

1985

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 21 August 1985

(*Treasurer*)

A BILL

FOR

An Act to grant financial assistance to the States in connection with expenditure of a capital nature, to make loans to the States and the Northern Territory for public housing and to authorise the borrowing of certain money by the Commonwealth

BE IT ENACTED by the Queen, and the Senate and the House of Representatives of the Commonwealth of Australia, as follows:

Short title

5 1. This Act may be cited as the *States (Works and Housing) Assistance Act 1985*.

Commencement

2. This Act shall come into operation on the day on which it receives the Royal Assent.

Interpretation

10 3. In this Act—
“Loan Council” means the Australian Loan Council constituted in pursuance of the Financial Agreement referred to in the *Financial Agreement Validation Act 1929*;

“relevant year” means the year commencing on 1 July 1985 or one of the 2 next succeeding years.

Grants to States during 1985-86 in respect of capital expenditure

4. (1) There is payable to a State specified in column 1 of Schedule 1, during the first relevant year, for the purpose of financial assistance in connection with expenditure of a capital nature, the amount specified in column 2 of the Schedule opposite to the name of the State, less the sum of any amounts paid to the State under section 5 of the *States (Works and Housing) Assistance Act 1984*. 5

(2) Payments for the purposes of this section shall be made in such amounts and at such times as the Treasurer approves. 10

Advance payments to States for 1986-87 in respect of capital expenditure

5. The Treasurer may, during the period of 6 months commencing on 1 July 1986, make payments to a State specified in column 1 of Schedule 1, for the purpose of financial assistance in connection with expenditure of a capital nature, of amounts not exceeding in the aggregate the amount specified in column 3 of the Schedule opposite to the name of the State. 15

Loans to States for public housing

6 (1) Subject to section 7, a State may, on or before 31 December in a relevant year, notify the Treasurer that, for the purpose of expenditure in respect of the relevant year in relation to public housing, it requires a loan of a specified amount, not being an amount that exceeds the prescribed amount, and, where it does so, the Treasurer may, during the relevant year, authorise the making of that loan by way of financial assistance to the State for that purpose. 20 25

(2) Subject to sections 7 and 8, a loan under sub-section (1) shall be made on such terms and conditions as are specified in the agreement entered into between the Commonwealth and the State pursuant to the *Housing Assistance Act 1984* in relation to loans, other than any terms and conditions of the agreement relating to the provision of matching funds by the State. 30

(3) Payments for the purposes of this section shall be made in such amounts and at such times as the Treasurer approves.

(4) Where the prescribed amount in relation to a State in relation to the second or third relevant year is not a multiple of \$1,000, then— 35

- (a) where the amount is a multiple of \$500—the amount shall be deemed to be increased by \$500; and
- (b) in any other case—the amount shall be deemed to be increased or reduced, as the case requires, to the nearest multiple of \$1,000.

(5) In this section— 40

“borrowing entitlement”, in relation to a State, in relation to a relevant year, means the total amount of loan money decided upon by the Loan Council as the money to be raised for and on behalf of the State during the relevant year, less so much of that amount as is to be made available to the State by way of non-repayable grants; 45

“prescribed amount”, in relation to a State, means—

- (a) in relation to the first relevant year—the amount specified in Schedule 2 opposite to the name of the State;
- (b) in relation to the second relevant year—an amount equal to—
 - (i) in the case of Western Australia or South Australia—60%; or
 - (ii) in the case of any other State—30%, of the borrowing entitlement of the State for the relevant year; and
- (c) in relation to the third relevant year—an amount equal to 30% of the borrowing entitlement of the State for the relevant year.

Loan not to be made to State in certain circumstances, &c.

7. The Treasurer shall not authorise the making of a loan to a State under sub-section 6 (1) during a relevant year unless satisfied that the State will comply with the terms and conditions of the agreement entered into between the Commonwealth and the State pursuant to the *Housing Assistance Act 1984* that relate to the provision of matching funds by the State during the relevant year, and, in addition to the terms and conditions referred to in sub-section 6 (2), a loan to the State under sub-section 6 (1) is subject to the condition that the State will comply with the first-mentioned terms and conditions.

