

EXPLANATORY STATEMENT

Defence Home Ownership Assistance Scheme Amendment (Average House Price and Median Interest Rate) Determination 2025

The *Defence Home Ownership Assistance Scheme Act 2008* (the Act) provides a home ownership assistance scheme for eligible members of the Australian Defence Force (ADF). Section 52 of the Act enables the making of determinations dealing with the average house price.

The purpose of this Determination is to set the average house price for the purpose of calculating the monthly subsidy amount for the Defence Home Ownership Assistance Scheme (the Scheme).

Subsection 52(1) of the Act confers power on the Minister to set a figure as the average house price under the Scheme, by determination from time to time. The Assistant Minister for Defence has delegated this power to the Assistant Secretary People Policy and Employment Conditions.

Subsection 52(2) requires the Minister to have regard to the national average house price and regional weighting data for the purpose of the determination of an average house price for the scheme. The national average house price has been derived according to statistical data published by the Australian Bureau of Statistics for the period up to the end of March 2025. It is calculated using statistical data for each of the eight capital cities from the unstratified median house prices for a capital city multiplied by the house price index weighting for that city.

Subsection 52(3) explains that the average house price is to be determined annually for a financial year. This ensures that the scheme will be adjusted each year to take account of changes that have been observed in the housing market across Australia. The average house price for the 2025-2026 financial year is \$41,813 more than the figure determined for the previous year, reflecting upward movement in the market and house prices generally.

Section 1 of this Determination sets out the manner in which this Determination may be cited.

Section 2 of this Determination provides that the Determination commences on 1 July 2025.

Section 3 of this Determination provides that the Determination is made under subsection 52 of the Act.

Section 4 provides the instrument specified in the Schedule is amended.

Item 1 of Schedule 1 amends section 6 of the Defence Home Ownership Assistance Scheme (Average House Price and Median Interest Rate) Determination 2018 for the purpose of section 52 of the Act. The amendment adds the average house price of \$1,034,225 for the 2025-2026 financial year.

Consultation

The Treasury, the Department of Finance and Australian Bureau of Statistics were consulted on the methodology for determining the average house price under the scheme when it began in 2008.

The rule maker was satisfied that further consultation was not required.

Regulation Impact

The Office of Best Practice Regulation within the Department of the Prime Minister and Cabinet has advised that a regulation impact statement is not required for this amendment (OBPR exemption no.10425).

Approved by:

Jake Thomas Gumley
Acting First Assistant Secretary
People Policy and Development

Authority:

Subsection 52(1)
Defence Home Ownership
Assistance Scheme Act 2008

Statement of Compatibility with Human Rights

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

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This Determination 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 Determination

The Defence Home Ownership Assistance Scheme (the Scheme) is a home loan subsidy scheme for eligible current and former Australian Defence Force (ADF) members. A major objective of the Scheme is to improve current ADF retention and recruitment rates. This is achieved by offering ADF members subsidy payments to assist them to purchase homes for them and their family and provides progressively higher levels of assistance once they have served beyond critical career points. The subsidy reflects the current home loan market interest rates. This Determination sets the average house price for the purpose of calculating the monthly subsidy amount for the Scheme.

Human rights implications

Right to the enjoyment of just and favourable conditions of work

Article 7 of the International Covenant on Economic, Social and Cultural Rights guarantees the right to just and favourable conditions of work, including remuneration, safe and healthy conditions, equal opportunity and reasonable limitations.

Right to an adequate standard of living

Article 7 of the International Covenant on Economic, Social and Cultural Rights guarantees the right to just and favourable conditions of work, including remuneration, safe and healthy conditions, equal opportunity and reasonable limitations. Article 11 of the International Covenant on Economic, Social and Cultural Rights requires Australia to progressively realise the right of everyone to an adequate standard of living, including adequate housing, within the maximum available resources.

Assessment of compatibility

The purpose of the Scheme is to assist ADF members and their family to purchase a home to live in and ensures that ADF members do not suffer disadvantage because of the requirement for them to travel to new posting locations. This Determination sets a new average house price for the 2025–2026 year from which home loan subsidy payments rates are determined. The average house price for the 2025–2026 financial year is \$41,813 more than the figure determined for 2024–2025.

The Scheme and the making of this Determination promotes the right to just and favourable conditions of work and the right to an adequate standard of living, including adequate housing, for ADF members and their families by recognising the unique nature of service of ADF members.

Conclusion

This Determination is compatible with human rights because it advances the protection of human rights.