



ELIZABETHAE SECUNDAE REGINAE

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No. 58 of 1978

**An Act to authorize the execution for and on behalf of the State of an agreement between the Commonwealth and the several States of the Commonwealth in relation to housing; to amend the State Housing Act 1945–1974; and to amend The State Housing Acts and Another Act Amendment Act of 1957**

[ASSENTED TO 22ND AUGUST, 1978]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Assembly of Queensland in Parliament assembled, and by the authority of the same, as follows:—

PART I—PRELIMINARY

**1. Short title.** This Act may be cited as the *Commonwealth and State Housing Agreement and State Housing Act and Another Act Amendment Act 1978*.

**2. Commencement.** (1) Save as is prescribed by subsection (2), this Act shall commence on the date it is assented to for and on behalf of the Crown.

(2) Part II shall be deemed to have commenced on 1st July 1978 and shall have retrospective effect accordingly.

**3. Arrangement of Act.** This Act is divided into Parts as follows:—

PART I—PRELIMINARY;

PART II—COMMONWEALTH AND STATE HOUSING AGREEMENT;

PART III—AMENDMENTS OF STATE HOUSING ACT 1945–1974;

PART IV—AMENDMENTS OF THE STATE HOUSING ACTS AND ANOTHER ACT AMENDMENT ACT OF 1957;

SCHEDULE.

PART II—COMMONWEALTH AND STATE HOUSING AGREEMENT

**4. Execution of agreement.** The execution for and on behalf of the State of an agreement between the Commonwealth and the several States in relation to housing substantially in accordance with the form contained in the schedule is authorized and if the agreement is executed before the passing of this Act such execution is ratified and confirmed.

**5. Agreement to have force of law.** The agreement substantially in the form set out in the schedule when executed for and on behalf of the State and the Commonwealth shall have the force of law as if the agreement were an enactment of this Act.

PART III—AMENDMENTS OF STATE HOUSING ACT 1945–1974

**6. Citation.** (1) In this Part the *State Housing Act 1945–1974* is referred to as the Principal Act.

(2) The Principal Act as amended by this Part may be cited as the *State Housing Act 1945–1978*.

**7. Amendment of s. 3.** Section 3 of the Principal Act is amended by omitting the words “ UNDER CONTRACT OF SALE ” appearing after the words “ PART IV—SALE OF HOUSES ”.

**8. Amendment of s. 23A.** Section 23A of the Principal Act is amended, in subsection (9), by—

(a) omitting the first paragraph and substituting the following paragraph:—

“ On and from the commencement of Part III of the *Commonwealth and State Housing Agreement and State Housing Act and Another Act Amendment Act 1978*, all mortgages and other securities to which the Commission is a party for a purpose of this section and all releases thereof shall be exempt from stamp duty but subject thereto, nothing in this Act shall exempt from stamp duty any transfer or other document or instrument whatever to which the Commission is a party for a purpose of this section.”;

(b) omitting from the second paragraph the words “ mortgage or other security, or release of a mortgage or other security, or transfer or other document or other security ” and substituting the words “ transfer or other document or other instrument ”.

**9. Amendment of Part IV heading.** The Principal Act is amended by omitting from the words “ PART IV—SALE OF HOUSES UNDER CONTRACT OF SALE ” occurring after section 23A the words “ UNDER CONTRACT OF SALE ”.

**10. Amendment of s. 24.** Section 24 of the Principal Act is amended by—

(a) in paragraph (iii) of subsection (3)—

(i) omitting the words “ prescribed rate by equal monthly instalments ” and substituting the words “ rate prescribed from time to time by such monthly instalments as shall for the time being be determined by the Commission ”;

(ii) inserting at the end thereof the following subparagraph:—

“ The provisions of section 10 (a) of the *Commonwealth and State Housing Agreement and State Housing Act and Another Act Amendment Act 1978* shall not apply to any contract of sale entered into pursuant to this section application for which was received by the Commission before the commencement of that Act nor to advances made by the Commission pursuant to subsection (7) where the relevant contract was entered into before such commencement.”;

(b) in subsection (6)—

(i) omitting paragraph (iii);

(ii) omitting from paragraph (iiid) the words “ Section one hundred and sixty of “ *The Land Acts, 1910 to 1957,* ” ” and substituting the words “ Section 285 of the *Land Act 1962–1975* ”;

(iii) omitting from paragraph (vi) the words “ section one hundred and twenty-one of that Act ” and substituting the words “ Division II of Part VII of the *Land Act 1962–1975* ”;

(iv) inserting in paragraph (vi) after the words “ shall apply ” the words “ and, it is hereby declared, always did apply from the commencement of that Act ”;

(c) inserting at the end thereof the following subsection:—

“ (7) **Payment of purchasing price may be secured by mortgage.**

(a) Where the fee-simple of land upon which a house is erected, in the course of erection or to be erected is vested in the Commission and a person—

(i) is eligible under this section to purchase that house and the provisions of subsection (3) (i) and (ii) have been complied with; or

(ii) is a purchaser of that house under a contract of sale entered into pursuant to this section (whether before or after the commencement of Part III of the *Commonwealth and State Housing Agreement and State Housing Act and Another Act Amendment Act 1978*), has complied with or substantially complied with the terms and conditions of the contract and desires to borrow moneys, other than from the Commission, upon the security of a mortgage,

the Commission may, at the Commission's discretion upon the written application by that person and, in the case of a purchaser referred to in provision (ii), upon the payment of the prescribed fee transfer the fee-simple of the land to that person and secure the payment of the balance of the purchase money by way of mortgage whereupon the Commission shall be deemed to have made an advance to that person pursuant to this Act of the balance of the purchase money and, in the case of a purchaser referred to in provision (ii), the purchaser shall be deemed to have paid all moneys payable to the Commission pursuant to the terms and conditions of the contract of sale.

