

**COMMONWEALTH AND STATE HOUSING
AGREEMENT ACT.**

Act No. 19, 1946.

**George VI.
. 19, 1946.**

An Act to approve and ratify an Agreement between the Commonwealth and the States in relation to housing; and for purposes connected therewith. [Assented to, 1st April, 1946.]

BE

BE it enacted by the King's Most Excellent Majesty, No. 19, 1946.
by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the "Commonwealth and State Housing Agreement Act, 1946." Short title.

2. The Agreement made on the nineteenth day of November, one thousand nine hundred and forty-five, a copy of which is set forth in the Schedule to this Act, is hereby approved and ratified. Approval and ratification of Agreement.

THE SCHEDULE.

Sec. 2.

THE COMMONWEALTH AND STATE HOUSING AGREEMENT.

AGREEMENT made the nineteenth day of November, One thousand nine hundred and forty-five 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 at Conferences of Commonwealth and State Ministers held during the months of August, 1944, and August, 1945, proposals were agreed upon relating to the carrying out of rental housing projects by the States:

AND WHEREAS the Commonwealth proposes to assist the States in the carrying out of the rental housing projects by making contributions to the States towards meeting any losses that may be incurred by a State in the administration of the rental housing projects:

NOW IT IS HEREBY AGREED that—

1.—(1) Notwithstanding that all the aforementioned States are named as parties to this Agreement—

- (a) the Agreement shall, in the event of the Parliament of any State or States failing to authorise or approve the Agreement, operate as an agreement between the Commonwealth and the State or States which authorise or approve the Agreement as fully and effectually as if the State or States so authorising or approving the Agreement were the only State or States named as a party or parties to the Agreement and the State or States failing to authorise or approve the Agreement were not named as a party or parties to the Agreement; and (b)

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(b) the Agreement shall as between the Commonwealth and any State come into force upon being authorised or approved by the Parliament of that State.

(2) Each State the Parliament of which shall authorise or approve this Agreement is hereafter referred to as a "State" and the expression "the States" hereafter used shall mean where the context so permits or requires all of such States so authorising or approving this Agreement.

2.—(1) In this Agreement, unless the contrary intention appears—

- (a) "basic wage" means the basic wage or living wage as determined under the law of the State for the area in which a housing project has been carried out or is in course of being carried out including all amounts by way of loadings not of the nature of purely industry loadings legally regarded as constituting part of the primary wage of a locality for an unskilled labourer determined under the State law; but, if no basic or living wage has been determined under the law of the State for the area concerned, then the basic wage for that area shall be the basic wage as determined by the Commonwealth Court of Conciliation and Arbitration for that area including the loading known as the "prosperity loading"; but if no basic wage has been determined by the said Court for that area, then the basic wage for that area shall be the basic wage determined by the Commonwealth Court of Conciliation and Arbitration and adjusted according to "C" Series index number for the "Five Towns" for the State including the loading known as the "prosperity loading" relevant to that wage;
- (b) "dependant" means a person who is wholly or partly dependent for his or her 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 has been, a member of the Forces or of a person who is serving or served in the Merchant Navy during the war;
- (c) "dwelling" or "dwellings" means a dwelling or dwellings erected in the carrying out of a housing project and includes any dwellings erected after the third day of December, 1943, pursuant to any arrangement made by the State with the Commonwealth War Housing Trust;
- (d) "financial year" means the period of twelve months ending on the thirtieth day of June;
- (e) "housing authority" means an instrumentality of a State or other body constituted by an Act of the State which in pursuance of an Act of the State carries out any housing project;
- (f) "housing project" or "housing projects" means a rental housing project or rental housing projects carried out by a State pursuant to this Agreement and includes, where the context so permits or requires, any housing project carried out by the State after the third day of December, 1943, and before

before the date of this Agreement pursuant to any arrangement made by the State with the Commonwealth War Housing Trust; No. 19, 1946.

