

**1992**

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

**HOUSING ASSISTANCE ACT 1987**

**VARIATION TO PUBLIC RENTAL  
HOUSING ASSISTANCE PROGRAM**

No. 152 of 1992

**EXPLANATORY STATEMENT**

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

## **VARIATION TO PUBLIC RENTAL 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 public rental housing assistance program, a program operating under the Housing Assistance Act 1987, was published in ACT Gazette No 20 on 4 October 1989. The program is funded under the Commonwealth State Housing Agreement and is required to operate in accordance with the principles of the Agreement. The accompanying variation to the program, titled the "Public Rental Housing Assistance Program Variation 1992" does not conflict with those principles.

This 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**

The variation gives effect to an initiative of the 1992/93 ACT Budget by changing the rent rebate formula in the gazetted program to increase the percentage of income public housing tenants on reasonable incomes are required to contribute to their rebated rent. This will require tenants, who currently pay rebated rents at the flat rate of 20% of primary income, to pay at a higher rate or rates on that part of their income above 50% of ACT average weekly earnings (ACTAWE). Tenants whose incomes are below that barrier will 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 will not be affected by these changes.

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

- 1 November 1992            a new levy of 23% will apply;
- 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.

### **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 dates of the various provisions, providing for the staged introduction of the increased levies as outlined above.

Clause 3 provides details of the public rental housing assistance program which is being varied by the instrument and is self explanatory.

Clauses 4 and 5 remove references to the repealed Social Security Act 1949 in clauses 4 and 10 of the program and substitute references to the new Act.

Clause 6 specifies the changes to the rent rebate formula at clause 17 of the program, as outlined above. As already indicated, these changes do not affect the lower rate of 10% at which Family Allowance Supplement is levied. As also indicated, provision has been made for equivalent payments for children to beneficiaries under the Social Security Act 1991 and the Veterans Entitlements Act 1986 to be levied at the same 10% rate. All such payments (including FAS) are described in the instrument as "dependent child payments".

Clause 7 inserts a definition of "dependent child payments", covering the payments outlined at Clause 6 above, and is self explanatory.

Clause 8 provides for the levy of 23% on that part of a tenant's income exceeding 50% of ACT average weekly earnings to be increased to 25%. This will occur on 1 July 1993.

Clause 9 provides for the final step in the staged introduction of the increased levies, adding a 30% levy on income exceeding ACT average weekly earnings. This will occur on 1 July 1994.