(b) An advance deemed to have been made by the Commission pursuant to paragraph (a) shall be, as near as may be practicable, subject to the same terms and conditions to which—

(i) in the case of an advance to a person referred to in paragraph (a) (i), would be applicable to the sale of the house had it been purchased under contract of sale pursuant to this section;

(ii) in the case of an advance to a person referred to in paragraph (a) (ii), the sale of the house was subject, and subject to all necessary adaptations the provisions of this Act, other than section 23A (9), which are not inconsistent with this section which apply to or with respect to an advance under section 23A shall apply and extend to and with respect to advances under this subsection and borrowers to whom those advances are, are proposed or are deemed to be made.

(c) The transfer by the Commission of the fee-simple of land to a purchaser pursuant to paragraph (a) (ii) shall not be taken to be consent by the Commission to the giving of a second mortgage or charge of the land or any part thereof.”.

**11. Amendment of s. 33.** Section 33 of the Principal Act is amended by—

(a) omitting subsections (2) and (3) and substituting the following subsections:—

“(2) (a) Subject to this subsection, in respect of—

(i) every advance under this Act made by the Commission; and

(ii) the purchasing price payable under every contract of sale under this Act entered into by the Commission,

whereof an application was received by the Commission on or after the commencement of Part III of the *Commonwealth and State Housing Agreement and State Housing Act and Another Act Amendment Act 1978*, interest shall be payable to the Commission by the borrower or purchaser at such rate or rates per centum per annum as shall from time to time be prescribed in respect thereof by Order in Council.

The Governor in Council may from time to time by one or more than one Order in Council prescribe different rates per centum per annum of the interest payable—

(iii) in respect of advances made or the purchasing price payable under contracts of sale entered into for the different purposes of this Act;

(iv) in respect of advances made or the purchasing price payable under contracts of sale entered into for the same purposes of this Act;

(v) in respect of particular advances made, or the purchasing price payable under particular contracts of sale entered into for the purposes of this Act.

(b) The Governor in Council may from time to time, by Order in Council vary the rate per centum per annum of the interest payable in respect of any advance or purchasing price specified in paragraph (a) by increasing above or reducing below the rate fixed by the preceding Order in Council.

An Order in Council made under this paragraph (b) shall come into force on such date as may be specified therein or, if no such date is so specified, on the date of the publication thereof in the Gazette and shall continue in force until and including the day next preceding the date when the next following such an Order in Council comes into force.

(c) In any particular case where the Minister considers that special circumstances of need or welfare exist, he may fix a rate or rates per centum per annum of interest payable in respect of any advance made or purchasing price payable under a contract of sale entered into pursuant to this Act below the rate prescribed in respect thereof for the time being whereupon the rate so fixed shall in respect of that advance or purchasing price be deemed to be the prescribed rate.

The Minister may at any time vary the rate per centum per annum of the interest fixed in respect of that advance or purchasing price by—

(i) increasing above the rate fixed;

(ii) reducing below the rate fixed; or

(iii) determining that the rate shall be the rate from time to time prescribed by Order in Council pursuant to paragraph (a) or (b).

(d) Where immediately prior to the commencement of Part III of the *Commonwealth and State Housing Agreement and State Housing Act and Another Act Amendment Act 1978* a prescribed rate of interest per centum per annum is in force in respect of advances made or the purchasing price under a contract of sale entered into for the purposes of this Act, that rate shall continue in force until varied as provided for in this subsection.

(3) Every borrower of an advance or purchaser under a contract of sale to which subsection (2) applies shall pay to the Commission, in compliance in every respect with the conditions of the advance or contract thereunto binding him, interest in respect of the advance or purchasing price payable under the contract at the rate per centum per annum prescribed from time to time pursuant to that subsection.”;

(b) in subsection (4)—

(i) omitting paragraph (a) and substituting the following paragraph:—

“(a) The provisions of subsection (1) apply subject to this subsection.”;

(ii) omitting from paragraph (b) all words from and including the words “pursuant to” to and including the words “specified in” and substituting the words “pursuant to the provisions of subsection (1) specified in”;

(iii) omitting from the first paragraph of paragraph (c) the words “subsections (1) or (2) of this section, or the Order in Council under subsection (2) of this section, specified in an Order in Council under this subsection apply or” and substituting the words “subsection (1)”;

(c) in subsection (5)—

(i) omitting paragraphs (b) and (c) and substituting the following paragraphs:—

“(b) Subject to paragraph (c), the provisions of subsections (2), (3), (4) and (5) of section 33 of the *State Housing Act 1945–1974* shall continue to apply to advances and purchases referred to therein and to advances deemed to have been made pursuant to section 24 (7) (a) (ii) other than to advances and purchases in respect of which—

(i) in the case of advances deemed to have been made pursuant to section 24 (7) (a) (ii) the application for the purchase of the house the subject of the advance;

(ii) in any other case, an application therefor, was received by the Commission on or after the commencement of Part III of the *Commonwealth and State Housing Agreement and State Housing Act and Another Act Amendment Act 1978* as if those provisions had not been varied by that Part.

