

HOUSING AGREEMENT.

No. 43 of 1956.

An Act relating to Financial Assistance to the States for the purpose of Housing.

[Assented to 30th June, 1956.]

BE it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

1. This Act may be cited as the *Housing Agreement Act* 1956. Citation.
2. This Act shall come into operation on the day on which it receives the Royal Assent. Commencement.
3. The execution, by or on behalf of the Commonwealth, of an agreement between the Commonwealth and any State or States substantially in accordance with the form contained in the Schedule to this Act is authorized. Execution of agreement authorized.
4. Advances to a State in accordance with an agreement executed in pursuance of this Act may be made by the Treasurer out of moneys lawfully available for the purpose. Authority to Treasurer to make advances.

THE SCHEDULE.

Section 3.

AN AGREEMENT made the _____ day of
 One thousand nine hundred and fifty-six BETWEEN THE COMMONWEALTH OF AUSTRALIA (in this agreement called "the Commonwealth") 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 by an agreement made the nineteenth day of November, 1945, between the Commonwealth and the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania and, pursuant to the terms of that agreement, varied as between the Commonwealth and certain of the States parties thereto by agreements dated respectively the twenty-sixth day of November, 1948, the thirtieth day of December, 1949, the twenty-fourth day of November, 1952, and the fifth day of March, 1954, entered into between the Treasurer of the Commonwealth and the Treasurers of certain States, and by an agreement dated the sixteenth day of April, 1955, between the Commonwealth and the States of New South Wales, Victoria, Queensland, South Australia and Western Australia further amended as between the Commonwealth and those States (which agreement, as varied from time to time, is in this agreement called "the 1945 Agreement") provision was made for the carrying out by the said States with the assistance of the Commonwealth of rental housing projects :

AND WHEREAS the 1945 Agreement was authorized or approved by the Parliaments of the Commonwealth and of the said States :

AND WHEREAS in or about the month of August, 1950, the State of Tasmania withdrew from the rental housing scheme the subject of the 1945 Agreement and is no longer regarded as a party to the 1945 Agreement :

AND WHEREAS, by reason of sub-clause (1.) of clause 16 of the 1945 Agreement, the 1945 Agreement does not apply to housing projects commenced by the following States after the respective dates specified below, namely :—

- the State of New South Wales—the first day of April, 1956 ;
- the State of Victoria—the thirtieth day of April, 1956 ;
- the State of Queensland—the thirteenth day of December, 1955 ;
- the State of South Australia—the third day of January, 1956 ;
- the State of Western Australia—the fifteenth day of January, 1956 :

AND WHEREAS the Commonwealth has proposed to the States that the Commonwealth will grant further financial assistance under section 96 of the Commonwealth of Australia Constitution to the States for housing upon the terms and conditions set out in this agreement :

AND WHEREAS the Parliament of the Commonwealth has authorized the execution by and on behalf of the Commonwealth of this agreement :

NOW IT IS HEREBY AGREED as follows :

Approval of
Parliaments.

1.—(1.) Notwithstanding that all the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania are named as parties to this agreement, this agreement shall operate as an agreement between the Commonwealth and each State, the Parliament of which authorizes or approves the agreement as fully and effectually as if the State or States the Parliament or Parliaments of which so authorizes or authorize or approves or approve the agreement were the only State or States named as a party or parties to the agreement.

(2.) This agreement shall, as between the Commonwealth and a State, come into force upon being authorized or approved by the Parliament of that State.

(3.) In this agreement, each State which is named as a party to this agreement and the Parliament of which authorizes or approves this agreement is referred to as a "State", and the expression "the States" means, where the context so permits or requires, all of those States so authorizing or approving this agreement.

THE SCHEDULE—*continued.*

2. The Commonwealth shall provide for or secure the performance by it and its instrumentalities of the obligations of the Commonwealth under this agreement and each of the States shall provide for or secure the performance by that State and its instrumentalities of the obligations of that State under this agreement. Performance of agreement.

3.—(1.) In this agreement, unless the contrary intention appears— Interpretation.

