

Defence Forces Retirement Benefits (No. 2)

No. 56 of 1968

An Act to amend the *Defence Forces Retirement Benefits Act 1948-1966*, as amended by the *Defence Forces Retirement Benefits Act 1968*.

[Assented to 25 June 1968]

BE it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1.—(1.) This Act may be cited as the *Defence Forces Retirement Benefits Act (No. 2) 1968*. Short title and citation.

(2.) The *Defence Forces Retirement Benefits Act 1948-1966*,* as amended by the *Defence Forces Retirement Benefits Act 1968*,† is in this Act referred to as the Principal Act.

(3.) Section 1 of the *Defence Forces Retirement Benefits Act 1968* is amended by omitting sub-section (3.).

(4.) The Principal Act, as amended by this Act, may be cited as the *Defence Forces Retirement Benefits Act 1948-1968*.

* Act No. 31, 1948, as amended by No. 37, 1949; No. 73, 1950; No. 29, 1951; No. 93, 1952; No. 80, 1953; No. 20, 1954; No. 19, 1955; No. 24, 1956; No. 95, 1957; No. 46, 1958; No. 103, 1959; No. 67, 1962; No. 103, 1963; Nos. 25, 98 and 135, 1965; and No. 70, 1966.

† Act No. 55, 1968.

- Commencement.** 2. This Act shall come into operation immediately after the provisions of the *Defence Forces Retirement Benefits Act 1968*, other than sections 1, 2 and 42 of that Act, come into operation.
- Parts.** 3. Section 3 of the Principal Act is amended by omitting the words and figures—
 “ Part VIB.—Application of this Act to Pensioners who again become Members (Sections 82E–82H).”
 and inserting in their stead the words and figures—
 “ Part VIB.—Application of this Act to Pensioners who again become Contributors (Sections 82E–82H).”
- Interpretation.** 4. Section 4 of the Principal Act is amended by inserting in sub-section (1.), after the definition of “ period of non-effective service ”, the following definition:—
 “ ‘ Permanent Forces ’ means the Permanent Naval Forces, the part of the Permanent Military Forces known as the Australian Regular Army or the Permanent Air Force;”
- Commencement and cessation of contributions.** 5. Section 23 of the Principal Act is amended by omitting from sub-section (4.) the words “ Permanent Naval Forces, the Australian Regular Army or the Permanent Air Force ” and inserting in their stead the words “ Permanent Forces ”.
- Pension on retirement under special circumstances—officers.** 6. Section 39 of the Principal Act is amended by omitting from sub-paragraph (ii) of paragraph (a) of sub-section (2.) the words “ that retiring age ” and inserting in their stead the words “ the retiring age for the rank held by him ”.
- Pension after twenty years’ service for pension—other ranks.** 7. Section 41 of the Principal Act is amended—
 (a) by inserting in sub-section (3.), before the word “ multiplying ” (second occurring), the words “, except where he has completed forty years’ service for pension,”; and
 (b) by omitting from sub-section (3.) the words “ on that date ”.
- Invalidity pensioner engaged in employment.** 8. Section 53A of the Principal Act is amended—
 (a) by inserting in sub-section (1.), after the word “ retirement ”, the words “ and the pension is not cancelled by force of sub-section (3.) of section sixty-nine of this Act ”; and
 (b) by inserting after sub-section (2A.) the following sub-section:—
 “ (2B.) The power of the Board under this section to suspend a pension extends to suspending a pension a portion of which has been cancelled by force of sub-section (1A.) of section sixty-nine of this Act.”
- Power of Board to require invalidity pensioners to be medically examined and to furnish information as to employment.** 9. Section 53B of the Principal Act is amended by inserting after sub-section (6.) the following sub-section:—
 “ (6A.) The power of the Board under this section to suspend a pension extends to suspending a pension a portion of which has been cancelled by force of sub-section (1A.) of section sixty-nine of this Act.”

10. After section 54 of the Principal Act the following section is inserted:—

“ 54A.—(1.) In this section—

- ‘ non-Permanent Forces officer ’ means an officer who is not a member of the Permanent Forces;
- ‘ Permanent Forces officer ’ means an officer who is a member of the Permanent Forces.

Notional retiring age for certain persons not members of the Permanent Forces.

