

1992

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

HOUSING ASSISTANCE ACT 1987

VARIATION TO RENT RELIEF PROGRAM

No 151 of 1992

EXPLANATORY STATEMENT

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

VARIATION TO RENT RELIEF 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 rent relief program, a program operating under the Housing Assistance Act 1987, was published in ACT Gazette No 26 on 15 November 1989. The program is funded under the Commonwealth State Housing Agreement (CSHA) and is required to operate in accordance with the principles of the Agreement. The accompanying variation to the program, titled the "Rent Relief Program Variation 1992", does not conflict with those principles.

The variation was prepared by the delegate of the Commissioner for Housing and approved by the Minister for Housing and Community Services. It was published in ACT Gazette No. on

PURPOSE AND CONSEQUENCES

This variation gives effect to an initiative of the 1992/93 ACT Budget by changing the rent relief formula in the gazetted program to increase the minimum percentage of primary income new applicants are required to contribute to their rent. The minimum contribution rate rises from 25% to 30% of primary income.

The levy on income in the form of Family Allowance Supplement (FAS) from the Department of Social Security remains at 10%, reflecting an agreement reached with the Commonwealth in the CSHA context in recognition of the special purpose for which this allowance is provided.

The opportunity has also been taken to vary the program to provide formally for allowances equivalent to FAS, paid to beneficiaries for dependent children under the Social Security Act 1991 and the Veterans Entitlements Act 1986, to be levied at the same 10% rate as FAS. The program has also been varied to provide for rent assistance paid under the Veterans Entitlements Act 1986 to be treated in the same way as rent assistance paid under the Social Security Act 1991, for the purpose of assessing entitlement. These changes remove inconsistencies from the program.

Eligible applicants are those registered on the waiting list for public housing who are renting privately as an interim measure while they await the allocation of a public dwelling.

Existing recipients of rent relief will continue to pay at the minimum rate of 25% of primary income unless they enter into a new lease, either for the rental dwelling they currently occupy, or for a different dwelling. In that case their contribution would increase to the new rate of 30%.

SPECIFIC CHANGES

Details of the specific changes to the program included in the variation follow:

Clause 1 specifies the title of the instrument and is self explanatory.

Clause 2 specifies the commencement date of the instrument.

Clause 3 provides details of the rent relief program which is being varied by the instrument and is self explanatory.

Clause 4 removes references to the repealed Social Security Act 1949 in sub-clause 3(1) of the program and substitutes references to the new Act.

Clause 5 omits existing paragraphs 5(1)(a) and 5(1)(i) of the rent relief program because these are redundant provisions.

Paragraph 5(1)(a) viz "*the applicant is unable to pay rent as required under his or her tenancy agreement or is unable to pay arrears of rent owing or both*" expresses an objective of the program which is addressed through the application of the rent relief formula and/or the other eligibility criteria of the program, rather than being separately assessed as an eligibility criterion.

Similarly, paragraph 5(1)(i) viz "*the applicant has agreed to pay by way of rent or rent and arrears of rent combined an amount in excess of 25% of his or her weekly income*" is not assessed as an eligibility criterion but, again, is a consequence of the formula for assessing entitlement once basic eligibility is established. Furthermore, technically at least, the paragraph had the unintended consequence of requiring the 25% criterion to be applied to forms of assistance to which it was not relevant; eg, rental bond assistance.

Clause 6 provides for the new contribution rate of 30% to be substituted for the previous rate of 25% in sub-clause 7(1) of the program.

Clause 7 provides in relation to sub-clause 10(5) of the program:

(a) for the new contribution rate of 30% to be substituted for the previous rate of 25%;

(b) for the substitution of "dependent child payments" for "Family Allowance Supplement paid under Part IX of the Social Security Act 1947";

(c) for the substitution of "dependent child payments" for "Family Allowance Supplement"; and

(d) for rent assistance paid to applicants under the Social Security Act 1991 or the Veterans Entitlements Act 1986 to be treated in the same way for the purpose of assessing rent relief entitlement.

- **Clause 8** defines the new term "dependent child payments" introduced at clause 7 above and is self explanatory. The rationale for this new definition is explained above.

Clause 9 specifies the transitional arrangements, exempting existing rent relief recipients from the increased levy provided they do not enter into a new lease, as outlined above.