

COMMONWEALTH HOUSING.

No. 35 of 1927.

An Act relating to Housing.

[Assented to 22nd December, 1927.]

Preamble.

WHEREAS it is by the *Commonwealth Bank Act* 1911–1927 amongst other things provided that the Savings Bank may invest any moneys held by it in advancing money, in accordance with this Act, for the purchase or erection of dwelling houses, and for the discharge of mortgages on dwelling houses :

AND WHEREAS it is desirable that the power of the Savings Bank so to invest moneys held by it should be clearly defined :

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

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| Short title. | 1. This Act may be cited as the <i>Commonwealth Housing Act</i> 1927. |
| Commencement. | 2. This Act shall commence on a date to be fixed by Proclamation. |
| Incorporation. | 3. This Act shall be incorporated and read as one with the <i>Commonwealth Bank Act</i> 1911–1927. |
| Definition. | 4. In this Act, unless the contrary intention appears—
“ Authority ” means a prescribed Commonwealth, Territorial, State or Municipal Authority which administers a scheme for providing or assisting in providing dwelling houses. |
| Advances to be subject to this Act. | 5. The power of the Savings Bank to advance money for the purchase or erection of dwelling houses and for the discharge of mortgages on dwelling houses shall be exercised in accordance with and subject to the provisions of this Act. |
| Authorities to which advances may be made. | 6. Advances may be made only to Authorities as prescribed. |

7.—(1.) Advances shall be made from a Fund to be created by the Commission, to be known as the Housing Fund.

Method of
making
advances.

(2.) The Housing Fund shall consist of—

(a) such proportion, not exceeding one-half of all increases in deposits over the total amount of the deposits existing at the commencement of this Act, as, in the judgment of the Commission, is available for investment by the Commission in pursuance of this Act :

Provided that the sum available under the provisions of this paragraph shall be reduced by any amounts made available to and used by the Government of a State in accordance with the terms of any agreement binding on the Savings Bank by virtue of the provisions of sub-section (2.) of section thirty-five D of the *Commonwealth Bank Act 1911-1927*, under which the Commission may be required to make available a proportion of the increases in deposits to the Government of a State :

(b) such proportion not exceeding one-fourth of all repayments of loans from Savings Bank moneys (not being moneys which are re-lent to the same borrower immediately upon the maturity of the existing loan) as, in the judgment of the Commission, is available for investment by the Commission in pursuance of this Act ; and

(c) moneys borrowed by the Treasurer in pursuance of this Act and lent to the Savings Bank.

8. Advances shall be made on such terms and conditions as to payment of interest and repayment of principal as are agreed upon between the Commission and the Authority.

Advances to be
on terms and
conditions
agreed upon.

9. An advance shall not be made by the Savings Bank to an authority until the Commission is satisfied—

Conditions
precedent to
any advance.

(a) that since the passing of this Act the powers of that Authority in relation to housing have been increased so as to extend in respect of that advance the existing facilities provided under the housing schemes of that Authority in order to cover the matters hereunder specified (if the existing powers are not sufficient to cover those matters), that is to say—

(i) by providing for the purchase of dwelling houses ;

(ii) by providing that the maximum amount which may be lent by the Authority to any one person shall be One thousand eight hundred pounds, and shall be ninety per centum of the valuation made, by or on behalf of the Authority, of the property in respect of which the loan is made ; and

(iii) by omitting from the existing schemes any provision which excludes from the benefits of the schemes a person in receipt of an income (as determined by the Authority) not exceeding Twelve pounds per week ; and

(b) that the schemes administered by the Authority contain provisions under which—

(i) no loan is made by the Authority to any person who already owns a house, except for the purpose of discharging a mortgage upon one dwelling house of which he is the owner ;

(ii) a loan is not made for the purpose of discharging a mortgage unless the conditions of the mortgage, or the conditions of any further loans on the property, are, in the opinion of the Authority, unduly disadvantageous to the mortgagor ;

(iii) a loan is not made to any person who, or whose wife or husband, has already received a loan ; and

(iv) a loan is not made in respect of any dwelling house unless the person making application for the loan satisfies the Authority making the loan that—

(A) if the loan is for the purpose of the purchase of a dwelling house, he will reside in the dwelling house immediately on its purchase ;

(B) if the loan is for the purpose of the erection of a dwelling house, he will reside in the dwelling house immediately on its completion ; and

(c) if the loan is for the purpose of the discharge of a mortgage, he is residing in the dwelling house.

Power of
Commonwealth
to borrow
moneys to
grant to
Savings Bank.

10.—(1.) The Treasurer may, from time to time, under the provisions of the *Commonwealth Inscribed Stock Act* 1911–1918, or under the provisions of any Act authorizing the issue of Treasury Bills, borrow moneys which it is necessary to borrow in order to grant to the Savings Bank a sum such that with other funds available to the Savings Bank a total sum of Twenty million pounds (including the moneys already advanced and not yet repaid) will be available for the purposes of paragraph (c) of section thirty-five w of the *Commonwealth Bank Act* 1911–1927.

(2.) The amount borrowed shall be issued and applied only for the expenses of borrowing and for making advances to the Savings Bank for the purposes of paragraph (c) of section thirty-five w of the *Commonwealth Bank Act* 1911–1927.

(3.) In respect of each loan by the Commonwealth Treasurer to the Savings Bank, the Savings Bank shall pay—

- (a) to the Treasurer, half-yearly, interest on the amount of the loan, the rate of such interest being such rate as is certified by the Auditor-General for the Commonwealth as representing the cost of the money to the Commonwealth, after allowing for discounts on the issue of loans and the expenses of flotation ; and
- (b) to the National Debt Commission, half-yearly, on the first day of January and the first day of July in each year, such sum as is agreed upon between the Treasurer and the Savings Bank, not being less than Ten shillings per centum per annum of the amount of the loan.

(4.) The payments for which the last preceding sub-section provides shall be continued for a period sufficient to provide for the redemption of the loan in respect of which the payments are made, and for the purposes of this sub-section the payments made under paragraph (b) of the last preceding sub-section shall be deemed to accumulate at the rate of five per centum per annum compounded.

11. The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for carrying out or giving effect to this Act, and in particular for prescribing conditions in relation to the advances for the purchase and erection of dwelling houses and for the discharge of mortgages on dwelling houses. Regulations.