(g) "member of the Forces" means—

- (i) a person who is or was, during the war, a member of the Permanent Forces, other than the Australian Imperial Force;
- (ii) a person who is or was, during the war, a member of the Australian Imperial Force;
- (iii) a member of the Citizen Forces who is or was enlisted, appointed or called up for continuous service for the duration of, and directly in connexion with, the war;
- (iv) a person who is or was, during the war, engaged on continuous full-time service as a member of any of the following Services:—
 - The Royal Australian Naval Nursing Service;
 - The Women's Royal Australian Naval Service;
 - The Australian Army Nursing Service;
 - The Australian Women's Army Service;
 - The Australian Army Medical Women's Service;
 - The Royal Australian Air Force Nursing Service;
 - The Women's Auxiliary Australian Air Force;
- (v) a member of a Voluntary Aid Detachment who is or was, during the war, engaged on continuous full-time paid duty with any part of the Defence Force;
- (vi) a member of the Naval, Military or Air Forces of any part of the King's dominions other than Australia, who is or was, during the war, engaged on service and was born in Australia or was, immediately prior to his becoming a member of any of those Forces, domiciled in Australia; and
- (vii) a person who is or was, during the war, 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 King's dominions other than Australia who was born in Australia or was, immediately prior to her becoming a member of that Service, domiciled in Australia;

(h) "the war" means the war which commenced on the third day of September, One thousand nine hundred and thirty-nine, and includes any other war in which His Majesty became engaged after that date and before the date of this Agreement.

(2) For the purposes of this Agreement, a member of the Forces who has ceased to be engaged on war service as defined in section 4 of the Re-establishment and Employment Act 1945 of the Commonwealth shall be deemed to have been discharged.

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No. 19, 1946. 3.—(1) Each State shall ensure that adequate legislation exists in the State to enable it at all times to control throughout the State—

- (a) rental housing projects under this Agreement;
- (b) slum clearance; and
- (c) town planning.

(2) Each State shall, subject to this Agreement, be responsible for the administration of its housing projects and if more than one authority is charged with the administration of the matters mentioned in sub-clause (1) of this clause the State shall co-ordinate the activities of those authorities.

(3) Each State shall advise the Treasurer of the Commonwealth of any arrangements it intends to make to ensure decentralisation of administrative work in relation to its housing projects.

4.—(1) Each State shall establish and shall advise the Treasurer of the Commonwealth of minimum and maximum standards to be observed in the carrying out of its housing projects in respect of the following matters:—

- (a) allotments or sites;
- (b) accommodation;
- (c) construction;
- (d) equipment; and
- (e) services.

(2) The Commonwealth may from time to time submit to a State proposals for the alteration, modification, or revision of the standards established as provided in sub-clause (1) of this clause and the State shall give due and proper consideration to any proposals submitted by the Commonwealth.

5. Each State shall allocate dwellings between metropolitan and country areas in such manner as shall from time to time be agreed upon between the Treasurer of the Commonwealth and the Treasurer of the State.

6.—(1) The Commonwealth will advance to each State the moneys heretofore expended in the carrying out of a housing project or projects and the moneys that shall be hereafter required for the carrying out of the State's housing projects as notified to the Treasurer of the Commonwealth from time to time pursuant to clause 7.

(2) Subject to sub-clause (2) of clause 14 of this Agreement the State shall repay to the Commonwealth the amount of each advance made to the State together with interest thereon by equal annual instalments of principal and interest, so that the whole of the amount of the advance and interest will be repaid over a period of fifty-three years computed from the date the advance was made, except that where in any case the Treasurer of the Commonwealth and the Treasurer of the State agree that any advance should be repaid over a period shorter than fifty-three years, the amount of that
advance

advance and interest thereon shall be repaid by equal annual instalments over that shorter period. **No. 19, 1946.**

(3) Each advance shall bear interest at a rate not exceeding the rate payable in respect of the long term Commonwealth Public Loan last raised in Australia prior to the date of the advance, or if a Loan is being raised at the date of any advance then that advance shall bear interest at the rate of interest to be paid in respect of the long term Loan then being raised.

7.—(1) Each State shall at least fourteen days before the first days of January, April, July and October in each year notify the Treasurer of the Commonwealth of all housing projects which it proposes to commence in the ensuing period of three months and in respect of the dwellings included in that housing project or projects shall furnish particulars to the Treasurer of the Commonwealth of the proposed nature and type and estimated cost of each dwelling or group of dwellings.