(c) When, at any time after the commencement of Part III of the *Commonwealth and State Housing Agreement and State Housing Act and Another Act 1978*, the borrower for the time being of an advance or the purchaser for the time being under a contract of sale (the application for which advance or purchase having been received prior to the commencement of that Part) transfers or assigns or agrees to transfer or assign—

(i) in the case of an advance, the land in respect whereof the advance was made subject to the mortgage securing the advance; or

(ii) in the case of a purchase, the contract of sale, to another person, that person shall on and from the date of the transfer or assignment or agreement to transfer or assign, be deemed to be a borrower of an advance or, as the case may be, a purchaser under a contract of sale application for which advance or purchase shall be deemed to have been received by the Commission on that date and the provisions of this Act applying to such an advance or purchase shall apply thereto.”;

(ii) in paragraph (e) omitting all words from and including the words “of this subsection” to and including the words “the expressions “borrower”” and substituting the words “of this subsection, the expressions “borrower””.

**12. Amendment of Schedule.** The Principal Act is amended in the Schedule thereto by—

(a) omitting from clause 7 the words “be made in the prescribed” and substituting the words “, if the form has been prescribed therefor, be made in that”;

(b) in clause 9—

(i) omitting from the note appearing at the beginning thereof the words “for prescribed period” and substituting the words “during term fixed and”;

(ii) omitting the words “payable according to subsection three of section thirty-three of” and substituting the words “prescribed for the time being under”;

(c) in subclause (a) of clause 12—

(i) omitting the words “The following” appearing in the first paragraph and substituting the words “Save where otherwise expressed in this clause, the following”;

(ii) inserting at the end of the second paragraph, which paragraph commences with the words “For the period”, the words “Where, pursuant to section 24 (7) (a) (ii) an advance is deemed to have been made to a purchaser, this provision does not apply to such advance.”;

(iii) in the fifth paragraph, which paragraph commences with the words “After the expiration”—

(A) inserting after the words “said period” the words “or, in the case of an advance deemed to have been made pursuant to section 24 (7) (a) (ii), from the date on which the advance or any instalment thereof is made,”;

(B) omitting the word “aforesaid” where twice occurring and substituting in each case the words “prescribed from time to time”;

(iv) in the proviso to the sixth paragraph—

(A) omitting the words “prescribed rate” where twice occurring and substituting in each case the words “rate prescribed from time to time”;

(B) omitting the words “is fixed by the Commission when the application for the advance is approved by it” and substituting the words “the Commission may determine from time to time”;

(d) in subclause (b) of clause 12—

(i) omitting from the note appearing at the commencement thereof the words “of home”;

(ii) omitting therefrom where twice occurring the words “of the home”;

(iii) omitting the words “be leasehold” and substituting the following words:—

“be perpetual leasehold:

Provided that, as the rate per centum per annum of interest is varied from time to time pursuant to section 33 (2), the amount of the monthly instalment shall be varied so that, if the instalment (as varied) were paid on the first day of each month during the unexpired portion of the said period, the unpaid purchase money of the dwelling-house together with interest at the varied rate on the outstanding balance of such purchase moneys at the beginning of each month would be liquidated”;

(e) omitting from clause 14 the words “same rate” and substituting the words “rate or rates provided for in that section at the time of the additional advance and where such section provides for variation of that rate at the rate as varied from time to time”.

PART IV—AMENDMENTS OF THE STATE HOUSING ACTS AND ANOTHER ACT AMENDMENT ACT OF 1957

**13. Citation.** (1) In this Part *The State Housing Acts and Another Act Amendment Act of 1957* is referred to as the Principal Act.

(2) The Principal Act as amended by this Part may be cited as the *State Housing Acts and Another Act Amendment Act 1957–1978*.

**14. Repeal of and new s. 5.** The Principal Act is amended by omitting section 5 and substituting the following section:—

“**5. Purchasing price.** (1) The purchasing price of the land comprised in a lease deemed, pursuant to this Part, to be a freeholding lease shall be the amount of the unimproved value, as at the date of the receipt by the Commission of the application referred to in section 4, of that land.

For the purposes of this section, the unimproved value of land shall be the amount which experienced persons would be willing to pay for the fee-simple of the land, assuming that it were unimproved and were offered for sale on such reasonable terms and conditions as a bona fide seller would require.

(2) (a) At the option of the lessee, the unimproved value of the land comprised in the lease in question shall be determined by—

- (i) the Commission;
- (ii) the Valuer-General; or
- (iii) the Land Court.

In every case, the lessee shall exercise his option under this subsection by stating in the application referred to in section 4 or in a separate writing given to the Commission the manner in which he desires the unimproved value of the land comprised in the lease in question to be determined.

(b) In every case where the lessee requires the Valuer-General to determine the unimproved value of the land comprised in the lease in question, the Commission shall request the Valuer-General to determine and the Valuer-General shall determine that value.

(c) In every case where the lessee requires the Land Court to determine the unimproved value of the land comprised in the lease in question, the Commission shall refer, or cause to be referred, to that Court for hearing and determination the matter of the amount of the unimproved value of that land and thereupon that Court shall hear and determine that matter.

(d) Where pursuant to this subsection the Valuer-General or the Land Court determines the unimproved value of the land comprised in the lease in question, the Commission may require the lessee to pay the whole or such part of the costs incurred by it thereby as it may determine and if the lessee fails to pay the whole of the amount which pursuant to this subsection he is required to pay, the Commission may recover from the lessee in any court of competent jurisdiction, by action as for a debt, the unpaid balance of any such amount.