“building society” means a society registered under the laws of a State as a building or housing society, whether terminating or permanent and whether or not a co-operative society;

“dependant” means a person who is wholly or partly dependent for his support upon the pay, earnings and income of, or upon a pension or compensation payable in consequence of the incapacity or death of, a person who is, or was, a member of the Forces;

“dwelling” means a detached or semi-detached dwelling-house or a flat erected or to be erected by the State under this agreement and, subject to clause 11 of this agreement, includes such fences, out-buildings and other improvements and such connexions for sewerage, water, electricity and other services, as have been constructed for or are reasonably required to be constructed for that dwelling-house or flat;

“eligible person” means an eligible person within the meaning of the *War Service Homes Act* 1918–1955 as amended from time to time and includes the wife of such an eligible person who is temporarily or permanently insane;

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

“home builder” means a person who requires finance for the erection or purchase of a home for himself;

“member of the Forces” means a person who—

(a) is, or during the war was, a member of the Active Permanent Forces, other than the Australian Imperial Force;

(b) during the war was a member of the Australian Imperial Force;

(c) was a member of the Citizen Forces enlisted, appointed or called up for continuous service for the duration of, and directly in connexion with, the war;

(d) served during the war in the Merchant Navy;

(e) is, or during the war was, engaged on continuous full-time service as a member of any Nursing or Women’s Service or Corps forming part of the Naval Military or Air Forces of the Commonwealth;

(f) during the war was engaged on continuous full-time paid duty with any part of the Defence Force as a member of a Voluntary Aid Detachment;

(g) during the war was engaged on service as a member of the Naval, Military or Air Forces of any part of the dominions of His Late Majesty King George the Sixth other than Australia, and who was born in Australia or was, immediately prior to his becoming a member of any of those Forces, domiciled in Australia;

(h) during the war was engaged on continuous full-time service with any Nursing Service or other Women’s Service auxiliary to the Naval, Military or Air Forces of any part of the dominions of His Late Majesty King George the Sixth other than Australia, and who was born in Australia or was, immediately prior to her becoming a member of that Service, domiciled in Australia;

(i) being at the time of allotment—

(i) a member of the Naval, Military or Air Forces of the Commonwealth, including a member of any Nursing or Women’s Service or Corps forming part of those Forces;

(ii) a member of the Naval, Military or Air Forces of any part of the Queen’s Dominions other than Australia who was born in Australia or was, immediately prior to his becoming a member of any of those Forces, domiciled in Australia; or

THE SCHEDULE—continued.

(iii) a person engaged on continuous full-time service with any Nursing Service or other Women's Service auxiliary to the Naval, Military or Air Forces of any part of the Queen's Dominions other than Australia and who was born in Australia or was, immediately prior to her becoming a member of that Service, domiciled in Australia,

was allotted for duty outside Australia in or in connexion with the warlike operations in Korea after the twenty-sixth day of June, 1950, or in or in connexion with the warlike operations in Malaya after the twenty-eighth day of June, 1950, and, if he was so allotted while in Australia, or in a part of the Queen's Dominions other than the Commonwealth, left the last port of call in Australia or in that other part of the Queen's Dominions, as the case may be, for the purpose of serving in connexion with those operations; or

(j) is or was included in a class of members or former members of the Naval, Military or Air Forces of the Commonwealth which the Prime Minister and the Premier of a State may at any time agree shall comprise members of the Forces for the purposes of this agreement in respect of that State;

"the Director" means the Director of War Service Homes appointed for the purposes of the *War Service Homes Act 1918-1955* and includes any person for the time being performing the duties of the office of the Director of War Service Homes;

"the Loan Council" means the Australian Loan Council constituted under the Financial Agreement a copy of which is set forth in the Schedule to the *Financial Agreement Act 1923* of the Commonwealth, as varied from time to time;

"the Minister" means the Minister of State of the Commonwealth for the time being administering the Commonwealth Act authorizing this agreement or a member of the Executive Council of the Commonwealth acting for the time being for and on behalf of that Minister;

"the war" means the war which commenced on the third day of September, 1939, and includes any other war in which His Late Majesty King George the Sixth became engaged after that date and before the date of this agreement.

(2.) In this agreement, unless the contrary intention appears, words in the singular number include the plural and words in the masculine gender include the feminine.

1945 Agreement
extended to
30th June,
1956.

4.—(1.) Subject to this clause, the operation of the 1945 Agreement shall be deemed to have been, as between the Commonwealth and each of the States other than the State of Tasmania, extended to the thirtieth day of June, 1956.