“ (2.) Where—

- (a) a non-Permanent Forces officer retires; and
- (b) the retiring age for the rank held by him on his retirement is greater than it would have been if he had been a Permanent Forces officer on his retirement,

the retiring age for the rank held by him on his retirement shall, for the purposes of—

- (c) sub-section (2.) of section thirty-eight of this Act;
- (d) sub-section (2.) of section thirty-nine of this Act, other than sub-paragraph (ii) of paragraph (a) of that sub-section;
- (e) sub-sections (2.) and (5.) of section fifty-two of this Act; and
- (f) if he became a non-Permanent Forces officer after the commencement of this section and he was, immediately before becoming a non-Permanent Forces officer, a Permanent Forces officer—sub-section (2.) of section forty of this Act,

but not for any other purpose of this Act, be deemed to be the age that would have been that retiring age if he had been a Permanent Forces officer on his retirement.

“ (3.) Where—

- (a) a member who is not an officer and not a member of the Permanent Forces retires;
- (b) he is entitled to pension under sub-section (3.) of section fifty-two of this Act;
- (c) paragraph (a) of that sub-section applies to him; and
- (d) the retiring age for the rank held by him on his retirement is a greater age than it would have been if he had been a member of the Permanent Forces on his retirement,

the retiring age for the rank held by him on his retirement shall, for the purposes of sub-section (4.) of that section, but not for any other purpose of this Act, be deemed to be the age that would have been that retiring age if he had been a member of the Permanent Forces on his retirement.”

11. Section 56 of the Principal Act is amended by adding at the end thereof the following sub-section:—

“ (5.) Sub-section (1.) of this section does not apply to or in relation to an officer who, immediately before his retirement or death, was a person to whom Part VI.B. applied, and sub-section (2.) of this section does not apply to an officer who is a person to whom that Part applies.”

Alternative benefits for officers serving under short service commissions.

Gratuity payable to certain short service commission officers and certain other officers.

12. Section 56A of the Principal Act is amended by omitting from sub-section (1.) the words “ Permanent Naval Forces, the part of the Permanent Military Forces known as the Australian Regular Army or the Permanent Air Force ” (wherever occurring) and inserting in their stead the words “ Permanent Forces ”.

General provisions as to pensions.

13. Section 65 of the Principal Act is amended by adding at the end thereof the following sub-section:—

“ (5.) Where—

- (a) a male pensioner again becomes a member and Part VI.B. does not apply to him or Part VI.B. applies to him but he is a person to or in relation to whom sub-section (5.), (7.) or (10.) of section eighty-two G of this Act applies—the reference in the last preceding sub-section to the retirement of a pensioner shall be read as a reference to his retirement before he again became a member; and
- (b) a male pensioner again becomes a member but the last preceding paragraph does not apply in relation to him—the reference in the last preceding sub-section to the retirement of a pensioner shall be read as a reference to his retirement after he again became a member.”.

Re-engagement of pensioners, &c.

14. Section 69 of the Principal Act is amended—

(a) by omitting sub-section (1A.) and inserting in its stead the following sub-section:—

“ (1A.) Where—

- (a) a pensioner, other than a pensioner under section fifty-five or fifty-seven of this Act, again becomes a member;
- (b) he is not a person to whom Part VI.B. applies; and
- (c) his pension is not suspended under section fifty-three A or fifty-three B of this Act,

so much of his pension as is equivalent to the amount that, but for this sub-section, would be payable by the Commonwealth to the Fund in respect of the pension is, by force of this sub-section, cancelled until he ceases to be a member or becomes a person to whom Part VI.B. applies, whichever first occurs.”;

- (b) by inserting in sub-section (1B.), after the word “ pension ” (third occurring), the words “ and that part of the pension had not been so cancelled ”;
- (c) by adding at the end of sub-section (1B.) the words “ so commuted, and, upon payment of that amount to the Fund, there shall be paid from the Fund to the Commonwealth an amount equal to that amount.”;
- (d) by inserting after sub-section (2.) the following sub-sections:—

“ (3.) Where a pensioner (including a pensioner whose pension has been suspended under section fifty-three A or fifty-three B of this Act) becomes a person to whom Part VI.B. applies, his pension is, by force of this sub-section, cancelled.

