HOUSING ASSISTANCE BILL 1984

Date Introduced: 13 September 1984
House: House of Representatives
Presented by: Hon. C.J. Hurford, M.P., Minister for Housing & Construction

Short Digest of Bill

Purpose

To authorize the Commonwealth Government to enter a 10 year agreement with each State and the Northern Territory for provision of home purchase and rental assistance housing for low to moderate income earners.

Background

The Housing Assistance Act 1981 authorized Commonwealth agreement with the States and Northern Territory for housing assistance in the five year period from 1 July 1981 to 30 June 1986. That agreement provided for Commonwealth funding of $200m for each of the five years and for 'matching' on a dollar for dollar basis from State funds [see Bills Digest for Housing Assistance Bill 1981].

The agreement has been superseded by a 10 year Commonwealth-State Housing Agreement (CSHA) from 1 July 1984. The agreement, set out in a Schedule to the Bill, provides for Commonwealth assistance by way of outright grant and by way of loans repayable at 4.5 per cent interest over a 53 year period following the year in which the loan is made.

The terms of the Agreement include broadened eligibility criteria to extend to single persons, cost-related rents for public housing tenants-with concessional rebates where required, rental purchase schemes and low start loans, and specific purpose grants in certain cases.[1]

The CSHA provides for base Commonwealth assistance of $530m in grants and loans in the first year, $510m in each of the two subsequent years, and thereafter an amount in each year determined by the Minister for Housing and Construction. Normally, grants are to comprise 75 per cent of the total assistance. A further $52m is provided in
1984-85 for Aboriginal housing and $7m for local community housing.[2]

The $530m in the first year is to comprise $35m for pensioner rental housing assistance and $495m in untied assistance. In the first year, States are required to apply funds of a further $450m from their own sources; in subsequent years, 'matching' of Commonwealth funds on a dollar-for-dollar basis is required. Compliance with this term has advantages in permitting the States to nominate some of their borrowing program, approved by the Loan Council, to be paid as loans on the same concessional terms (53 year term/4.5 per cent interest rate) as CSHA loan funds [see Bills Digest for States (Works and Housing) Assistance Bill 1984].

Under clause 14 of the Agreement, allocation of total amounts among the States and the Northern Territory is to be determined by the Commonwealth legislation. Clause 9 of the Bill provides for allocation on the basis of "respective needs... as determined by the Minister". Schedule 2 specifies a minimum for each of the States and the Northern Territory in the first year of the agreement. These minima total to $495m. In subsequent years, the allocation is to approach an equal per capita basis, and that basis is to be achieved by the year commencing 1 July 1990.

As under the Housing Assistance Act 1981, an annual report to Parliament detailing the operation of the CSHA is required.

Main Provisions

The Bill authorizes execution by the Commonwealth of a Commonwealth-State Housing Agreement in the terms of Schedule 1 and the Bill, or in substantial accordance with that form (clause 4). Pursuant to such an agreement, clauses 6 and 7 respectively authorise grants and loans. Grants may comprise specific housing assistance, or funds for housing purposes within the meaning of the agreement.

Allocation of funds among the States and Northern Territory is specified in clause 9, which establishes a $7.3m minimum for each State and requires equal per capita funding by 1990-91. Matching of housing assistance other than specific housing assistance is required by clause 10.

Advances of grants and loans are authorized by clause 12. Advances are repayable by any State which has not entered the agreement by 15 April 1985.
Clause 8 appropriates a total of $510m in each of the years commencing on 1 July in 1985 and 1986. Moneys appropriated from the Consolidated Revenue Fund for the purposes of the Bill are authorized to be replenished from the Loan Fund (clause 15), and the Treasurer is further authorized to raise the amount so paid by borrowing (clause 13).

For further information, if required, contact:

9 October 1984
Economics and Commerce Group
LEGISLATIVE RESEARCH SERVICE

References
1. Payments to or for the States, the Northern Territory and Local Government Authorities, 1984-85 Budget Paper No. 7, p.58.