(2) Each State shall within a reasonable time after the end of each such period of three months notify the Treasurer of the Commonwealth of the progress of the housing project and shall within a reasonable time after the completion of each housing project notify the Treasurer of the Commonwealth of the capital cost of each dwelling or group of dwellings erected and the economic rent of each of the dwellings.

8. The Commonwealth shall use its best endeavours to enable the States to obtain supplies of building materials and labour required by the States for the carrying out of their housing projects.

9. Each State shall in accordance with principles to be agreed upon from time to time between the Treasurer of the Commonwealth and the Treasurer of the State allocate dwellings amongst persons who are in need of proper housing accommodation and so that in each allocation not less than such number of dwellings erected in each financial year as shall from time to time be agreed upon between the Treasurer of the Commonwealth and the Treasurer of the State shall be allotted to members or discharged members of the Forces, or persons who are serving or served in the Merchant Navy during the war or the dependants of members or discharged members of the Forces or of such persons or widows of deceased members or deceased discharged members of the Forces or of such persons.

10.—(1) The weekly rent of dwellings shall be calculated in manner provided in the First Schedule to this Agreement. The amount so calculated is in this Agreement referred to as the "economic rent."

(2) The provisions for calculation of the economic rent as set out in the First Schedule to this Agreement may from time to time be varied in respect of any particular State by agreement between the Treasurer of the Commonwealth and the Treasurer of that State but so that any such agreement shall have no force or effect unless the Treasurers of all the States agree to the variation.

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No. 19, 1946. 11.—(1) Each State agrees that tenants of dwellings may be granted a rebate of rent calculated in such manner as may from time to time be agreed upon between the Treasurer of the Commonwealth and the Treasurer of the State and unless and until otherwise agreed, in the manner provided in this clause (but so that in no case shall the rent of a dwelling be less than eight shillings per week), that is to say—

- (a) if the family income of the tenant is equal to the basic wage the rebate shall be an amount equivalent to the sum by which the economic rent of the dwelling exceeds one-fifth of the family income;
- (b) if the family income of a tenant is less than the basic wage the rebate which would have been granted if the family income had been equal to the basic wage shall be increased by one-quarter of the amount by which the family income is less than the basic wage; and
- (c) if the family income exceeds the basic wage the rebate which would have been granted if the family income had been equal to the basic wage shall be decreased by one-third of the amount by which the family income exceeds the basic wage.

If any rebate as so calculated is not a multiple of sixpence, the rebate shall be the next lowest multiple of sixpence.

(2) Any agreement between the Treasurer of the Commonwealth and the Treasurer of a State providing with respect to that State for the alteration of the manner in which a rebate of rental is to be calculated shall have no force or effect unless the Treasurers of all the States agree to such alteration.

(3) No rebate of rent shall be granted in respect of any dwelling except upon application by the tenant and after a proper investigation of the family income of the tenant or if the housing authority thinks fit upon production by the tenant of evidence to the satisfaction of the housing authority of the family income which evidence may be by way of Statutory Declaration or otherwise as the housing authority may in any particular case decide. If any rebate is granted, then at the expiration of a period of six months after the granting thereof, the rebate shall cease to be granted and the economic rent of the dwelling shall be charged, unless the tenant makes application for the grant of a rebate and the housing authority, after proper investigation or the production of evidence as aforesaid as the housing authority thinks fit, is satisfied that, in pursuance of this Agreement, the rebate should be granted. Notwithstanding the aforesaid provisions, the housing authority may at any time investigate the family income of a tenant, and may decide that the rebate should be varied or should cease to be granted.

(4) The agreement of tenancy in respect of any dwelling in respect of which any rebate of rent is granted shall provide that the rent of the dwelling shall be the economic rent thereof calculated in manner

manner provided by the First Schedule to this Agreement, but subject to such a rebate ascertained as provided by this Agreement as may be granted from time to time by the housing authority. **No. 19, 1946.**

12.—(1) The family income of a tenant of a dwelling shall for the purposes of clause 11 comprise the total of the following:—