“(3A.) A pensioner who has commuted a portion of his pension under section seventy-four of this Act and whose pension is cancelled by force of the last preceding sub-section shall pay to the Fund, in respect of the period during which he is a person to whom Part VIB. applies, an amount equal to the difference between the amount that would have been payable to him as pension during that period if his pension had not been so cancelled and he had not become entitled to any increase in the rate of his pension before or during that period, and the amount that would have been so payable to him as pension during that period if he had not commuted that portion of his pension, and, upon payment of that amount to the Fund, there shall be paid from the Fund to the Commonwealth an amount equal to the amount that, if he had not commuted that portion of his pension and his pension had not been so cancelled, would have been payable by the Commonwealth to the Fund during that period in respect of that portion of his pension.”;

- (e) by omitting sub-section (7.) and inserting in its stead the following sub-section:—

“(7.) Where a pensioner, other than a pensioner under section fifty-five or fifty-seven of this Act, again becomes a member for the purposes of this Act, he shall, within fourteen days after he again becomes a member, notify the Board accordingly in such manner as is prescribed.

Penalty: Forty dollars.”; and

- (f) by omitting sub-section (9.) and inserting in its stead the following sub-section:—

“(9.) Where, by reason of the operation of sub-section (1A.) of this section, a payment of pension is reduced, no amount is payable by the Commonwealth to the Fund in respect of that payment of pension.”.

15. The heading to Part VIB. of the Principal Act is amended by omitting the word “MEMBERS ” and inserting in its stead the word “ CONTRIBUTORS ”.

Heading to
Part VIB.
of Principal
Act.

16. Section 82E of the Principal Act is repealed and the following section inserted in its stead:—

“ 82E.—(1.) This Part applies to a person who, being in receipt of or entitled to a pension under this Act that became payable by reason of his having been a member, has become liable under section twenty-three of this Act to make contributions to the Fund upon again becoming, or after having again become, a member and has not again ceased to be a member.

Application
of Part.

“(2.) In determining, for the purposes of the last preceding sub-section, whether a person who again becomes a member is required by section twenty-three of this Act to contribute to the Fund, any reference in sub-section (3.) or (4.) of that section to engagement, re-engagement, appointment or re-appointment shall be read as not including a reference to an engagement, re-engagement, appointment or re-appointment of the person before he again became a member.

“ (3.) For the purposes of this section, a person shall not be deemed to have ceased to be entitled to a pension by reason only that the pension has been suspended under this Act.”.

Contributions.

17. Section 82F of the Principal Act is amended—

- (a) by omitting sub-section (2.);
- (b) by omitting from sub-section (3.) the words “ that person again becomes a member ” and inserting in their stead the words “ he became a person to whom this Part applies ”; and
- (c) by adding at the end thereof the following sub-sections:—

“ (4.) Where the new category number of a person to whom this Part applies is a lower number than his previous category number, he may, by notice in writing given to the Board within four months after he became a person to whom this Part applies, elect to be treated as if his new category number were the same as his previous category number, and, if he so elects, his category number shall, upon his becoming a person to whom this Part applies and until the category number applicable to him under section four A of this Act is a number higher than his previous category number, be deemed, for the purposes of this Act, to be a number the same as his previous category number.

“ (5.) In the last preceding sub-section—

‘ new category number ’, in relation to a person to whom this Part applies, means the category number of the person at the time when he became a person to whom this Part applies;

‘ previous category number ’, in relation to a person to whom this Part applies, means the category number of the person immediately before he became a pensioner or, if that category number would, if this Act, and the Defence Forces Retirement Benefits Regulations, as in force at the time when he became a person to whom this Part applies, had been in force immediately before he became a pensioner, have been a different number, that different number.

“ (6.) The reference in the definition of ‘ previous category number ’ in the last preceding sub-section to the category number of a person immediately before he became a pensioner shall, in the case of a person who became a pensioner before the fourteenth day of December, One thousand nine hundred and fifty-nine, be read as a reference to the number of units for which the person was last contributing to the Fund before he became a pensioner.

“ (7.) Nothing in Part III. of the *Defence Forces Retirement Benefits Act 1959–1966*, Part IV. of the *Defence Forces Retirement Benefits Act 1962–1963* or Part IV. of the *Defence Forces Retirement Benefits Act 1963–1965* shall be construed as affecting the amount of contributions payable by a person to whom this Part applies.”.

18. Section 82G of the Principal Act is amended—

Pension or
benefit payable.

