



Defence Service Homes Act 1918

## **Defence Service Homes (Hardship) Guidelines 2018**

Instrument No. M13 of 2018

I, Darren Chester, Minister for Veterans' Affairs, under subsections 20(4), 21(3) and 23(6) of the *Defence Service Homes Act 1918*, approve these Guidelines.

Dated this 21<sup>st</sup> day of September 2018.

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**DARREN CHESTER**

Minister for Veterans' Affairs

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## 1. Name

These Guidelines are the *Defence Service Homes (Hardship) Guidelines 2018*.

## 2. Commencement

These Guidelines commence on 1 October 2018.

## 3. Authority

These Guidelines are made under subsections 20(4), 21(3) and 23(6) of the *Defence Service Homes Act 1918*.

## 4. Definitions

In these Guidelines:

*Act* means the *Defence Service Homes Act 1918*.

*commitments on the home* means:

- (a) mortgage instalments; and
- (b) homeowner's insurance; and
- (c) property rates, taxes, charges or other outgoings; and
- (d) body corporate or retirement village management and other fees; and
- (e) the instalments of a loan raised to pay for essential repairs; and
- (f) if the Secretary is satisfied that another financial commitment relating to a home is extraordinarily high and it is justified to include that other financial commitment as a commitment on the home – that other financial commitment.

*income* means:

- (a) salary or wages; and
- (b) any other income derived from employment, business or professional activities; and

- (c) any income derived from savings, property rentals or other investments; and
  - (d) a pension or other payment made under a *veterans' affairs law*; and
  - (e) a pension or other payment made under the *Social Security Act 1991*; and
  - (f) a workers compensation payment or similar payment; and
  - (g) a superannuation payment or similar payment; and
  - (h) if the Secretary is satisfied that another amount is income and it is justified to include that other amount as income – that other amount;
- but does not include:
- (i) an allowance or payment for a dependent child; or
  - (j) a contribution from a philanthropic organisation; or
  - (k) board paid by an immediate family member living in the principal home.

**Secretary** means the Secretary of the Department of Veterans' Affairs.

**veterans' affairs law** means an Act, or a provision of an Act, that in accordance with the Administrative Arrangements Order, is administered by the Minister for Veterans' Affairs.

## 5. Guidelines for financial hardship

When deciding whether a person is suffering financial hardship for the purposes of section 20 or 23 of the *Act*, the Secretary is to have regard to:

- (a) the hardship factors set out in section 7; and
- (b) either:
  - (i) in the case of a person who is partnered – whether the amount of weekly *commitments on the home* for the person's and his or her partner's principal home is more than 30% of their combined gross weekly *income*; or
  - (ii) in the case of a person who is not partnered – whether the amount of weekly *commitments on the home* for his or her principal home is more than 30% of his or her gross weekly *income*.

## 6. Guidelines for serious financial hardship

When deciding whether a person is suffering serious financial hardship for the purposes of section 21 of the *Act*, the Secretary is to have regard to:

- (a) the hardship factors set out in section 7; and
- (b) either:
  - (i) in the case of a person who is partnered – whether the amount of weekly *commitments on the home* for the person’s and his or her partner’s principal home exceeds their combined gross weekly *income*; or
  - (ii) in the case of a person who is not partnered – whether the amount of weekly *commitments on the home* for his or her principal home exceeds his or her gross weekly *income*.

## 7. Hardship factors

Each of the following is a hardship factor:

- (a) in the case of a person who is partnered – whether the combined gross weekly *income* of the person and his or her partner is less than the average weekly earnings for an adult in full time employment in the State or Territory in Australia in which their principal home is located;
- (b) in the case of a person who is not partnered – whether his or her gross weekly *income* is less than the average weekly earnings for an adult in full time employment in the State or Territory in Australia in which the person’s principal home is located;
- (c) whether there are other avenues through which the amount of the *commitments on the home* could be reduced, such as negotiating with the lender for a reduction in instalments by extending the repayment term or by other means;
- (d) whether any attempts to obtain alternative financing have been successful;
- (e) any other factors that the Secretary considers relevant, including but not limited to a person’s health, employment situation, assets (other than the principal home) and financial commitments not relating to the principal home.