(3) No appeal shall lie against a determination pursuant to subsection (2) of the unimproved value of land by the Commission, the Valuer-General or, as the case may be, the Land Court.



(4) The Commission shall give to the lessee notice in writing of the amount of the purchasing price.

(5) The valuation of the unimproved value of any land determined by the Commission, the Valuer-General or the Land Court pursuant to this section shall have no force or effect save for the purpose for which that valuation is so determined or made.”.

**15. Amendment of s. 6.** Section 6 of the Principal Act is amended by omitting subsection (5).

**16. Amendment of s. 9.** Section 9 of the Principal Act is amended by—

(a) in subsection (1),

(i) omitting from provision (i) all words from and including the words “at which interest” to and including the words “with his application” and substituting the words “prescribed from time to time”;

(ii) omitting from provision (ii) the words “increased to such sum” and substituting the words “altered from time to time to such sum or sums”;

(b) in subsection (2),

(i) omitting from provision (i) all words from and including the words “at which interest” to and including the words “with his application” and substituting the words “prescribed from time to time”;

(ii) omitting from provision (ii) the words “to such sum” and substituting the words “from time to time to such sum or sums”;

(c) omitting from subsection (3) provision (ii) and substituting the following provision:—

“(ii) The balance of the purchasing price, together with interest on the amount thereof outstanding at the beginning of each month of the ten year term of the lease at the rate per centum per annum prescribed from time to time, shall be liquidated by such monthly instalments as shall be determined by the Commission from time to time which instalments are payable respectively on or before the last day of each month of the ten year term of the lease, commencing on the quarter day next following the date when the deposit is paid.”;

(d) inserting at the end thereof the following subsection:—

“(6) (a) Subject to paragraph (b), the provisions of section 9 of *The State Housing Acts and Another Act Amendment Act of 1957* shall continue to apply to leases deemed pursuant to this Part to be freeholding leases prior to the commencement of Part IV of the *Commonwealth and State Housing Agreement and State Housing Act and Another Act Amendment Act 1978* as if those provisions had not been varied by that Part IV.

(b) In respect of every lease deemed, pursuant to subsection (3), to be a freeholding lease prior to the commencement of Part IV of the *Commonwealth and State Housing Agreement and State Housing Act and Another Act Amendment Act 1978*, the balance of the purchasing price and the prescribed interest thereon shall be liquidated by such monthly instalments as shall be determined

from time to time by the Commission payable respectively on or before the last day of each month of the balance of the ten year lease commencing on the first quarter day next following the commencement of that Part.”.

**17. Amendment of s. 10.** Section 10 of the Principal Act is amended in subsection (4) by—

(a) omitting the note appearing at the commencement thereof and substituting the words “**Section 285 of Land Act 1962–1975 applied**”;

(b) omitting the words “Section one hundred and sixty of “*The Land Acts, 1910 to 1957,*”” and substituting the words “Section 285 of the *Land Act 1962–1975*”;

(c) omitting the word “Public”.

#### SCHEDULE

[ss. 4 and 5

AN AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_  
One thousand nine hundred and seventy- \_\_\_\_\_  
Between the COMMON-  
WEALTH OF AUSTRALIA (in this Agreement called “the Common-  
wealth”) of the first part, THE STATE OF NEW SOUTH WALES  
of the second part, THE STATE OF VICTORIA of the third part,  
THE STATE OF QUEENSLAND of the fourth part, THE STATE OF  
SOUTH AUSTRALIA of the fifth part, THE STATE OF WESTERN  
AUSTRALIA of the sixth part, and THE STATE OF TASMANIA  
of the seventh part.

#### WHEREAS—

- (A) the Commonwealth and the States of Australia have from time to time entered into agreements for the purpose of the provision by the States with financial assistance from the Commonwealth of housing for persons who are in need of governmental assistance if their housing requirements are to be met;
- (B) the Ministers of the respective governments who are responsible for housing have agreed upon the provision of rental housing assistance and home purchase assistance in the States during the three financial years commencing on the first day of July 1978;
- (C) the Ministers have also established principles that are to apply to the provision of housing assistance under this Agreement, namely—
- (a) housing assistance will—
- (i) facilitate home ownership for those able to afford it but not able to gain it through the private market;
  - (ii) provide adequate rental housing for those of the community who are deemed to be in need of governmental assistance at a price that is within their capacity to pay;
  - (iii) provide assistance for home ownership and assistance with rental accommodation in the most efficient way and thus to exclude from eligibility those not in need, to minimise continued availability of assistance to those no longer in need and to accord benefits which are

- designed so that assistance being provided is related to the particular family's or individual's current economic and social circumstances;
- (b) benefits which are available are offset to the minimum extent practicable by poor location of dwellings, an inadequate range of choice of dwellings and stigmatisation of those who are to receive benefits;
  - (c) there will be clear recognition of the separate but complementary roles of—
    - (i) construction and acquisition of dwellings;
    - (ii) management of the rental operation; and
    - (iii) sales of dwellings;
  - (d) maximum social benefit will be sought from previous investment in housing; and
  - (e) the States will be able to exercise maximum autonomy and flexibility in the administrative arrangements necessary to achieve these principles;
- (D) it is proposed that in order to implement the agreement of the Ministers the Commonwealth will grant to the States financial assistance under section 96 of the Commonwealth of Australia Constitution and that the terms and conditions on which the grant of financial assistance should be made are those set out in this Agreement;
- (E) the Commonwealth and the States wish to vary in certain respects the agreements which have been entered into as aforesaid; and
- (F) the Parliament of the Commonwealth has authorised the execution by and on behalf of the Commonwealth of this Agreement and the making of advances to the States in accordance with its provisions:

NOW IT IS HEREBY AGREED as follows:

#### PART I—OPERATION OF AGREEMENT

1. (1) This Agreement shall come into force in respect of the Commonwealth and of a State when it has been signed on behalf of the Commonwealth and has been signed on behalf of the State with the authority of the Parliament of the State or, having been signed on behalf of the State without that authority, is approved by the Parliament of the State.

