HOME DEPOSIT ASSISTANCE AMENDMENT BILL 1983

Date Introduced: 7 September 1983
House: House of Representatives
Presented by: Hon. C.J. Hurford, M.P., Minister for Housing and Construction

Short Digest of Bill

Purpose

To terminate the savings requirements of the First Home Assistance Scheme from 1 August 1983 and to terminate the entire scheme as from 1 October 1983.

Background

Under the Home Deposit Assistance Scheme (HDAS), grants are payable to persons contracting on or after 18 March 1982 to purchase or build their first home. The scheme replaced the Homes Savings Grants Scheme which terminated on 2 June 1982, as a means of assisting first home buyers to bridge the deposit gap.

The HDAS in its original form provides grants of up to $2500 on the basis of $1 for every $1 saved in an acceptable form (e.g. savings bank deposits) over the two years preceding the date of contract for purchase or construction, with a further bonus for dependants of up to $1000.

The Bill terminates the HDAS on 30 September 1982, and removes the savings qualification in the period from 1 August 1983 to 30 September 1983.

After 30 September 1983, government assistance for purchase of a first home may be provided by a scheme, the First Home Owners Scheme (FHOS), established by the First Home Owners Bill 1983. That scheme is more liberal than the HDAS and modifications to the latter contained in the present Bill may be seen as an interim measure.

Following early announcement of the FHOS and complaints from the building industry that purchasers were refusing to sign contracts until October, the Government moved to maintain the momentum of the housing industry
upturn by providing an interim scheme. This alteration was welcomed by the Housing Industry Association (Australian, 22 July 1983).

The deletion of the savings requirement will have the effect of qualifying all applicants for the maximum basic grant of $2500 subject to the remaining conditions in section 39. Previously a maximum of $1250 applied where the period of saving was more than one but less than two years. The actual amount of grant remains subject to the income test set out in section 39, and may be increased under sections 40-42 where there are child dependants.

The Bill extensively amends the Home Deposits Assistance Act 1982, for the reason that deletion of the "acceptable savings" requirement renders redundant a number of provisions specifying the form in which savings must be made and held in order to qualify for the grant.

The commencement of the Bill is deemed by clause 3 to have occurred on 1 August 1983. The date applicable to determine grant entitlements is the date of contract for purchase or commencement of construction (section 4 of the Act). The provisions of clause 14 apply the liberalized provisions of the Bill where that date (the "prescribed date") is on or after 1 August 1983.

Clause 13 amends section 65 to provide for termination of the Act. The Act does not apply where the prescribed date is after 30 September 1983.

For further information, if required, contact:

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