

2000

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

HOUSING ASSISTANCE ACT 1987

**VARIATION TO
PUBLIC RENTAL HOUSING ASSISTANCE PROGRAM**

INSTRUMENT No. 229 of 2000

EXPLANATORY STATEMENT

**(Circulated by authority of
Brendan Smyth MLA
Minister for Urban 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 notified in the Gazette and laid before the Legislative Assembly, in accordance with Section 6 of the Subordinate Laws Act 1989.

BACKGROUND

The Public Rental Housing Assistance Program ("the Program") is a housing assistance program operating under the Housing Assistance Act 1987. The Program was published in ACT Gazette No 20 on 4 October 1989 and varied from time to time, as specified at clause 1 of the instrument. The Program is required to operate in accordance with the principles of the Commonwealth State Housing Agreement.

This variation to the Program was prepared by the Commissioner for Housing, approved by the Minister for Urban Services, and notified in ACT Gazette No. S34 on 30 June 2000 .

The Public Rental Housing Assistance Program provides rental housing to eligible persons in the ACT who are unable to afford or obtain adequate and appropriate housing in the private sector. Public housing is provided at concessional rents to people on low incomes, with some 80% of current tenants receiving a rental rebate.

PURPOSE AND CONSEQUENCES

The purpose of this variation is to provide for the Commonwealth Government's new system of statutory family payments introduced on 1 July 2000. The new system, comprising 3 payment packages, replaces the previous system involving 12 separate payments. Because of the integration of these payments it is no longer possible to assess individual payments for rent rebate purposes at different rates, as in the past.

This variation provides for a new assessment method involving a single concessional rate of 10% calculated on Family Tax Benefit Part A only. This is equal to the concessional rate applied to statutory family payments under the previous system. The assessment will be limited to payments received for 3

children, to provide relief for larger families. The other 2 components of the new payment system, Family Tax Benefit Part B and Child Care Benefit will not be assessed.

The national and local objectives in setting the new assessment arrangements were the achievement of revenue neutrality for housing providers while maintaining rents as close as practicable to current levels.

SPECIFIC CHANGES

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

Clause 1 provides details of the program being varied, including previous variations, and is self-explanatory.

Clause 2 removes from the definition of "income" at clause 4 of the Program a reference to the minimum rate of family allowance paid under the *Social Security Act 1991*, which is now redundant as a result of the new system of statutory family payments.

Clause 3 makes minor amendments to the definition of "Basic Rent" at subclause 17(5) of the Program to clarify existing practice and to provide for the application of the new policy for the assessment of dependent child payments.

Clause 4 varies the definition of "dependent child payments" at subclause 17(13) of the Program to accommodate the new system of statutory family payments by removing the reference to "family allowance in addition to the minimum rate", which is now redundant, and substituting a reference to "Family Tax Benefit Part A" (paid under the *Social Security Act 1991*). The amended definition of "dependent child payments" gives effect to the policy objective of limiting for rent rebate purposes the assessment of statutory family (dependent child) payments to the amounts received for three children.

Under these arrangements, dependent child payments will be assessed at the concessional rate of 10%, calculated by reference to the total amount actually payable or the total amount that would be payable for three children attracting benefits at the highest rate, whichever is less.

Clauses 5 and 6 provide for transitional and commencement arrangements. It is intended that the variations take effect from 1 July 2000 but will not apply to any grants of rent rebate made before that date.