(2) Notwithstanding that in this Agreement all the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania are named as parties, this Agreement shall operate as an agreement between the Commonwealth and the State or States in respect of which it comes into force as fully and effectually as if the State or States in respect of which it comes into force were the only State or States named as parties.

2. Acts and things provided for by this Agreement which have been done or carried out by or with respect to a State in accordance with and in anticipation of its coming into force in respect of that State

shall be deemed to have been done or carried out under this Agreement as if it were in force at the relevant time or times in respect of that State.

#### PART II—INTERPRETATION

3. (1) Subject to sub-clause (2), in this Agreement each State named as a party in respect of which the Agreement comes into force is referred to as a “State” and, except where the context otherwise indicates, the expression “the States” means all of those States.

(2) Where in an existing Housing Agreement included in the Schedule, including any amendment of that Agreement made by this Agreement, the word “State” or the expression “the States” means a State or the States in respect of which that Agreement is in force, that word and that expression shall, for the purposes of the operation of that Agreement, as amended by this Agreement, mean respectively a State or the States in respect of which this Agreement has come into force.

4. (1) In this Agreement—

“the Minister” means the Minister of State of the Commonwealth for the time being responsible for the administration of this Agreement for the Commonwealth; and

“the State Minister” means the Minister of State of a State for the time being responsible for the administration of this Agreement for the relevant State.

(2) A reference in this Agreement to a Minister includes a Minister or other member of the Federal Executive Council or Minister of the relevant State, as the case may require, acting on behalf of or for the time being acting for the Minister referred to.

5. In this Agreement, unless the contrary intention appears or the context otherwise requires—

“dwelling” means a dwelling-house or flat and includes such fences, outbuildings and other improvements and such connexions for sewerage, drainage, water, electricity, gas and other services as are provided or are reasonably required to be provided for the dwelling-house or flat;

“financial year” means a period of twelve months commencing on the first day of July;

“housing” means residential housing including dwellings and other forms of residential accommodation;

“previous housing arrangements” means the provisions in relation to housing that were made by the existing Housing Agreements and by the *States Grants (Housing) Act 1971* and the *Housing Assistance Act 1973* of the Commonwealth Parliament; and

“the existing Housing Agreements” means the Agreements set out in the Schedule and where the singular is used means such one or other of those Agreements as the context requires.

6. In this Agreement, unless the contrary intention appears—

(a) a reference to a Part or to a clause is to a Part or to a clause of this Agreement, as the case may be;

- (b) a reference to a sub-clause is, unless otherwise indicated, to the relevant sub-clause of the clause in which the reference appears;
- (c) the Schedule referred to is the Schedule to this Agreement;
- (d) words importing the masculine gender also import the feminine and, where appropriate, the neuter; and
- (e) words in the singular number include the plural and vice versa.

#### PART III—OBJECTIVE OF AGREEMENT

7. The objective of this Agreement is the provision by the States with financial assistance from the Commonwealth of housing assistance for rental housing and for home purchase in accordance with, and in fulfilment of, the principles set out in recital (C).

#### PART IV—FINANCIAL ASSISTANCE

8. (1) During the financial years of this Agreement the Commonwealth will provide financial assistance to the States for housing purposes by way of advances upon and subject to the terms of this Agreement in order to assist the States in the achievement of the objective of this Agreement.

(2) The financial years of this Agreement shall be the three financial years commencing on the first day of July in the years 1978, 1979 and 1980.

9. Of the total amount of the advances by the Commonwealth to the State under this Agreement in respect of a financial year, portion (referred to as advances for rental housing assistance) shall be for allotment by the State for the provision of rental housing in accordance with Part V and the other portion (referred to as advances for home purchase assistance) shall be for payment into the Home Purchase Assistance Account established by the State for application in accordance with Part VI.

10. (1) Each State shall, not later than the thirtieth day of November preceding the beginning of a financial year of this Agreement, inform the Minister of the amounts that the State wishes the Commonwealth to advance it under this Agreement in respect of the financial year for rental housing assistance and home purchase assistance programs of the State and at the same time shall provide estimates of financial performance and planned programs for that year.

(2) After consultation with the State Ministers of the States and after considering State requirements and practices but without regard to any operating surpluses on rental housing assistance operations under previous housing arrangements and under this Agreement or on the operations of the Home Builders' Accounts or the Home Purchase

Assistance Account under those arrangements or under this Agreement, the Minister shall determine the total amount to be advanced to the State under this Agreement in respect of the financial year.

