(2), is a reviewable decision.

30. Subsection 36(3) clarifies that a declaration under subsection 36(2) is not a legislative instrument. Subsection 36(3) is merely declaratory of the law. It is included to assist readers by identifying that a declaration is not a legislative instrument within the meaning of subsection 8(1) of the *Legislation Act 2003*.

31. It is intended that these items will allow the continuation of subsidy payments where a genuine error, mistake or accident would have otherwise led to a subsidy ceasing event under item 1 of the table in subsection 36(1). It is intended that this amendment will allow subsidised borrowers to continue to receive the subsidy as if the otherwise subsidy ceasing event did not occur.

Item 12 – Subsection 51(2) (table)

32. This item amends subsection 51(2) by repealing the existing table and substituting a new table.

33. Subsection 51(2) provides the loan limits, as a percentage of the average house price, applicable to a subsidised borrower depending on what criteria the member is eligible under and the member's period of effective service.

34. Items 1 to 3 of the new table reflect the amendments to paragraphs 8(2)(a), (b) and (c), and paragraphs 10(2)(a) and (b), which reduce the qualifying service period for different eligibility tests, and flow those reductions through to the subsequent tiers of assistance.

35. The amendments provide:

- a. a member of the Permanent Forces who is eligible as a serving member or rejoining member with a loan limit of 40 per cent where they have less than four years of effective service, 60 per cent where they have four or more, but less than eight years effective service, and 80 per cent where they have eight or more years of effective service;
- b. a member of the Reserves who is eligible as a serving member or rejoining member with a loan limit of zero per cent where they have less than four years of effective service, 40 per cent where they have four or more, but less than eight years effective service, 60 per cent where they have eight or more, but less than 12 years effective service, and 80 per cent where they have 12 or more years of effective service; and
- c. a person who is eligible as an incapacitated member or as a rejoining incapacitated member with a loan limit of 40 per cent where they have less than four years of effective service, 60 per cent where they have four or more, but less than eight years effective service, and 80 per cent where they have eight or more years of effective service.

36. These amendments will allow members of the Permanent Forces and Reserves, as well as incapacitated members and rejoining incapacitated members, to receive a higher level of subsidy with a lesser period of effective service. It is intended that this will assist identified members with home ownership and subsequently assist with improving the overall wellbeing of them and their family.

Item 13 – Section 71 (after table item 6)

37. This item inserts new item 6A into the table in section 71 of the Act.
38. New item 6A provides that a decision to refuse to make a declaration under new subsection 36(2) is a reviewable decision. That is, the refusal to declare that an event mentioned in item 1 of the table in subsection 36(1) did not occur because it was a result of a genuine error, mistake or accident.
39. A person whose interests are affected by a reviewable decision may apply to the Secretary for an internal review of the decision under section 74 of the Act and, if they are not satisfied with the decision on internal review, may apply to the Administrative Appeals Tribunal for review of that latter decision under section 76.

Item 14 – After section 84

40. This item inserts two new sections, sections 84A and 84B, after section 84.
41. Sections 84A and 84B insert a recoverable payments mechanism to address the risk of breaches of section 83 of the Constitution arising from payments purportedly made under the Act, in good faith in the bona fide administration of the Act, but that are not supported by the Act.
42. Section 84A provides the Commonwealth with the power to pay a relevant amount which the Act does not otherwise authorise, where the payment is purportedly by way of subsidy. This power extends to payment of monies representing taxes where the relevant amount, on which the taxes were payable, was purportedly the payment of a subsidy. The amounts paid are respectively considered a payment of a subsidy under the Act or a payment of taxes payable in respect of a payment of a subsidy under the Act.
43. A relevant amount can include a payment that is considered an overpaid amount for the purposes of subsection 66(1) of the Act, as well as any other amount purported to be a payment of subsidy.
- a. This could include circumstances where Defence is not aware, or does not become aware in time, of information affecting a person's eligibility (e.g. a subsidised borrower has died or there is a change in loan circumstances) or where an incorrect payment is made due to human or systems errors.
 - b. It could also include circumstances where, due to administrative error, a purported payment of subsidy is actually paid into an account that is not a subsidised loan account.
44. Section 84A will:
- a. authorise the payment of relevant amounts and provide that for the purposes of paragraphs 84(a) and 84(b) of the Act the payment of the relevant amounts are taken to be payments of subsidy, or payments of taxes payable in respect of payments of subsidy (as appropriate) under the Act; and

- b. provide that if a relevant amount is not an overpaid amount within the meaning of subsection 66(1) of the Act, and it is paid into an account maintained by a person (e.g. a loan provider) in the name of another person (e.g. an account holder), the relevant amount:
 - i. is a debt due to the Commonwealth by the account holder (if there is only one) or by each account holder jointly and severally (if there is more than one); and
 - ii. may be recovered in a court of competent jurisdiction.

45. The note at the end of new section 84A makes it clear if a relevant amount is an overpaid amount within the meaning of subsection 66(1), it is recoverable by the Secretary under Division 6 of Part 4 of the Act.