- (a) the whole of the weekly income of that one of the following persons as is the highest weekly income, namely, the tenant, the spouse of the tenant, and any person resident in the dwelling who is related to the tenant or the spouse of the tenant;
- (b) two-thirds of the weekly income of that one of the persons mentioned in paragraph (a) of this sub-clause as is the next highest weekly income;
- (c) one-third of the weekly income of every other person such as is mentioned in paragraph (a) of this sub-clause whose weekly income or any part thereof has not previously been included in the weekly income computed as aforesaid but so that, in any such case, not more than thirty shillings of the weekly income of any person to whom this paragraph refers shall be included, and where the weekly income of any such person is less than ten shillings the income of that person shall be excluded in computing the family income; and
- (d) one-third of the weekly income of any person living with the tenant and resident in the dwelling (not being the spouse of the tenant or a person who is related to the tenant or the spouse of the tenant) whose weekly income, in the opinion of the housing authority, should be included in the weekly income, but so that, in any such case, not more than thirty shillings of the weekly income of any such person shall be included, and where the weekly income of any such person is less than ten shillings the income of that person shall be excluded in computing the family income.

(2) In this clause weekly income of any person includes all income received by that person from whatsoever source, and includes the value of any allowance made to that person by his or her employer, but does not include any amount received under the Child Endowment Act 1941-1945 of the Commonwealth, or the Maternity Allowance Act 1912-1943 of the Commonwealth. In computing the weekly income of any person no allowance shall be made for taxation or other statutory deductions or payments, or superannuation payments and all such deductions and payments shall be deemed to be part of the weekly income.

(3) For the purposes of this clause, a person who has been adopted by any other person shall be deemed to be related to that other person.

(4) If pursuant to the order of any Court or pursuant to any separation agreement, the tenant and the spouse of the tenant are
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No. 19, 1946. living apart or, if the housing authority is satisfied that the tenant (if a woman) has been deserted by her spouse, the weekly income of the spouse shall not be included in the family income for the purposes of this clause unless the housing authority is of opinion that that weekly income should be so included.

(5) If at any time when it is necessary to ascertain the weekly income of any person for the purposes of this clause and the housing authority is of opinion that, at that time, the weekly income is more or is less than the weekly income usually received by that person, the weekly income of that person shall for the purposes of this clause, be presumed to be the usual weekly income of that person except in a case where the housing authority is of opinion that such a presumption would cause undue hardship.

13. The housing authority shall be responsible for the maintenance in good repair and condition of dwellings leased and their equipment.

14.—(1) A dwelling may be sold by a State at any time after its completion but except with the consent in writing of the Treasurer of the Commonwealth a dwelling shall not be sold at or for a price less than the capital cost of the dwelling ascertained in accordance with the provisions of the First Schedule to this Agreement provided that the total repayments of principal (included in the annual amortisation allowance mentioned in sub-paragraph (a) of paragraph 4 of the First Schedule to this Agreement) in respect of the dwelling may be regarded as part of the purchase price for the purpose of this sub-clause.

(2) The State shall pay to the Commonwealth the full purchase price of the dwelling payable by the purchaser.

(3) Any loss resulting from the sale of a dwelling as provided in sub-clause (1) of this clause shall be included as a separate item in the annual statement supplied by the Treasurer of the State to Treasurer of the Commonwealth as provided in paragraph 1 of the Second Schedule to this Agreement and shall be borne as to three-fifths by the Commonwealth and as to two-fifths by the State.

(4) Except for the purposes of sub-clauses (2) and (3) hereof this Agreement shall as from the date of sale of a dwelling cease to apply to that dwelling.

15.—(1) With the object of assisting each of the States in the administration of its housing projects, the Commonwealth subject to the State observing the provisions of this Agreement on its part to be observed will after the end of each financial year concerned contribute to each State a portion of any losses incurred in that financial year by the State in or in connexion with the administration by the State of its housing projects. Any such loss shall be ascertained in manner provided by the Second Schedule to this Agreement.

(2) The manner of ascertaining losses incurred by a State in respect of its housing projects as set out in the Second Schedule

to

to this Agreement may from time to time be varied by agreement **No. 19, 1945.** between the Treasurer of the Commonwealth and the Treasurer of the State but so that any such agreement shall have no force or effect unless the Treasurers of all the States agree to such variation.

(3) In respect of the cost incurred in or in connexion with the provision by a State of community facilities associated with any housing project under this Agreement the Treasurer of the Commonwealth and the Treasurer of the State may enter into an arrangement providing for a contribution by the Commonwealth of such amount as may be agreed upon between them.