(3) In consultation with the State Minister the Minister shall determine, and may in like manner at any time vary, the allocation between rental housing assistance and home purchase assistance of the total amount of the advances to be made by the Commonwealth to a State under this Agreement in each financial year of this Agreement but the amount of home purchase assistance to be made to a State in respect of the financial year commencing on the 1st day of July 1980 shall not be less than 40 per centum of the total amount of the advances to be made by the Commonwealth to the State under this Agreement in respect of that financial year.

11. The advances to be made by the Commonwealth to a State under this Agreement in respect of a financial year shall be made available by the Commonwealth during that financial year by equal monthly instalments unless otherwise agreed between the Minister for Finance of the Commonwealth and the Treasurer of the State.

12. (1) Each advance made by the Commonwealth to a State under this Agreement or so much of each advance as for the time being remains unrepaid by the State shall until repayment as provided in clause 13 bear interest computed from the date upon which the advance is made.

(2) The rate of interest shall be—

- (a) in respect of rental housing assistance—5 per centum per annum; and
- (b) in respect of home purchase assistance—4½ per centum per annum.

(3) A State will on the thirty-first day of December and the thirtieth day of June of a financial year during which advances are made to the State by the Commonwealth under this Agreement pay to the Commonwealth the interest that has accrued on those advances up to the date of the payment of the interest.

13. (1) Each State will repay to the Commonwealth the amount of each advance made to the State under this Agreement and will pay the interest thereon as provided in clause 12, other than that payable under sub-clause (3) of that clause, by equal annual instalments of principal and interest so that the amount of the advance, together with the interest, will be repaid in 53 years from the beginning of the financial year next succeeding the financial year in respect of which the advance was made, the first such instalment being payable on or before the end of the financial year next succeeding the financial year in respect of which the advance was made.

(2) Accounting procedures in respect of the repayment of advances will be as agreed upon between the Minister for Finance of the Commonwealth and the Treasurer of each State, or in default of agreement, as determined by the Minister for Finance of the Commonwealth, but nothing in this sub-clause shall affect the other provisions of this Agreement.

PART V—RENTAL HOUSING ASSISTANCE

14. In this Part “rental housing” means housing for rental which has been provided under the previous housing arrangements or is provided under this Agreement and “rental dwelling” means a dwelling that is included in rental housing.

15. Funds available to a State during a financial year for rental housing assistance programs (in this Part referred to as “rental housing assistance funds”) shall consist of—

- (a) in respect of a financial year of this Agreement, advances for rental housing assistance made under this Agreement during the financial year;
- (b) in respect of any financial year, any surplus during the financial year of revenue after allowing for rental rebates over outgoings incurred or provided for arising from—
  - (i) the rental housing operations of the State in respect of dwellings provided under previous housing arrangements and under this Agreement; and
  - (ii) any other rental operations of the State which arise out of this Agreement and to which this Agreement applies; and
- (c) subject to sub-clause 20 (3), net proceeds from the sale of rental dwellings in accordance with the provisions of this Part.

16. (1) Rental housing assistance funds shall be used by the State for the provision of rental housing in such manner subject to and in accordance with the provisions of this Agreement as is appropriate for and conducive to the achievement of the objective of this Agreement with respect to the principles set out in recital (C) which relate to rental housing.

(2) Without prejudice to the generality of sub-clause (1) or conveying any implication that funds are or are to be made available by the Commonwealth for, or are to be applied by the State for, any particular purpose or purposes or in any order of priority, the particular purposes for which rental housing funds may be used by the State to give effect to sub-clause (1) include the following purposes—

- (a) to meet the costs of and associated with the acquisition, planning and development of land primarily for residential development;
- (b) to pay for the construction or acquisition of housing;
- (c) to repay the principal of and pay interest on loans made to the State for rental housing assistance;
- (d) to provide funds to such voluntary, non-profit, charitable or other housing management bodies or groups as are approved by the State Minister;
- (e) to enable housing to be let to such charitable bodies and other organisations as are approved by the State Minister for the provision of assistance to disadvantaged persons;
- (f) to engage in urban renewal activities related to public housing;

- (g) to allocate funds to local government bodies for the provision of rental housing where the State Minister considers that it would be more appropriate for such rental housing assistance to be carried out by those bodies;
- (h) to make payments for, or provide bridging finance for, the provision of open space, landscaping, community facilities and for costs associated with land development, including contributions to headworks and reticulation of services;
- (i) to undertake research and policy development in relation to matters not funded by the Australian Housing Research Council;
- (j) to undertake and participate in joint ventures, co-operative enterprises or similar arrangements in order that public housing developments may be integrated with private housing and to achieve a desirable socio-economic mixture of housing;
- (k) to lease housing from the private housing sector;
- (l) to provide housing advisory services related to public housing; and
- (m) any other purposes, including special housing needs or innovative practices, agreed upon between the Minister and the State Minister.

**17.** The conditions of eligibility of persons for rental housing assistance shall be determined by the State and shall ensure that assistance is directed to those applicants most in need of such assistance.

**18.** (1) The rates at which rents are payable by tenants of rental housing shall be determined by the State which when making any such determination shall have regard to a policy of generally relating rents to rates of rental on the open market.

(2) Rental rebates are to be granted to tenants who are not able to afford the rent determined in accordance with sub-clause (1) and the Commonwealth and the States will jointly seek ways of establishing a uniform approach to the calculation of such rental rebates.

(3) The rates of rental shall, as far as practicable, be—

- (i) reviewed annually; and
- (ii) adjusted according to the movement of rates of rental on the open market.