46. New section 84B imposes reporting requirements in relation to payments to which new section 84A applies.

47. Section 84B requires the Secretary to cause a report to be published within four months, or a shorter period determined by the Minister under new paragraph 84B(5)(b), after the end of each reporting period. A reporting period is either a financial year or, if a shorter recurring period is determined by the Minister under new paragraph 84B(5)(a), that period.

48. The report must detail:

- a. The number of payments made under section 84A during the reporting period, that the Secretary was aware of;
- b. The total value of payments made under section 84A during the reporting period, that the Secretary was aware of;
- c. The number of payments made under section 84A in a previous reporting period, which the Secretary became aware of during the current reporting period, as well as the reporting period in which the payment was made; and
- d. The total value of payments made under section 84A in a previous reporting period, which the Secretary became aware of during the current reporting period.

49. The Secretary will not be required to publish a report in relation to a particular reporting period if no section 84A payments were made during the period, and where the Secretary did not become aware of any section 84A payments made during an earlier reporting period.

50. Subsection 84B(5) provides the Minister with the power to determine, by legislative instrument, a shorter reporting period and/or a lesser period after the end of a reporting period within which the report must be published as referred to above.

Part 2 – Application and transitional provisions

51. This Part outlines how the amendments to the Act will apply.

Item 15 – Application—qualifying service periods

52. This item provides that the amendments to sections 8 and 10, which reduce the relevant qualifying service periods for serving members and rejoining incapacitated members, apply in relation to a person whether the person completed the relevant qualifying service period before, on or after the commencement of this item.

53. This means that the changes will affect a person’s existing accrued subsidy period if they have not reached their maximum period (as specified in subsection 47(1)), and therefore service credit balance, with regard to any effective service they have completed, irrespective of whether it was completed before or after the amendments to sections 8 and 10 commence.

54. For example, after the commencement of this item:

- a. a member of the Permanent Forces who completed two years of effective service on 1 January 2022 will be assessed as having completed their qualifying service period, and as having an accrued subsidy period of 12 months on 1 January 2023. The member may apply for a DHOAS subsidy certificate on 1 January 2023 and will have 12 months’ worth of service credits.
- b. a member of the Permanent Forces who became a subsidised borrower on 1 January 2022 after completing five years of effective service, will see an increase in their accrued subsidy period, and therefore service credit balance. That is, the reduction in the qualifying service period by two years will see the member obtain an additional 24 months in their accrued subsidy period.

Item 16 – Transitional—previous applications for subsidy certificates

55. This item provides that, for the purposes of paragraph 17(c) of the Act, a previous application for a subsidy certificate is to be disregarded where:

- a. it was made and refused before the commencement of this item;
- b. the applicant was not a member of the Defence Force at the time of refusal; and
- c. the amendments to sections 8, 10 and 17 made by this Schedule would have required the Secretary to give a subsidy certificate to the applicant if the amendments were in force at the time of refusal.

56. This item allows an applicant to overcome the requirement under paragraph 17(c) that the applicant ‘has not previously applied for a subsidy certificate since he or she stopped being a member of the Defence Force’ where the amendments to sections 8, 10 and 17 would have resulted in a different decision had they been in force at that time.

57. For example, if a previous application by a separated member was refused because it was made more than five years after the relevant member separated from the Defence Force, that member would not be precluded from making a new application for a subsidy certificate

after the commencement of this item, once the five-year post separation timeframe for applications is removed by the amendments to section 17.

Item 17 – Application—decisions to give subsidy certificates

58. This item provides that the removal of the five-year time limit for incapacitated or separated members to make an application for a subsidy certificate after leaving the Defence Force applies to all such members, irrespective of whether the applicant stopped being a member of the Defence Force before, on or after commencement of the amendments to section 17. This item will allow applicants eligible as incapacitated or separated members to apply for their final subsidy certificate at any point after commencement of this item, irrespective of when they left the Defence Force.

59. This item also has a similar effect in relation to persons applying as surviving partners. The item provides that a surviving partner may apply for a subsidy certificate irrespective of whether their deceased partner separated from the Defence Force or died before, on or after commencement of the amendments to section 18.

Item 18 – Application—when subsidy stops being payable

60. This item limits which events under item 1 of the table in subsection 36(1) can be considered for the purpose of new subsection 36(2). It provides that the Secretary can only make a declaration under subsection 36(2) in relation to an event mentioned in item 1 of the table in subsection 36(1) which occurred on or after the commencement of this item.

Item 19 – Application—loan limits

61. This item provides that any change to a subsidised borrower's loan limit as a result of the amendment to subsection 51(2) will, for the purposes of determining their monthly subsidy amount for a particular monthly authorisation period, apply from the first monthly authorisation period beginning on or after the commencement of this item.

62. This means that a person who is already receiving monthly subsidy payments, and who is entitled to move to a higher subsidy tier as a result of the reductions in minimum service periods, will start receiving higher monthly subsidy payments from the end of the first full monthly authorisation period that starts on or after the commencement of this item.

Item 20 – Application—reports about payments

63. This item provides that the reporting requirements imposed under new section 84B apply in relation to payments to which new section 84A applies that are made during a reporting period that ends on or after the commencement of this item.

64. For example, if the first section 84B reporting period begins on 1 July 2022 and concludes on 30 June 2023, any payment made under section 84A between the commencement of this item and 30 June 2023 would need to be included in the report.