16.—(1) Subject as provided in sub-clause (2) of this clause, this Agreement shall as between the Commonwealth and each State apply (in addition to a housing project carried out by a State after the third day of December, 1943, and before the date of this Agreement) to housing projects commenced or carried out during the period of ten years commencing on the date on which this Agreement between the Commonwealth and that State shall come into force.

(2) Either the Commonwealth or a State may give to the other twelve calendar months' notice in writing that this Agreement shall not as between the Commonwealth and that State apply to any housing project commenced after the expiration of a period of twelve calendar months after the date of the notice and thereupon this Agreement shall not apply to any housing project commenced by that State after the expiration of the said period of twelve calendar months.

17. Any notice or communication to be given or made by the Commonwealth to a State under this Agreement shall be deemed to have been duly given or made if signed by or on behalf of the Prime Minister and sent by prepaid post addressed to the Premier of the State and any notice or communication to be given or made by a State to the Commonwealth under this Agreement shall be deemed to have been duly given or made if signed by or on behalf of the Premier of the State and sent by prepaid post addressed to the Prime Minister.

THE FIRST SCHEDULE TO THE COMMONWEALTH AND STATE HOUSING AGREEMENT.

PROVISIONS FOR CALCULATION OF ECONOMIC RENT

1. The capital cost of any housing project carried out by a housing authority shall be the total of the following amounts:—

- (a) the amount expended by the housing authority in the construction of the dwellings included in the housing project (including the provision of fencing, sewerage and other services),

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- services), and in the construction of any outbuildings, and in carrying out any improvements on the land appurtenant to the dwellings;
- (b) any interest paid or payable during the course of construction by the housing authority on the amounts expended as provided in paragraph (a) of this paragraph;
- (c) any costs incurred or assessed by way of fees or salaries paid or payable to architects, clerks of works, surveyors or other persons, by the housing authority in the sub-division of the land comprised in the housing project, in the design of the housing project or the dwellings comprised therein, the supervision of the construction of the dwellings, or in carrying out any other works necessary to prepare and complete the housing project;
- (d) any administration costs incurred or assessed by the housing authority in the carrying out of the housing project or the construction of the dwellings comprised therein or incurred or assessed in the purchase of the land upon which the housing project is carried out, but so that the total of all such costs shall not exceed ten shillings per centum of the amount referred to in sub-paragraph (a) of this paragraph or such other percentage as may from time to time be agreed upon by the Treasurer of the Commonwealth and the Treasurer of a State;
- (e) the cost of the land upon which the housing project is carried out (including land dedicated or otherwise set apart for streets, roads or thoroughfares or for parks, gardens, reserves, or other public open spaces) together with any interest paid or payable by the housing authority upon the purchase price of the land from the time of the purchase thereof until the completion of the housing project, and together with any local government, water, sewerage or other rates and taxes paid or payable by the housing authority in respect of the said land during the said period (whether any such rates and taxes are payable to the Government of the State or otherwise): Provided that the amount of the said cost in respect of land dedicated or set apart for parks, gardens, reserves or other public open spaces which may be included in the capital cost shall not exceed fifteen per centum of the cost of all the land referred to in this sub-paragraph, or such other percentage as may from time to time be agreed between the Treasurer of the Commonwealth and the Treasurer of a State;
- (f) the cost incurred by the housing authority for the purposes of forming, making, paving, kerbing or draining any streets, roads or thoroughfares for the purpose of the housing project; and

(g)

- (g) the cost incurred by the housing authority of draining or otherwise making suitable for the purpose of the housing project, any land comprised in the housing project. No 19, 1946.

2. The capital cost of any dwelling included in a housing project shall be ascertained as follows:—

- (a) If all the dwellings included in the housing project provide the same or substantially the same accommodation and are of the same kind of construction, the capital cost of each dwelling shall be the quotient obtained by dividing the capital cost of the housing project by the number of dwellings included therein.