**19.** (1) Where in respect of any financial year the rental housing operations of the State result in a surplus of revenue after allowing for rental rebates over outgoings, that surplus shall be separately identified to the Commonwealth and shall be included in rental housing assistance funds as provided in paragraph (b) of clause 15 for application in accordance with clause 16.

(2) Outgoings for the purposes of this clause shall consist of those normally incurred or provided for in rental housing operations and shall include repayments of principal and interest, maintenance, dwelling improvements, municipal rates and administrative expenses.



**20.** (1) Subject to this clause, the policy of a State with respect to sales of rental housing shall be as determined by the State but will be consistent with the objective of facilitating home ownership included in the principles set out in recital (C).

(2) In the determination and implementation of that policy the State shall ensure that—

- (a) sales of dwellings are at market value or replacement cost;
- (b) sales of dwellings are on the basis of a cash transaction;
- (c) home purchase assistance funds may be used to finance the purchase of a dwelling; and
- (d) proceeds from sales of dwellings are separately identified to the Commonwealth.

(3) The net proceeds of sales of dwellings are generally to be applied towards the construction or purchase of a replacement dwelling which will be included in rental housing or which may be sold in accordance with this clause, but any part of them may be applied to other housing purposes provided for in this Agreement.

**21.** Each State shall in respect of each financial year furnish to the Commonwealth by the 30th November next occurring after that year a statement which shows the origin of rental housing assistance funds available during the year and the manner in which they were applied and which is certified as to its correctness by a person appointed by the State Minister for that purpose.

#### PART VI—HOME PURCHASE ASSISTANCE

**22.** (1) Each State will establish an account in the public accounts of the State which will be known as “the Home Purchase Assistance Account” (in this Part called “the Account”) and moneys in which shall be available for home purchase assistance in accordance with this Part.

(2) The State shall pay into the Account the advances that are made to it for home purchase assistance.

(3) The Account shall be credited also with moneys received in the course of the home purchase assistance operations provided for by this Part and shall be debited with management costs and other outgoings in respect of those operations.

(4) The excess of amounts that are received into the Account over payments that are made from the Account in accordance with sub-clause (3) shall be separately identified by the State to the Commonwealth.

**23.** (1) A State may but shall not be obliged to arrange for payment into the Account of revolving funds which result from the operation of Home Builders’ Accounts or other home purchase assistance accounts

that were established under previous housing arrangements and may combine accounts established under those arrangements and under this Agreement into one account, being the Account.

(2) It is acknowledged and agreed by the parties that, when regard is had to income and other circumstances, all persons who receive home purchase assistance under this Agreement or from revolving funds under previous housing arrangements shall have available to them the borrowing options provided in this Part and that this situation will be achieved by the last financial year of this Agreement.

**24.** (1) Moneys standing to the credit of the Account shall be made available for the achievement of the objective of this Agreement with respect to the principles set out in recital (C) which relate to home purchase and to that end may be used for—

- (a) making repayments of principal and payments of interest in respect of advances by the Commonwealth to the State under this Agreement or, where accounts under previous housing arrangements have been combined into the Account, the repayment of principal and payment of interest in respect of advances by the Commonwealth to the State which have been allocated for home purchase assistance under those arrangements;
- (b) meeting expenditure by the State in providing and administering loans to approved lending authorities;
- (c) making loans to
  - (i) terminating building societies or co-operative housing societies;
  - (ii) a lending authority of the State approved by the State Minister;
  - (iii) registered co-operative organizations approved by the State Minister, not including permanent building societies;
  - (iv) such other bodies or organizations, including permanent building societies, as are from time to time agreed upon between the Minister and the State Minister, for on-lending to home purchasers;
- (d) providing a subsidy to eligible home purchasers or such lending institutions as are from time to time agreed upon by the Minister and the State Minister to reduce the interest cost of loans to the end borrowers of the loans;
- (e) financing the construction or purchase of dwellings for sale to persons who are eligible for home purchase assistance under this Agreement; and
- (f) such other purposes as are from time to time agreed upon between the Minister and the State Minister.

(2) In this clause—

- (a) “home purchaser” includes a purchaser of a dwelling under clause 20; and
- (b) references to societies are to societies registered as societies referred to under the relevant legislation of the State.

**25.** (1) The rate of interest that is charged by the State in respect of so much as is for the time being outstanding on a loan to an agency of the State for the purposes of paragraphs (c), (e) or (f) of clause 24 shall—

- (a) be not less than 5 per centum per annum until the end of the first financial year that wholly occurs after the loan is made;
- (b) be increased by  $\frac{1}{2}$  per centum per annum at the end of the first financial year that wholly occurs after the loan is made and by  $\frac{1}{2}$  per centum per annum at the end of each subsequent financial year of the loan until a rate equivalent to 1 per centum per annum below the long term bond rate for a financial year is reached;
- (c) thereafter be varied for any financial year of the loan according to any variation in the long term bond rate for that financial year.

(2) For the purposes of this Clause the long term bond rate for a year shall be the coupon rate on the longest term security of the last Commonwealth public loan issued prior to the first day of May that last occurred prior to that year.

**26.** (1) Subject to this clause, it shall be a matter for the State, as it sees fit, to determine the conditions of eligibility and the amounts and conditions that are to apply in respect of loans to persons who are to receive home purchase assistance under this Agreement and under previous housing arrangements.

(2) The conditions of eligibility shall be such that loans are made only to those persons who are not able to obtain mortgage finance assistance in the open market or from other sources.

