

1994

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

HOUSING ASSISTANCE AMENDMENT BILL 1993

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Housing, Local  
Government and Human Services, the Hon. Brian Howe, MP)

**THIS MEMORANDUM TAKES ACCOUNT OF AMENDMENTS MADE BY THE  
HOUSE OF REPRESENTATIVES TO THE BILL AS INTRODUCED**

## HOUSING ASSISTANCE AMENDMENT BILL 1993

### OUTLINE

The purpose of the Bill is to amend the Housing Assistance Act 1989 (the Act) under which the States, with financial assistance from the Commonwealth, deliver housing assistance for rental housing and home purchase in accordance with the terms of the 1989 Commonwealth-State Housing Agreement (CSHA). That Agreement is Schedule 1 to the Act.

The Bill amends subsection 7(3A) of the Act which specifies appropriations made under the Act, in particular, for 1993-1996.

The Bill would amend the Principal Act to permit Commonwealth funding in circumstances where a State has been, or will be, unable to meet obligations under the Commonwealth-State Housing Agreement to match the balance of untied grants from the value of home loans made under home purchase assistance programs.

### FINANCIAL IMPACT

Subsection 7(3A) of the Act appropriates from the Consolidated Revenue Fund :

- . \$1,080,890,000 in respect of the fifth grant year of the Act ie. 1993-94;
- . \$1,010,641,000 in respect of the sixth grant year of the Act ie. 1994-95; and
- . \$1,017,863,000 in respect of the seventh grant year of the Act ie. 1995-96.

The Bill amends these appropriations to \$1,042,390,000; \$1,028,141,000; and \$1,035,363,000 respectively.

The financial impact of the Bill is thus to decrease the appropriation for 1993-94 by \$38,500,000; to increase the appropriation for 1994-95 by \$17,500,000; and to increase the appropriation for 1995-96 by \$17,500,000.

The addition of a new subsection 15 (2A) and the new section 15A will not result in any additional Commonwealth outlays.

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NOTES ON CLAUSES

Clause 1 - Short title

This clause is a formal provision specifying the short title of the Act as the Housing Assistance Amendment Act 1993. It also identifies the Housing Assistance Act 1989 as the Principal Act referred to in the Bill.

Clause 2 - Commencement

This clause provides that the Act will commence on the day it receives Royal Assent.

Clause 3 - Principal appropriation

This clause amends section 7 of the Principal Act.

Paragraph (a) amends paragraph 7(3A)(b) of the Principal Act by omitting \$1,080,890,000 and substituting \$1,042,390,000.

Paragraph (b) amends paragraph 7(3A)(c) of the Principal Act by omitting \$1,010,641,000 and substituting \$1,028,141,000.

Paragraph (c) amends paragraph 7(3A)(d) of the Principal Act by omitting \$1,017,863,000 and substituting \$1,035,363,000.

Clause 4 - Grants to be matched by State

This clause amends section 15 of the Principal Act by inserting a new subsection 15(2A). This addition will enable the Commonwealth Minister to authorise the full level of untied grants to a particular State in 1994-95 even if the Minister is not able to ensure that the State can meet the balance of its matching obligation from the value of home loans provided through its home purchase assistance programs in accordance with paragraph 13(2)(b) of the Commonwealth-State Housing Agreement.

Clause 5 - Grants to be matched by State - exception

This clause provides for the insertion of a new section 15A after section 15.

Section 15A will enable the Minister to determine that a State has met its obligation to match the balance of untied assistance from the value of home loans provided through home purchase assistance programs made in a grant year notwithstanding that the State has not been able to meet the level required in a particular year. Such determination will only be made where the Minister, after consultation with the relevant State Minister, and having regard to the extent to which housing assistance provided by the State reflects the principles set out in Recital (D) of the Act, is satisfied that the State is unable to match the balance of untied assistance from the value of home loans made. This provision is applicable only in the fifth and sixth grants years, that is 1993-94 and 1994-95.

The State Minister must agree in writing to the determination being made. The determination must be tabled in each House of the Parliament within 15 sitting days.