- (a) by omitting from sub-section (2.) the words “ his re-entry ” and inserting in their stead the words “ he became a person to whom this Part applies ”; and
- (b) by omitting sub-section (3.) and inserting in its stead the following sub-sections:—

“ (3.) Where a person to whom this Part applies is, upon retirement, an officer but not a member of the Permanent Forces, his age on retirement shall, for the purposes of sub-sections (3.) and (3A.) of section thirty-eight, and sub-sections (3.), (3A.) and (4.) of section thirty-nine, of this Act, but not for any other purpose of this Act, be deemed to be his actual age on retirement reduced by a period equal to the period commencing on the date when he first became entitled to pension under this Act and ending on the date immediately preceding the date on which he became a person to whom this Part applies.

“ (4.) Where—

- (a) immediately before he became entitled to a pension, a person to whom this Part applies was a member other than an officer and had completed twenty years’ service for pension;
- (b) on retirement after becoming a person to whom this Part applies, he is an officer but is not entitled to pension under Part V.; and
- (c) his failure to be entitled to pension is not attributable to the operation of section fifty-four or seventy-one of this Act,

he is entitled, on retirement (in lieu of any other benefit to which, but for this sub-section, he would be entitled)—

- (d) to pension as if, on retirement, he had held the rank last held by him before he became an officer; and
- (e) to a refund of so much of his contributions to the Fund as is equal to the difference between the amount of contributions paid by him to the Fund and the amount of contributions that would have been paid by him to the Fund if, at all times when he was an officer, he had held the rank last held by him before he became an officer.

“ (5.) Where—

- (a) the pension of a person to whom this Part applies became payable by virtue of section fifty-one of this Act;
- (b) immediately before he became entitled to that pension, he was an officer and had completed twenty years’ service for pension; and
- (c) on retirement after having become a person to whom this Part applies, he is not entitled to pension under Part V.,

whether by reason of the operation of section fifty-four or seventy-one of this Act, or otherwise,

he is entitled, on retirement (in lieu of any other benefit to which, but for this sub-section, he would be entitled)—

- (d) to the pension to which he would have been entitled immediately before he became a person to whom this Part applies if, immediately before he became such a person, he had been reclassified as Class C under section fifty-three of this Act;
- (e) to a refund of the amount of the contributions paid by him to the Fund after he became a person to whom this Part applies; and
- (f) to any gratuity payable to him under this Act in respect of his service after he became a person to whom this Part applies.

“(6.) Where—

- (a) the pension of a person to whom this Part applies became payable by virtue of section fifty-one of this Act;
- (b) on retirement after having become a person to whom this Part applies, he is not entitled to pension under Part V., whether by reason of the operation of section fifty-four or seventy-one of this Act, or otherwise; and
- (c) neither of the last two preceding sub-sections apply to him, he is entitled, on retirement (in lieu of any other benefit to which, but for this sub-section, he would be entitled)—

- (d) to any refund of contributions and gratuity to which he would have been entitled if he had been reclassified as Class C under section fifty-three of this Act immediately before he became a person to whom this Part applies;
- (e) to a refund of the amount of the contributions paid by him to the Fund after he became a person to whom this Part applies; and
- (f) to any gratuity payable to him under this Act in respect of his service after he became a person to whom this Part applies.

“(7.) Where—

- (a) the pension of a person to whom this Part applies became payable otherwise than by virtue of section fifty-one of this Act;
- (b) on retirement after becoming a person to whom this Part applies, he is not entitled to pension under Part V., whether by reason of the operation of section fifty-four or seventy-one of this Act, or otherwise; and

(c) sub-section (4.) of this section does not apply to him, he is entitled, on retirement (in lieu of any other benefit to which, but for this sub-section, he would be entitled)—

(d) to pension corresponding with the pension that was cancelled when he became a person to whom this Part applies; and

(e) to a refund of the amount of the contributions paid by him to the Fund after he became such a person.

“(8.) Where a person is entitled to benefit under sub-section (5.), (6.) or (7.) of this section, sections fifty-four and seventy-one of this Act do not apply in relation to that benefit except gratuity payable by virtue of paragraph (f) of sub-section (5.), or paragraph (f) of sub-section (6.), of this section.

“(9.) Where a person to whom this Part applies dies before retirement and section fifty-nine of this Act applies in relation to him, the reference in that section to the contributions paid by a member shall be read as a reference to the contributions paid by the person after he became a person to whom this Part applies.