(3) In determining the amount of a loan and of the repayments, regard shall be had to family income, assets of the borrower and size and standard of dwelling.

**27.** The State shall adopt policies and practices with regard to persons who receive home purchase assistance which are best suited to the achievement of the objective of this Agreement with respect of the principles set out in recital (C) which relate to home purchase assistance and may, where practicable, have regard to flexible lending practices, including those known as—

- (a) escalating interest loans with income geared starts;
- (b) deferred interest repayment loans;
- (c) income geared repayment loans;
- (d) high start loans;
- (e) second mortgage lending,

and provision for variation in repayment in the event of hardship.

**28.** Each State shall in respect of each financial year furnish to the Commonwealth by the 30th November next occurring after that year a financial statement in respect of operations of the Account which shows the origin of funds received and the manner in which funds were applied and which is certified as to its correctness by a person appointed by the State Minister for that purpose.

**PART VII—SUPERSESION OF PREVIOUS HOUSING ARRANGEMENTS**

**29.** (1) The provisions of this Agreement with respect to rental housing and home purchase assistance shall, except as provided herein, supersede the provisions of the existing Housing Agreements to the intent that this Agreement will provide the arrangements between the Commonwealth and each State in relation to the provision of rental housing, including the sale of housing so provided, and to the provision of assistance for home purchasers under the previous housing arrangements and this Agreement.

(2) Notwithstanding sub-clause (1), a State which is at the date of this Agreement a party to the 1945 Agreement referred to in paragraph 1 of the Schedule shall, subject to the State observing the provisions of this Agreement on its part to be observed, continue to be entitled to a contribution by the Commonwealth towards rental losses under sub-clauses (1) and (2) of clause 15 of that Agreement as if the provisions of those sub-clauses remained in force and, subject to sub-clause (2), the provisions of the Second Schedule continue to apply by virtue of sub-clause (1) thereof.

**PART VIII—GOVERNMENT AUTHORITIES AND AGENCIES**

**30.** The Commonwealth shall provide for or secure the performance by it and its authorities of the obligations of the Commonwealth under this Agreement and each of the States shall provide for or secure the performance by the State and its authorities of the obligations of the State under this Agreement.

**31.** A State shall determine an agency or agencies (including bodies or organizations that are not authorities of the State) for the performance of this Agreement on behalf of the State and acts and things that are done by or with respect to the agency or agencies so determined shall for the purposes of this Agreement, be deemed to have been done by or with respect to the State.

**PART IX—SUPPLY OF INFORMATION**

**32.** A State Minister will, upon request by the Minister, supply to the Minister such information relevant to the operation of this Agreement in respect of the State as is reasonably so requested.

**PART X—VARIATION OF AGREEMENT**

**33.** (1) The provisions of Parts V and VI of this Agreement may be varied as between the Commonwealth and a State by agreement in writing between the Minister and the State Minister.

(2) A copy of an agreement or copies of the document which constitute an agreement under sub-clause (1) shall be tabled in the Parliaments of the Commonwealth and of the State within 15 sitting days of respective Parliaments from the date upon which the agreement is made.

(3) An agreement under sub-clause (1) shall not affect the operation of this Agreement as between the Commonwealth and the States other than that with which the agreement has been made.

PART XI—REPRESENTATIVES AND COMMUNICATIONS

34. (1) The Commonwealth shall, subject to sub-clause (2), be represented for the purposes of this Agreement by the Department of Environment, Housing and Community Development, the address of which for notices and other communications is—

Secretary,

Department of Environment, Housing and Community  
Development,

CANBERRA, A.C.T. 2600

(2) In the event that the administration of this Agreement for the Commonwealth is allocated to a Minister other than the Minister for Environment, Housing and Community Development, the Commonwealth shall be represented by the Department administered by that other Minister and that Minister shall notify the State Minister of the address of that Department.

35. The State shall, be represented for the purposes of this Agreement by the Department administered by the State Minister and the State Minister shall notify the Minister of the address of that Department and of any change at any time of the Department or of the address.

36. (1) A notice or other communication under or in connexion with this Agreement shall be duly given if it is in writing signed by or on behalf of, or attributed to, the head of the Department by which it is given and addressed to or delivered at the address of the Department to which it is directed.

(2) For the purposes of this clause writing includes a teleprinter message the address for such a message shall be the teleprinter address of the receiving Department.

(3) A notice or other communication shall be given under this clause when it is received in the appropriate form by the Department to which it is directed.

SCHEDULE

Clause 5

Existing Housing Agreements

1. The 1945 Agreement

Agreement made 19 November 1945 between the Commonwealth and the States to which Tasmania is not now a party—Act No. 44 of 1945.

2. The 1955 Agreement

Supplemental Agreement made 16 April 1955 between the Commonwealth and the States other than Tasmania—Act No. 12 of 1955.

3. The 1956 Agreement

Agreement made 13 February 1957 between the Commonwealth and the States—Act No. 43 of 1956.

4. The 1961 Agreement

Agreement made 4 October 1961 between the Commonwealth and the States—Act No. 31 of 1961.

5. The 1966 Agreement

Agreement made 21 December 1966 between the Commonwealth and the States—Act No. 24 of 1966.

6. The 1973 Agreement

Agreement made 17 October 1973 between the Commonwealth and the States—Act No. 43 of 1973.

7. The 1974 Agreement

Supplemental Agreement made 20 December 1974 between the Commonwealth and the States—Act No. 102 of 1974.

IN WITNESS WHEREOF etc.