

1994

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

HOUSING ASSISTANCE AMENDMENT BILL 1993

SUPPLEMENTARY EXPLANATORY MEMORANDUM

(Amendments to be moved on behalf of the Government)

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

SUPPLEMENTARY EXPLANATORY MEMORANDUM

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OUTLINE

The amended 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

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 AMENDMENTS

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 cannot 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 where that State has not been able to meet the level required. Such determination will only be made where the Minister, after consultation with the relevant State Minister, and having regard to the extent to which assistance provided by the State reflects the principles set out in Recital (D), 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.



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