Date Introduced: 14 May 1981
House: House of Representatives
Presented by: Hon. D.T. McVeigh, Minister for Housing and Construction

Short Digest of Bill

Purpose

To authorise agreements between the Commonwealth, the States, and the Northern Territory for the provision of financial assistance for welfare housing.

Background

The current Commonwealth-State housing agreement expires on 30 June 1981. The proposed new agreement (as set out in Schedule 1 to the Bill), contains a number of significant proposals and amendments to the current agreement. These include:

- the level of funding of $200 million for each of the five years of the proposed agreement;
- a change to the basis for allocating assistance between the States;
- currently agreed 'matching' arrangements whereby the States match advances from the Commonwealth, are formalised in this agreement;
- the 'untying' of the proportion of funds going to home purchase assistance and rental assistance; and
- the extension of the rental subsidy to eligible persons renting private housing.

Provisions

Clause 1 gives the Bill's short title.

Clause 2 gives the date of commencement.
Clause 3 defines several of the terms used in the Bill. In particular, it specifies that the period to which the proposed Act applies, is the five years ended 30 June 1986.

Clause 4 authorises the execution of an agreement substantially in accordance with that contained in Schedule 1 between the Commonwealth, the States, and the Northern Territory, including any variations thereto.

Clause 5 provides that any variations must be tabled in each House of Parliament.

Clause 6 empowers the Minister to authorise the payment of grants to the States for rental housing [paragraph 6(1)(a)], and for general purpose housing, i.e. other than rental housing [paragraph 6(1)(b)], in accordance with the agreement.

Clause 7 empowers the Minister to make loans to the States for housing in accordance with the agreement.

Clause 8 enables appropriations from Consolidated Revenue of $54 million in grants and loans totalling $146 million, for each of the five years to which the agreement relates.

Clause 9

Clause 9 deals with the methods of allocating grants and loans.

Sub-clause (1) gives the Minister discretion to allocate grants for rental housing, and requires the Minister to ensure that the aggregate of grants in any one year is not less than $54 million.

Sub-clause (2) provides that any general purpose housing grants to the States are to be allocated in accordance with sub-clause (4) (see below).

Sub-clause (3) provides that for the first year of the agreement's operation, loans of $146 million are to be appropriated as per Schedule 2 of the Bill, and thereafter to be determined by the Minister in such a way that no State is allocated less than $7.3 million.

Sub-clause (4) relates to loans not authorised under this Bill (i.e. under other legislation), and provides that they must be allocated in accordance with sub-clause (3) but without the guaranteed minimum of $7.3 million.
Sub-clause (5) provides that loans are to be apportioned after the first year with a view to ultimately equalising them between the States on a per capita basis.

Clause 10 provides that, with the exception of the general purpose housing grants, grants and loans allocated to a State in accordance with clause 9, should not exceed matching sums provided by that State. Where a proposed allocation to a State exceeds the sum provided by that State, the excess may be allocated to the other States.

Clause 11

Sub-clause (1) [together with sub-clause (3)], enables advance payments to be made for grants allocated in accordance with clause 6.

Sub-clause (2) makes a similar provision with respect to loans under clause 7. Sub-clause (4) provides that if a State has not entered into an agreement with the Commonwealth before 1 January 1982, it must repay any grants and loans paid in advance.

Clause 12 empowers the Treasurer to borrow funds, to be paid into the Loan Fund, for the purposes of reimbursing Consolidated Revenue (see clause 4 below).

Clause 13 provides that Loan Fund borrowings raised in accordance with clause 12, must be applied to Consolidated Revenue for the purposes laid down in this Bill or used for expenses associated with borrowing.

Clause 14 empowers the Minister for Finance to use Loan Fund borrowings to reimburse Consolidated Revenue after grants and loans have been paid to the States in accordance with this Bill.

Clause 15 provides that the Minister must table an annual report on the operation of the agreement and related matters.

For further information, if required, contact:

Finance, Industries, Trade & Development Group

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