- (b) If more than one type of dwelling is included in the housing project and so that the accommodation provided in each type is substantially different from the accommodation provided in the other types of dwellings, the capital cost of the dwellings of each type which are of the same kind of construction shall be the total of—

(i) the quotient obtained by dividing the total of the amounts mentioned in sub-paragraphs (a) and (b) of paragraph 1 of this Schedule and expended or paid or payable for the purpose of the construction of dwellings of that type and of that kind of construction, by the total number of dwellings of that type and of that kind of construction; and

(ii) the quotient obtained by dividing the total of the amounts mentioned in sub-paragraphs (c) to (g) (inclusive) of paragraph 1 of this Schedule, by the total number of dwellings included in the housing project.

- (c) If dwellings of more than one kind of construction are included in the housing project, the capital cost of dwellings of each kind of construction shall be ascertained in the manner provided by sub-paragraph (b) of this paragraph and the provisions of that sub-paragraph shall *mutatis mutandis* apply accordingly.

3. If at any time it is necessary for the housing authority to ascertain the capital cost of a dwelling and to fix the economic rent thereof, and by reason of the non-completion of the whole of the housing project in which the dwelling is comprised or for any other reason, the capital cost cannot be ascertained exactly, the housing authority shall make an estimate of the probable capital cost of the dwelling and fix the economic rent of the dwelling upon that estimate. The actual capital cost of the dwelling shall be ascertained by the housing authority as soon as may be and, if the actual capital cost differs from the estimated capital cost, the economic rent of the dwelling shall be varied accordingly.

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No. 19, 1946. 4. The economic rent of any dwelling shall be calculated by the housing authority according to the following formula:—

(a) Annual amortisation allowance to provide for payment of interest (at the appropriate rate payable by the State to the Commonwealth) on the capital cost of the dwelling over 53 years or over such shorter period as may be agreed upon according to clause 6 of this Agreement and repayment of principal ..	_____
(b) Maintenance	_____
(c) Rates and taxes	_____
(d) Insurance	_____
Sub-total	_____
Vacancies and defaults (5 per cent. of sub-total)	_____
(e) Administration	_____
Annual Rent	_____
(f) Economic rent ($\frac{7}{383}$ of annual rent)	_____

- (a) The amortisation allowance shall be an amount which is sufficient to make provision for the repayment to the Commonwealth of the advance concerned and interest thereon as provided for by clause 6 of this Agreement. The amortisation allowance shall be so computed that the capital cost shall be recouped to the housing authority together with interest on the capital cost or any outstanding balance thereof, by means of equal annual instalments of principal and interest during the whole period for the amortisation of the capital cost.
- (b) The amount to be included for maintenance shall be the amount fixed by the housing authority from time to time. The amount so fixed shall, except when varied by the housing authority, be constant over the amortisation period in respect of the dwelling and be an amount which, in the opinion of the housing authority, will be sufficient to provide for reasonable maintenance charges likely to be incurred throughout the amortisation period.
- (c) The amount to be included for rates and taxes shall be such amount as the housing authority from time to time considers sufficient to meet the payments of local government, water, sewerage and other rates and of taxes levied upon the dwelling and its appurtenant land.
- (d) The amount to be included as insurance shall be such amount as the housing authority from time to time considers sufficient to provide for the purpose, but shall not exceed the appropriate basic premium rates from time to time determined by the War Service Homes Commissioner with respect to property insured in pursuance of section 38 of the War Service Homes Act 1918 of the Commonwealth as amended from time to time.

(e)

- (e) The amount to be included for administration shall be such amount, not exceeding five pounds per dwelling per annum, as is fixed from time to time by the housing authority. **No. 19, 1946.**
- (f) The amount to be fixed as the economic rent shall, if the amount fixed according to the formula is not a multiple of sixpence, be the next higher amount being such a multiple.

5. Subject to compliance with the other provisions of this Schedule, the housing authority may from time to time vary the economic rent payable in respect of any dwelling.

6. The housing authority may fix as the economic rent of any dwelling a sum which is greater or less than the amount which, in accordance with the formula in paragraph 4 of this Schedule, should be fixed as the economic rent, but the total of all rents fixed as economic rents for all dwellings in all the housing projects of the housing authority completed at the time of fixation shall be not less than the amount which would be the total of all economic rents fixed for all those dwellings if fixed in accordance with the formula in paragraph 4 of this Schedule.

THE SECOND SCHEDULE TO THE COMMONWEALTH AND
STATE HOUSING AGREEMENT.