(2.) The 1945 Agreement shall continue, and be deemed to have continued, to apply after the thirtieth day of June, 1956, to and in respect of the dwellings completed and advances made under that agreement on or before the thirtieth day of June, 1956.

(3.) A dwelling commenced under the 1945 Agreement but not completed on or before the thirtieth day of June, 1956, shall be deemed to be erected under this agreement.

(4.) Moneys advanced by the Commonwealth in accordance with the 1945 Agreement and expended by a State for purposes other than the erection of dwellings completed on or before the thirtieth day of June, 1956, shall be deemed not to be an advance under the 1945 Agreement for the purpose of the calculation of a loss under sub-clause (1.) of clause 15 of the 1945 Agreement.

(5.) Moneys advanced by the Commonwealth in accordance with this agreement and expended by a State on, and included in the capital cost of, dwellings completed on or before the thirtieth day of June, 1956, under the 1945 Agreement shall be deemed to be an advance under the 1945 Agreement for the purpose of the calculation of a loss under sub-clause (1.) of clause 15 of the 1945 Agreement.

(6.) For the purposes of this clause, a dwelling shall be deemed to have been completed if it was occupied or ready for immediate occupation.

THE SCHEDULE—*continued.*

5.—(1.) During the financial years commencing on the first day of July in the years 1956, 1957, 1958, 1959 and 1960, respectively, the Commonwealth will make advances to the States, subject to the terms of this agreement, for the purposes of the erection of dwellings and of the provision of finance to home builders. **Advances to States.**

(2.) Each State will, prior to the meeting of the Loan Council called to consider the borrowing programme to be approved by the Loan Council under the Financial Agreement for a financial year referred to in the last preceding sub-clause, notify the Commonwealth of the amount of the advances which the State requires under this agreement in that financial year.

(3.) The amount to be advanced to a State under this clause in respect of a financial year referred to in sub-clause (1.) of this clause shall be such amount as may be agreed upon between the Commonwealth and that State, or, failing agreement, as may be allocated by the Commonwealth from the loan funds made available to the Commonwealth by the Loan Council in the approved borrowing programme in respect of that financial year.

6.—(1.) The total advances made available to a State under clause 5 of this agreement in a financial year referred to in sub-clause (1.) of clause 5 of this agreement shall be divided into two parts, one part of which shall be used for the erection of dwellings by the State, and the other part of which shall be used to provide finance for home builders in accordance with this agreement by means of loans by the State to building societies and other institutions approved by the Minister. **Advances to be allocated by States.**

(2.) During each of the financial years commencing on the first day of July 1956 and the first day of July, 1957, respectively, each State shall allocate for the provision of finance for home builders not less than twenty per centum of the total advances made to that State under clause 5 of this agreement in that financial year.

(3.) During each of the financial years commencing on the first day of July in the years 1958, 1959 and 1960, respectively, each State shall allocate for the provision of finance for home builders not less than thirty per centum of the total advances made to that State under clause 5 of this agreement in that financial year.

7.—(1.) Of the advances made to a State which pursuant to clause 6 of this agreement are to be used for the erection of dwellings by the State, the State shall set aside such portion as may be specified by the Minister from time to time, but not exceeding in a financial year five per centum of the amount of those advances in that financial year, for the purposes of clause 13 of this agreement. **Funds for Service Dwellings.**

(2.) During each of the financial years referred to in clause 5 of this agreement the Commonwealth will, in addition to the advances made under clause 5 of this agreement, advance to the State an amount equal to the amount set aside in that financial year by the State under the last preceding sub-clause.

8. The amounts to be advanced in a financial year to a State pursuant to clause 5 and to sub-clause (2.) of clause 7 of this agreement shall be made available by the Commonwealth in that financial year by equal monthly instalments unless otherwise agreed between the Treasurer of the Commonwealth and the Treasurer of the State. **Advances to be made by instalments.**

9.—(1.) Each advance made by the Commonwealth to a State under this agreement shall bear interest computed from the date upon which the advance is made at a rate per centum per annum ascertained in accordance with sub-clauses (2.), (3.) and (4.) of this clause. **Interest.**

(2.) In respect of advances made during the financial years commencing on the first day of July 1956 and the first day of July, 1957, respectively, the rate shall be the long term bond rate less—

- (a) three-quarters of one per centum per annum, if the long term bond rate does not exceed four and one-half per centum per annum; or
- (b) one per centum per annum, if the long term bond rate exceeds four and one-half per centum per annum.