Variation of conditions relating to loan to State

8. (1) If the Minister for Housing and Construction becomes satisfied that a State has not complied with the condition specified in section 7 in relation to a loan—

- (a) that Minister shall inform the Treasurer accordingly; and
- (b) the Treasurer may give the Treasurer of the State a notice in writing stating that the terms and conditions relating to interest on, and the repayment of, a specified part of the loan, being such part as the Treasurer considers to be appropriate, are to be terms and conditions set out in the notice, being terms and conditions that the Treasurer, having regard to the terms and conditions relating to interest on, and the repayment of, other loans made by the Commonwealth to States, considers to be appropriate,

and, if such a notice is given, it has effect accordingly.

(2) If the Minister for Housing and Construction becomes satisfied that a State has not expended, or committed itself to expend, in respect of the relevant year in relation to public housing, the whole or a part of the money available to the State by way of a loan made to the State under sub-section 6 (1)—

- (a) that Minister shall inform the Treasurer accordingly; and
- (b) the Treasurer may give the Treasurer of the State a notice in

writing stating that the terms and conditions relating to interest on, and the repayment of, the loan or a specified part of the loan, being such part as the Treasurer considers to be appropriate, as the case may be, are to be the terms and conditions set out in the notice, being terms and conditions that the Treasurer, having regard to the terms and conditions relating to interest on, and the repayment of, other loans made by the Commonwealth to States, considers to be appropriate,

and, if such a notice is given, it has effect accordingly.

Advance payments to State in respect of public housing

9 (1) The Treasurer may, during the period of 6 months commencing on 1 July 1986, 1 July 1987 or 1 July 1988, make payments to a State, for the purpose of financial assistance for expenditure for the purpose of public housing, of amounts not exceeding in the aggregate 50% of the prescribed amount for the relevant year ending immediately before that date.

(2) Payments under sub-section (1) shall be made on such terms and conditions as are determined by the Treasurer at the time when the payments are made, being such terms and conditions as the Treasurer considers to be appropriate.

(3) In this section, "prescribed amount" has the same meaning as in section 6.

Loans to Northern Territory for public housing

10. (1) Subject to section 11, the Northern Territory may, on or before 31 December in a relevant year, notify the Treasurer that, for the purpose of expenditure in respect of the relevant year in relation to public housing, it requires a loan of a specified amount, not being an amount that exceeds 30% of its borrowing entitlement, and, where it does so, the Treasurer may, during the relevant year, authorise the making of that loan by way of financial assistance to the Territory for that purpose.

(2) Subject to sections 11 and 12, a loan under sub-section (1) shall be made on such terms and conditions as are specified in the agreement entered into between the Commonwealth and the Northern Territory pursuant to the *Housing Assistance Act 1984* in relation to loans, other than any terms and conditions of the agreement relating to the provision of matching funds by the Territory.

(3) Payments for the purposes of this section shall be made in such amounts and at such times as the Treasurer approves.

(4) Where 30% of the borrowing entitlement of the Northern Territory in relation to a relevant year is an amount that is not a multiple of \$1,000, then—

(a) where the amount is a multiple of \$500—the amount shall be deemed to be increased by \$500; and

- (b) in any other case—the amount shall be deemed to be increased or reduced, as the case requires, to the nearest multiple of \$1,000.

5 (5) In this section, “borrowing entitlement”, in relation to a relevant year, means the amount of general purpose capital assistance determined by the Commonwealth, in association with the approval by the Loan Council of the total borrowing program for the relevant year, to be made available to the Northern Territory during the relevant year by way of loans from the Commonwealth.

Loan not to be made to Northern Territory in certain circumstances

10 11. The Treasurer shall not authorise the making of a loan to the Northern Territory under sub-section 10 (1) during a relevant year unless satisfied that the Territory will comply with the terms and conditions of the agreement entered into between the Commonwealth and the Territory pursuant to the *Housing Assistance Act 1984* that relate to the provision of matching funds by the Territory during the relevant year, and, in addition
15 of matching funds by the Territory during the relevant year, and, in addition to the terms and conditions referred to in sub-section 10 (2), a loan to the Territory under sub-section 10 (1) is subject to the condition that the Territory will comply with the first-mentioned terms and conditions.

Variation of conditions relating to loan to Northern Territory

20 12. (1) If the Minister for Housing and Construction becomes satisfied that the Northern Territory has not complied with the condition specified in section 11 in relation to a loan—

- (a) that Minister shall inform the Treasurer accordingly; and
25 (b) the Treasurer may give the Treasurer of the Territory a notice in writing stating that the terms and conditions relating to interest on, and the repayment of, a specified part of the loan, being such part as the Treasurer considers to be appropriate, are to be the terms and conditions set out in the notice, being terms and conditions that the Treasurer, having regard to the terms and conditions relating to
30 interest on, and the repayment of, other loans made by the Commonwealth to the Territory, considers to be appropriate, and, if such a notice is given, it has effect accordingly.