MANNER OF ASCERTAINING LOSSES INCURRED BY A STATE IN OR IN
CONNEXION WITH THE ADMINISTRATION OF HOUSING PROJECTS.

1. As soon as practicable after the end of each financial year, the Treasurer of the State shall supply to the Treasurer of the Commonwealth a statement showing the amount of any losses incurred by the State during the financial year in respect of its housing projects. The following provisions shall apply for the purpose of preparing any such statement.

2. The basis on which any such statement shall be prepared for any such losses ascertained in respect of any financial year shall be the basis of cash receipts and payments for that financial year.

3. The statement shall be divided into two parts, one headed "Receipts" and the other headed "Payments."

4. The part headed "Receipts" shall consist of the following:—

- (a) the amounts actually received during that financial year as rents from tenants of all dwellings included in the housing projects; and
- (b) any other amounts actually received as revenue during that financial year from the housing projects.

5. The part headed "Payments" shall consist of the following:—

- (a) the total of any amounts paid by the housing authorities during that financial year for the administration costs of
the

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the housing authorities in respect of the letting and management of dwellings included in the housing projects, and otherwise in the administration and management of the housing projects but not including any administration costs included as part of the capital costs of any dwellings;

- (b) the total of any amounts paid by the housing authorities during that financial year for the maintenance of the dwellings included in the housing projects and any land appurtenant to any such dwellings;
- (c) the total of any amounts paid by the housing authorities during that financial year by way of local government, water or sewerage, or other rates or by way of taxes payable in respect of the dwellings included in the housing projects, or any land appurtenant to any such dwellings, and whether any such rates or taxes were paid to the Government of the State or otherwise;
- (d) the total of any amounts paid by the housing authorities during that financial year to rebuild or repair any dwelling included in the housing projects which has been destroyed or damaged by fire or otherwise;
- (e) the total of any amounts paid by the housing authorities during that financial year as interest on any loan advanced to the housing authorities by the State for the purpose of carrying out any housing project and which has not been included as part of the capital cost of the housing project; and
- (f) the total of any amounts paid by the housing authorities in repayment of any loan advanced to them by the State for the purpose of carrying out any housing project.

6. If the total of the part headed "Payments" exceeds the total of the part headed "Receipts" the total of the part headed "Receipts" shall be subtracted from the total of the part headed "Payments" and the sum so obtained shall be deemed to be the loss incurred by the State in that year and shall be allocated as to three-fifths to the Commonwealth and as to two-fifths to the State.

7. Any statement made pursuant to this Schedule shall be certified as correct by the Auditor-General of the State.

8. For the purpose of ascertaining any loss incurred during any financial year in respect of housing projects the receipts and payments in respect of that financial year only shall be taken into account and no regard shall be had to any receipts and payments in any previous financial year received or made by the housing authority, the Commonwealth, or the State.

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IN WITNESS whereof the Prime Minister of the Commonwealth of No. 19, 1946.
Australia and the Premiers of each of the States of New South Wales,
Victoria, Queensland, South Australia, Western Australia, and Tas-
mania have signed this Agreement respectively for and on behalf of
the Commonwealth of Australia and of the said States.

Signed by the Prime Minister
of the Commonwealth of
Australia for and on be-
half of the said Common-
wealth in the presence
of—
M. L. TYRRELL. } J. B. CHIFLEY.

Signed by the Premier of the
State of New South Wales
for and on behalf of the
said State in the presence
of—
J. W. FERGUSON. } W. J. MCKELL.

Signed by the Premier of the
State of Victoria for and
on behalf of the said
State in the presence of—
J. L. GILLIES. } IAN MACFARLAN.

Signed by the Premier of the
State of Queensland for
and on behalf of the said
State in the presence of—
E. A. FERGUSON. } FRANK A. COOPER.

Signed by the Premier of the
State of South Australia
for and on behalf of the
said State in the presence
of—
M. A. F. PEARCE. } T. PLAYFORD.

Signed by the Premier of the
State of Western Aus-
tralia for and on behalf
of the said State in the
presence of—
ALEX. J. REID. } F. J. S. WISE.

Signed by the Premier of the
State of Tasmania for and
on behalf of the said
State in the presence of—
E. PARKES. } R. COSGROVE.

GRAFTON