(3.) In respect of advances made during the financial years commencing on the first day of July in the years 1958, 1959 and 1960, respectively, the rate shall be as agreed between the Commonwealth and the States, or, in default of agreement, as determined by the Treasurer of the Commonwealth, but not exceeding the long term bond rate less three-quarters of one per centum per annum.

THE SCHEDULE—*continued.*

(4.) For the purposes of sub-clauses (2.) and (3.) of this clause, the long term bond rate shall be the interest rate payable in respect of a Commonwealth Public Loan having a currency exceeding five years being raised in Australia at the date the advance is made or, if none is being raised at that date, in respect of the Commonwealth Public Loan having a currency exceeding five years last raised in Australia prior to that date.

(5.) On the thirty-first day of December and the thirtieth day of June of each financial year referred to in clause 5 of this agreement each State will pay to the Commonwealth the interest which has accrued up to that thirty-first day of December or thirtieth day of June as the case may be on the advances made to that State during that financial year.

Repayment
of advances
by States.

10.—(1.) Subject to sub-clause (2.) of clause 15 of this agreement, each State will repay to the Commonwealth the amount of each advance made to the State under this agreement together with interest thereon as aforesaid (except such interest as is paid by the State under sub-clause (5.) of the last preceding clause) by equal annual instalments of principal and interest so that the whole of the amount of the advance and interest will be repaid in fifty-three years from the beginning of the financial year next succeeding the financial year in 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 which the advance was made.

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

Use of
advances for
erection of
dwellings.

11.—(1.) Except as otherwise provided in this agreement, dwellings erected with that part of the advances which pursuant to clause 6 of this agreement are to be used for the erection of dwellings shall be of reasonable size and standard, primarily for families of low or moderate means, and may be built in such localities and in accordance with such policy as the State deems fit.

(2.) The dwellings referred to in the last preceding sub-clause may comprise blocks of flats, especially in high-density population areas, but, except by agreement between the Minister and the appropriate Minister of the State, no block of flats shall exceed three storeys in height above the main entrance level.

(3.) A State may use advances which are to be used for the erection of dwellings—

- (a) for the resumption or acquisition on just terms of land upon which the dwellings are to be erected; and
- (b) subject to clause 12 of this agreement, to meet costs incurred by the State for the purposes of—
 - (i) forming, making, paving, kerbing or draining any streets, roads or thoroughfares for the purpose of the dwellings; and
 - (ii) draining or otherwise making suitable for the purpose of the dwellings, land upon which the dwellings are to be erected.

Manner
in which
advances may
not be used.

12. A State will ensure that advances by the Commonwealth are not used for—

- (a) shops;
- (b) except as may otherwise be agreed between the Minister and the appropriate Minister of the State, works, such as the construction of drainage systems or mains for sewerage, water, electricity or other services, which are normally the financial responsibility of Local Government or public utility authorities; or
- (c) materials and works other than those required for the purpose of the erection of dwellings.

Dwellings
for serving
members of
the Forces.

13.—(1.) Each State shall use the moneys set aside by it under sub-clause (1.) of clause 7 of this agreement and the moneys advanced to it under sub-clause (2.) of that clause for the purpose of the erection of dwellings for allotment to serving members of the Naval, Military and Air Forces of the Commonwealth in accordance with this clause.

THE SCHEDULE—continued.

(2.) Dwellings erected by the State pursuant to this clause shall be of a size and standard normally erected by the State in pursuance of sub-clause (1.) of clause 11 of this agreement.

(3.) The State shall erect the dwellings in such localities and shall distribute the dwellings among those localities in such manner as the Minister may, after consultation with the appropriate Minister of the State, from time to time specify, but shall not be required to erect a dwelling in a locality which, in the opinion of the appropriate Minister of the State, is not a usual residential locality.

