

2003

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

HOUSING ASSISTANCE ACT 1987

RENTAL BONDS HOUSING ASSISTANCE PROGRAM

DISALLOWABLE INSTRUMENT No DI2003 - 153

EXPLANATORY STATEMENT

**(Circulated by authority of
Bill Wood MLA
Minister for Disability Housing and Community Services)**

RENTAL BONDS HOUSING ASSISTANCE PROGRAM

AUTHORITY

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

A program or amendment may not be implemented without the approval of the responsible Minister. Following approval, the program or amendment is required to be notified in the Legislation Register and presented to the Legislative Assembly, in accordance with the Legislation Act 2001.

BACKGROUND

The rental bonds scheme which previously operated in the ACT for many years was withdrawn by the previous Government in January 2001 as part of its housing reform package. Through this new program this Government seeks to restore this form of assistance. This will assist people on modest incomes with the financial capacity to sustain a private tenancy to access private rental housing as one option to meet their medium to longer-term housing needs. Action to re-establish rental bonds assistance is consistent with the recommendations of the former Select Committee on Public Housing and the Affordable Housing Task Force and with an election commitment of this Government.

This program is a housing assistance program prepared under section 12 of the Housing Assistance Act 1987. The program is required to operate in accordance with the principles of the Commonwealth State Housing Agreement. This program was prepared by the Commissioner for Housing, approved by the Minister for Disability, Housing and Community Services and notified in the Legislation Register on 25 June 2003.

PURPOSE AND CONSEQUENCES

The introduction of this program gives effect to Government policy announced during the ACT Election. The program will provide bond loans to ACT residents who meet the basic eligibility criteria for public housing to assist them to access rental housing on the private market where this is a financially viable option. Applicants will not be required to register on the Applicant List for public housing although they may do so if they wish. Eligible applicants will be entitled to an interest free loan of up to 80% of the bond required under a residential tenancy agreement.

SPECIFIC PROVISIONS

Following is a detailed explanation of the program as specified in the instrument.

Clause 1 specifies the title of the program and is self-explanatory.

Clause 2 specifies that the Housing Agreement applies to the Program. In consequence, the Minister, in considering whether to approve the program, was required by section 12 of the Housing Assistance Act 1987 to have regard to the principles of the Commonwealth State Housing Agreement.

Clause 3 specifies the object of the Program and is self-explanatory.

Clause 4 defines terms relevant to the Program and is self-explanatory.

Clause 5 specifies the arrangements for making an application and is self-explanatory.

Clause 6 specifies the eligibility criteria for assistance. Briefly, applicants are eligible if they:

- meet the basic eligibility criteria for public housing specified in the Public Rental Housing Assistance Program;
- enter into a residential tenancy agreement, or propose to do so, for a dwelling in the ACT under which a rental bond is payable;
- do not have an existing debt to the Commissioner for Housing such as rental arrears; have not previously breached a public housing tenancy agreement; or do not have the capacity to fund the bond requirement from their own resources;
- have not made a materially false or misleading statement in their application; and
- have the capacity to meet the financial obligations under their tenancy agreement and the bond loan agreement.

Clause 7 specifies the conditions under which the Commissioner will provide a bond loan, and other matters relating to the loan, and is self-explanatory.

Clause 8 empowers the Commissioner to seek additional information in connection with an application and is self-explanatory.

Clause 9 establishes a framework for determining which of the persons intending to reside in the rental dwelling for which a bond loan is sought are to be considered as the applicants. This is necessary to establish a consistent approach to the application of the eligibility criteria.

Clause 10 creates an obligation on an applicant to inform the Commissioner of specified changes to circumstances that impact on their ongoing entitlement to assistance; and specifies the Commissioner's power to require repayment, including early repayment, of the loan in accordance with the loan agreement. Where the bond, or the balance of the bond, is repaid to the Commissioner by the Office of Rental Bonds, the Commissioner is required to apply all amounts received firstly towards repayment of any outstanding amount under the loan agreement and secondly to pay to the applicant any amount exceeding the balance under the loan agreement.

Clause 11 enables the Commissioner to disregard one or more of the standard eligibility criteria where an applicant is experiencing severe hardship which cannot be otherwise resolved. A similar provision exists in the Public Rental Housing Assistance Program.

Clause 12 relates to the Commissioner's obligation to notify an applicant in relation to a decision on an application and is self-explanatory.

Clauses 13 and 14 relate to an applicant's right to seek a review of a decision on an application and are self-explanatory.

Clause 15 relates to the Commissioner's obligation not to unlawfully disclose information obtained in connection with the Program.

Clause 16 specifies the commencement date of the Program.