

1993

**THE LEGISLATIVE ASSEMBLY FOR
THE AUSTRALIAN CAPITAL TERRITORY**

HOUSING ASSISTANCE ACT 1987

**VARIATIONS TO
PUBLIC RENTAL HOUSING ASSISTANCE PROGRAM
RENT RELIEF PROGRAM
SHORT TERM LODGING HOUSING ASSISTANCE PROGRAM**

No 3 of 1993

EXPLANATORY STATEMENT

**(Circulated by authority of
Terry Connolly MLA
Minister for Housing
and Community Services)**

VARIATIONS TO PUBLIC RENTAL HOUSING ASSISTANCE PROGRAM; RENT RELIEF PROGRAM; AND SHORT TERM LODGING HOUSING ASSISTANCE PROGRAM

AUTHORITY

Section 12 of the Housing Assistance Act 1987 empowers the Commissioner for Housing to prepare in the form of an instrument in writing a housing assistance program or variation to a program.

A program or variation may not be implemented without the approval of the responsible Minister. Following approval, the program or variation is required to be published in the Gazette and laid before the Legislative Assembly, in accordance with Section 6 of the Subordinate Laws Act 1989, where it may be disallowed.

BACKGROUND

The three programs which are the subject of this Instrument are housing assistance programs operating under the Housing Assistance Act 1987. The Public Rental Housing Assistance Program was published in ACT Gazette No 20 on 4 October 1989 and subsequently varied; the Rent Relief Program, in ACT Gazette No 26 on 15 November 1989 and subsequently varied; and the Short Term Lodging Housing Assistance Program, in Commonwealth Gazette No GN 34 on 23 December 1987. All three programs are funded, or eligible for funding, under the Commonwealth State Housing Agreement (CSHA) and are required to operate in accordance with the principles of that Agreement. The accompanying variations to the programs do not conflict with those principles.

The variations were prepared by the delegate of the Commissioner for Housing, approved by the Minister for Housing and Community Services, and published in ACT Gazette No. on .

Applicants eligible for rent relief are those registered on the waiting list for public rental housing, who are renting privately as an interim measure while they await the allocation of a public dwelling.

Applicants eligible for assistance under the Short Term Lodging Housing Assistance Program are those registered on the waiting list for public housing, who have a demonstrated need for short term accommodation while they wait out their time for standard public rental housing. Short term accommodation for this purpose is provided at Jerrabomberra House, a boarding house managed by the ACT Housing Trust.

PURPOSE AND CONSEQUENCES

The need for these variations arose from Commonwealth legislation which has had unintended consequences for these housing assistance programs.

The *Social Security (Family Payment) Amendment Act 1992* has changed the arrangements for dependent child payments under the *Social Security Act 1991*. From 1 January 1993, all payments for dependent children were merged under Part 2.17 of the Act, and new terms were introduced to describe payments such as those previously referred to as family allowance and family allowance supplement.

In consequence, some definitions or terms in the housing assistance programs, which were based on previous legislative arrangements, are now inaccurate or conflict with existing policy guidelines. The variations correct these anomalies.

Additionally, the opportunity has been taken to vary the formula in the Short Term Lodging Housing Assistance Program for calculating fees for occupants of Jerrabomberra House. Consistent with established policy, the objective is to bring that formula into line with recent changes to the rent rebate formula. Those changes were specified in a variation (disallowable instrument number 152 of 1992) to the Public Rental Housing Assistance Program, gazetted on 1 October 1992, giving formal effect to an initiative of the 1992/93 ACT Budget.

SPECIFIC CHANGES

Details of specific changes to the programs, specified in the Instrument, follow:

Clause 1. Amendments to the Public Rental Housing Assistance Program

The amendment to clause 4 (1) (a) of this program restores the definition of "income" in the program to its intended meaning, by inserting words which distinguish basic family payment from other forms of family payment now paid under Part 2.17 of the *Social Security Act 1991*. Basic family payment corresponds to what was previously called "family allowance", and is the only form of family payment which is intended to be fully excluded from assessment for eligibility for housing assistance.

The amendment to clause 17 (3A) (a) substitutes "additional family payment" for its equivalent, "family allowance supplement", under the previous legislative arrangements. Clause 17 (3A) (b), relating to dependent child payments previously paid as part of a social security pension, is now redundant because equivalent payments are now included in "additional family payment".

Clause 2. Amendments to the Rent Relief Program.

The amendments to clauses 3 (1) and 10 (6) of this program correspond to the amendments to the Public Rental Housing Assistance Program, and are self explanatory.

Clause 3. Amendments to Short Term Lodging Housing Assistance Program.

The amendment to the definition of "income" in clause 3 (1) of this program corresponds to the amendment to that definition in the other two programs. The amendment to the definition of "independent" merely corrects the reference to the *Social Security Act*.

Clause 8 of the program is amended by the substitution of a new formula for calculating fees chargeable under the program. As outlined above, this

amendment corresponds to the changes to the rent rebate formula which were gazetted on 1 October 1992.

As indicated on that occasion, that variation gave effect to an initiative of the 1992/93 ACT Budget by changing the rent rebate formula in the Public Rental Housing Assistance Program to increase the percentage of income public housing tenants on reasonable incomes are required to contribute to their rebated rent. This requires tenants, who previously paid rebated rents at the flat rate of 20% of primary income, to pay at a higher rate on that part of their income above 50% of ACT average weekly earnings (ACTAWE). Tenants whose incomes remain below that barrier continue to pay at the rate of 20% of income. Public tenants whose only source of income is a Social Security or Veterans Affairs pension or benefit are not affected by these changes.

The levy on income in the form of additional family payment (formerly family allowance supplement) from the Department of Social Security remains at 10%, reflecting an agreement reached with the Commonwealth in the context of the Commonwealth State Housing Agreement in recognition of the special purpose for which this allowance is provided. The opportunity was also taken to vary the program to provide formally for allowances equivalent to additional family payment, paid to beneficiaries for dependent children under the *Veterans Entitlements Act 1986*, to be levied at the same 10% rate.

The higher rates on that part of a tenant's income above 50% of ACTAWE are being introduced by stages, as follows:

- 1 November 1992 a new levy of 23% was introduced;
- 1 July 1993 this will be increased to 25%;
- 1 July 1994 an additional levy of 30% of any income above 100% of ACTAWE will apply.

The new formula at amended clause 8 of the Short Term Lodging Housing Assistance Program reflects these arrangements and is self explanatory.

Clauses 4, 5 and 6. Further Amendments to the Short Term Lodging Housing Assistance Program, and Commencement.

These provisions reflect the staged introduction of the increased levies and are self explanatory.