“(10.) Where a person to whom this Part applies dies before retirement and, by reason of the operation of section seventy-one of this Act, pension would not, but for this sub-section, be payable in respect of him, that section does not apply in relation to him and he shall be deemed, for the purposes of this Act, to have been a pensioner on the date on which he died in receipt of the pension that was cancelled when he became a person to whom this Part applies, and the amount of the contributions paid by him under this Act after he became such a person shall be paid to his personal representatives, or failing them, to such persons, if any, as the Board determines.

“(11.) Where—

(a) the pension of a person to whom this Part applies became payable by virtue of section fifty-one of this Act;

(b) on retirement after becoming a person to whom this Part applies, he again became entitled to pension by virtue of section fifty-one of this Act upon being classified as Class A or Class B under that section; and

(c) he is later reclassified as Class C under section fifty-three of this Act and, upon being so reclassified, ceases to be entitled to a pension,

he is entitled, upon being so reclassified—

(d) to any refund of contributions and gratuity to which he would have been entitled if he had been so reclassified immediately before he became a person to whom this Part applies; and

- (e) to a refund of the amount of the contributions paid by him under this Act after he became a person to whom this Part applies, and to a gratuity calculated in accordance with section fifty-two of this Act by reference to his service after he became a person to whom this Part applies, to the extent that the sum of the amount of the refund and the amount of the gratuity exceeds the sum of the payments of pension received by him after his retirement after becoming a person to whom this Part applies.”.

19. After section 82G of the Principal Act the following section is inserted:—

Pension rates
in special
cases.

“ 82GA.—(1.) Paragraph (a) of sub-section (2.) of this section applies in relation to a person to whom this Part applies who retires, or dies before retirement, and—

- (a) whose new category number is a lower number than his previous category number;
- (b) who, before he first became entitled to pension, made an election under section sixty-one A or sixty-one B of the *Defence Forces Retirement Benefits Act 1963–1965*;
- (c) the rate of whose pension on his first retirement was reduced—
- (i) under section fifty-eight or seventy-nine A, or under an agreement entered into under section seventy-eight or seventy-nine, of the *Defence Forces Retirement Benefits Act 1959* or that Act as amended and in force from time to time;
 - (ii) under section forty-one, forty-four, forty-five, forty-six or forty-seven of the *Defence Forces Retirement Benefits Act 1962* or that Act as amended and in force from time to time; or
 - (iii) under section fifty-one, fifty-four, fifty-five, fifty-six or fifty-seven of the *Defence Forces Retirement Benefits Act 1963* or that Act as amended and in force from time to time;
- (d) who first retired after the commencement of the *Defence Forces Retirement Benefits Act 1959* and, immediately before that retirement, was not a contributor for maximum additional basic pension for the purposes of Part III. of that Act;
- (e) who first retired after the commencement of the *Defence Forces Retirement Benefits Act 1962* and, immediately before that retirement, was not a contributor for maximum additional basic pension for the purposes of Part IV. of that Act;
- (f) who first retired after the commencement of the *Defence Forces Retirement Benefits Act 1963* and, immediately before that retirement, was not a contributor for maximum additional basic pension for the purposes of Part IV. of that Act;

- (g) who is or was a person to whom the *Defence Forces Special Retirement Benefits Act* 1960 applies or applied; or
- (h) the rate of whose pension is, by virtue of the operation of section seventy-seven or seventy-eight of the *Defence Forces Retirement Benefits Act* 1948 or that Act as amended and in force from time to time, less than it would otherwise be.

“(2.) Where—

- (a) pension becomes payable to or in respect of a person in relation to whom this paragraph applies;
- (b) pension becomes payable to a person to whom this Part applies and who, before he became such a person, commuted a portion of his pension under section seventy-four of this Act; or
- (c) pension becomes payable in respect of a person to whom this Part applies and who made an election under sub-section (6.) of section forty-seven of the *Defence Forces Retirement Benefits Act* 1959, being an election that has not been revoked,

that pension shall be paid at such rate as is determined by the Board as being appropriate having regard to all the circumstances of the case.