(4.) Unless and until the Minister informs the State that a dwelling erected pursuant to this clause is not required for allotment to serving members of the Naval, Military and Air Forces of the Commonwealth—

- (a) the dwelling shall be let, at the option of the State, to a serving member of the Naval, Military or Air Forces of the Commonwealth nominated by the Commonwealth from time to time, or to the Commonwealth, and not otherwise ;
- (b) the rent payable in respect of the dwelling shall be determined by the State in accordance with the usual formula applied by the State in determining the rent of dwellings erected by it under this agreement ;
- (c) the State shall maintain the dwelling and its equipment in good repair and condition ;
- (d) except as provided in this clause, the State will retain ownership of the dwelling.

14.—(1.) Subject to this clause and to sub-clause (4.) of clause 13 of this agreement, each State will allot dwellings to persons who are in need of proper housing accommodation in such order of priority as it decides. Allotment of dwellings.

(2.) As far as possible fifty per centum of the dwellings erected from time to time by a State under this agreement shall be allotted to—

- (a) members of the Forces ;
- (b) dependants of members of the Forces ; and
- (c) widows of deceased members of the Forces.

(3.) Dwellings erected by the State pursuant to clause 13 of this agreement shall, for the purposes of the last preceding sub-clause, be deemed to be allotted to members of the Forces.

15.—(1.) Except as provided in clause 13 of this agreement, each State may, if it so desires and at such price and on such terms as it thinks fit, sell any dwellings, but sales pursuant to this sub-clause shall not affect the obligation of the State under clauses 9 and 10 of this agreement to repay and to pay interest on advances made under this agreement. Sale of dwellings.

(2.) Where a person to whom a dwelling could be sold is an eligible person who desires to purchase the dwelling from the Director in pursuance of the *War Service Homes Act 1918–1955* as amended from time to time, or to obtain an advance under that Act to enable him to purchase the dwelling, the State may, if requested so to do by the Director, sell the dwelling to the Director or that eligible person, in which event no amount of money shall be payable to the State by the Director or the eligible person, as the case may be, but the State shall transfer to the Director or to the eligible person, as the case may be, an estate in fee simple in the land on which the dwelling is erected, if the dwelling is erected on freehold land, or issue a Crown lease in perpetuity to the Director or to the eligible person, as the case may be, if the dwelling is erected on Crown land, subject in either case to the reservations, exceptions and conditions (if any) contained in the Crown Grant or Crown lease, as the case may be, and to such encumbrances, reservations, exceptions, covenants or conditions subject to which the sale is expressly made, and the amount of the State's indebtedness to the Commonwealth under sub-clause (1.) of clause 10 of this agreement shall as from the date of sale be reduced by the amount of the purchase price of the dwelling less the amount, if any, credited to the purchaser.

16.—(1.) Each State shall credit that part of the advances made to it by the Commonwealth which pursuant to clause 6 of this agreement is to be used for the provision of finance for home builders to a special account in the Public Accounts of the State to be called the "Home Builders' Account". Home Builders' Account.

THE SCHEDULE—*continued.*

(2.) The Home Builders' Account shall be credited also with the moneys received by the State from building societies and other approved institutions in repayment of principal and interest in respect of loans made by the State to those societies and institutions under this agreement and shall be debited with the repayments of principal and the payments of interest payable by the State to the Commonwealth under sub-clause (5.) of clause 9 and under clause 10 of this agreement in respect of the advances made to the State for the provision of finance for home builders and with any expenses incurred by the State in providing that finance in accordance with this agreement.

(3.) All moneys at any time available in the Home Builders' Account (after allowing for amounts by which the Account is to be debited under the last preceding sub-clause) shall be used by the State for the provision of finance for home builders in that State by means of loans by the State to building societies and other institutions approved by the Minister subject to and in accordance with terms and conditions agreed or to be agreed between the Minister and the appropriate Minister of the State.

(4.) The State shall not use moneys from the Home Builders' Account except subject to and in accordance with such terms and conditions as are agreed under the last preceding sub-clause.

(5.) Each State shall at least fourteen days before the first day of each of the months of July, October, January and April of each year notify the Commonwealth of its proposals for the use of the moneys available in the Home Builders' Account.

IN WITNESS whereof the Prime Minister of the Commonwealth of Australia and the Premiers of each of the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania have signed this agreement for and on behalf of the Commonwealth of Australia and of the said States respectively.