(2) If the Minister for Housing and Construction becomes satisfied that
35 the Northern Territory has not expended, or committed itself to expend, in respect of the relevant year in relation to public housing, the whole or a part of the money available to the Territory by way of a loan made to the Territory under sub-section 9 (1)—

- (a) that Minister shall inform the Treasurer accordingly; and
40 (b) the Treasurer may give the Treasurer of the Territory a notice in writing stating that the terms and conditions relating to interest on, and the repayment of, the loan or a specified part of the loan, being such part as the Treasurer considers to be appropriate, as the case may be, are to be the terms and conditions set out in the notice, being terms and conditions that the Treasurer, having regard to the

terms and conditions relating to interest on, and the repayment of, other loans made by the Commonwealth to the Territory, considers to be appropriate,

and, if such a notice is given, it has effect accordingly.

Advance payments to Northern Territory in respect of public housing 5

13. (1) The Treasurer may, during the period of 6 months commencing on 1 July 1986, 1 July 1987 or 1 July 1988, make payments to the Northern Territory, for the purpose of financial assistance for expenditure for the purpose of public housing, of amounts not exceeding in the aggregate 15% of the borrowing entitlement of the Territory for the relevant year ending immediately before that date. 10

(2) Payments under sub-section (1) shall be made on such terms and conditions as are determined by the Treasurer at the time when the payments are made, being such terms and conditions as the Treasurer considers to be appropriate. 15

(3) In this section, "borrowing entitlement" has the same meaning as in section 10.

Payments to be made out of Consolidated Revenue Fund or Loan Fund

14. Payments to a State or the Northern Territory for the purposes of this Act may be made out of the Consolidated Revenue Fund or the Loan Fund. 20

Authority to borrow

15. The Treasurer may, from time to time, in accordance with the provisions of the *Commonwealth Inscribed Stock Act 1911*, or in accordance with the provisions of an Act authorising the issue of Treasury Bills, borrow money not exceeding in the aggregate the sum of— 25

(a) the amounts that may become payable to the States and the Northern Territory under this Act; and

(b) the expenses of borrowing,

less the sum of any amounts borrowed under sub-section 15(1) of the *States (Works and Housing) Assistance Act 1984* for the purposes of making payments to the States and the Northern Territory under sections 5 and 13 of that Act. 30

Application of moneys borrowed

16. Moneys borrowed under section 15 shall be issued and applied only for the expenses of borrowing, for the purposes of making payments to the States and the Northern Territory in accordance with this Act and for the purposes of making payments to the Consolidated Revenue Fund in accordance with section 17. 35

Reimbursement of Consolidated Revenue Fund from Loan Fund 40

17. (1) Where an amount has been paid out of the Consolidated Revenue Fund under this Act or under section 5 of the *States (Works and Housing)*

Assistance Act 1984, the Minister for Finance may authorise the payment to that Fund, out of the Loan Fund, of an amount not exceeding the amount so paid.

- 5 (2) In any statement prepared by the Minister for Finance under section 50 of the *Audit Act 1901*, amounts paid to the Consolidated Revenue Fund under sub-section (1) of this section shall not be shown as receipts of that Fund but shall be shown as having reduced the total of the amounts expended from that Fund under this Act and under section 5 of the *States (Works and Housing) Assistance Act 1984*.

10 **Appropriation**

18. The Consolidated Revenue Fund and the Loan Fund are appropriated as necessary for the purposes of this Act.

SCHEDULE 1

Sections 4 and 5

CAPITAL GRANTS FOR 1985-86

Column 1	Column 2	Column 3
	Amount of grant under sub-section 4 (1)	Maximum aggregate amount of payments under section 5
	\$	\$
New South Wales	180,371,000	90,185,500
Victoria	140,186,000	70,093,000
Queensland	73,986,000	36,993,000
Western Australia	51,632,000	25,816,000
South Australia	72,718,000	36,359,000
Tasmania	39,107,000	19,053,500
Total	558,000,000	279,000,000

SCHEDULE 2

Section 6

PUBLIC HOUSING LOANS FOR 1985-86

	\$
New South Wales.	97,603,000
Victoria	75,858,000
Queensland	40,037,000
Western Australia.	93,132,000
South Australila	131,166,000
Tasmania	21,162,000
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Total	458,958,000