“(3.) In sub-section (1.) of this section—

- ‘ new category number ’, in relation to a person in relation to whom this section applies, means the category number of the person immediately before his retirement or death;
- ‘ previous category number ’, in relation to a person in relation to whom this section applies, means the category number of the person immediately before he first became a pensioner or, if that category number would, if this Act, and the Defence Forces Retirement Benefits Regulations, as in force immediately before his retirement or death, had been in force immediately before he first became a pensioner, have been a different number, that different number.

“(4.) The reference in the definition of ‘ previous category number ’ in the last preceding sub-section to the category number of a person immediately before he first became a pensioner shall, in the case of a person who became a pensioner before the fourteenth day of December, One thousand nine hundred and fifty-nine, be read as a reference to the number of units for which the person was last contributing to the Fund before he became a pensioner.”.

20. Section 82H of the Principal Act is amended by omitting from paragraph (b) the words “ his re-entry ” and inserting in their stead the words “ he became a person to whom this Part applies ”.

Persons not entitled to double pensions and pensions not to be reduced.

21. Where—

- (a) a person was, immediately before the commencement of this Act, a member of the Defence Force and in receipt of a pension to

Amendments made by this Act not to apply to certain re-engaged pensioners.

which sub-section (1A.) of section 69 of the Principal Act applied, not being a pension which became payable by virtue of section 51 of the Principal Act;

- (b) he continues to be a member of the Defence Force after the commencement of this Act; and
- (c) upon the commencement of this Act, he would, but for this section, be a person to whom Part VIB. of the Principal Act as amended by this Act applies,

the amendments made by the preceding provisions of this Act do not apply to or in relation to him.

Special death and invalidity benefits applicable to certain re-engaged pensioners.

22.—(1.) In relation to persons who retired or died before the commencement of this Act and in relation to persons to whom the last preceding section applies who retire or die after the commencement of this Act, section 69 of the *Defence Forces Retirement Benefits Act 1948–1963* shall be deemed to have been amended with effect from the twenty-eighth day of June, One thousand nine hundred and sixty-five, by the insertion at the end of the section of the following sub-sections:—

“(11.) Where—

- (a) sub-section (1A.) of this section applies to the pension of a pensioner;
- (b) the pension did not become payable by virtue of section fifty-one of this Act;
- (c) the pensioner is retired on the ground of invalidity or of physical or mental incapacity to perform his duties, not due, in the opinion of the Board, to wilful action on his part; and
- (d) the Board is satisfied that, on his retirement, the percentage of his incapacity in relation to civil employment is sixty per centum or more,

then, on his retirement, the pension to which he was entitled immediately before his retirement (in this sub-section referred to as ‘the retirement pension’) ceases to be payable to him and he shall, for the purposes of this Act, be treated as a person entitled to benefit under section fifty-one of this Act, and the rate of the pension payable to him by virtue of that section (in this sub-section referred to as ‘the invalidity pension’) shall be determined as if he became entitled to that pension when he first retired, and, if he had commuted any portion of the retirement pension, each payment of the invalidity pension shall be reduced by the amount by which a corresponding payment of the retirement pension would have been reduced if, after his retirement, he had continued to be in receipt of the retirement pension.

“(12.) Where—

- (a) sub-section (1A.) of this section applies to the pension of a pensioner;

(b) the pension did not become payable by virtue of section fifty-one of this Act; and

(c) the pensioner dies before retirement,

sections fifty-seven and fifty-eight of this Act apply in relation to him as if, at the time of his death, he had been in receipt of the pension that would have been payable to him under the last preceding sub-section if he had retired before his death and that sub-section had applied to him.

“(13.) Nothing in either of the last two preceding sub-sections has the effect of reducing the rate of pension payable to a person below the rate of pension that would otherwise be payable to him.”.

(2.) Where the amount of a payment of pension (in this sub-section referred to as “the greater amount”) is greater than the amount that, but for this section, would have been the amount of that payment (in this sub-section referred to as “the lesser amount”), the Commonwealth shall, in lieu of making a payment to the Fund under section 32 of the Principal Act as amended by this Act in respect of the payment, pay to the Fund—

(a) an amount equal to the amount that the Commonwealth would have been required to pay to the Fund under that section in respect of that payment if the amount of the payment had been the lesser amount; and

(b) an amount equal to the difference between the greater amount and the lesser amount.

(3.) Payments by the Commonwealth under the last preceding sub-section shall be made from the Consolidated Revenue Fund, which is appropriated accordingly.
