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Homes Savings Grant Bill 1976

Introduced by the Minister for Environment,
Housing and Community Development, Hon. K. Newman
House of Representatives, 18 November 1976.

Purpose

The Bill gives effect to the Government’s decision, announced on 31 March 1976, to establish a new homes savings grant scheme for people acquiring their first homes on or after 1 January 1977. The grants are to be $1 for each $3 of approved savings, up to a maximum grant of $2000, for savings held over 3 years.

Existing Legislation

The original Homes Savings Grant Scheme was introduced by the Homes Savings Grant Act 1964, to provide assistance to young married persons purchasing or building their first homes on or after 2 December 1963. The Principal Act was amended on 7 occasions to 1973.

In the 1973–74 Federal Budget, the Government announced its intention to phase out the Home Savings Grant Scheme and replace it by a scheme of deductibility of mortgage interest repayments, with effect from 1 July 1974. Consequently, the Homes Savings Grant Act 1975, which was assented on 4 June 1975, provided for termination of the scheme by amending the Principal Act to provide that grants would be paid only to those persons who contracted to buy or build, or commenced construction of, their home on or before 31 December 1976. The Home Savings Grant Amendment Act 1976 made minor amendments to the Principal Act.

Operations under the Home Savings Grant Act 1964 (as amended) will thus relate only to the payment of grants to eligible applicants acquiring their first homes up to 31 December 1976.

Summary

The main proposals of the Bill are as follows:

(a) Eligibility:

Under the proposed new scheme, many of the eligibility requirements which existed under the amended 1964 Act – namely, that applicants must be married, or widowed or divorced with dependent children, and under the age of 36; that migrants must have lived in Australia for 3 years; and that the value of the home must not exceed $22,500 – have been discarded. An application for a grant may be made by a person (or persons acting jointly) who, or after 1 January 1977, have contracted to buy or build their own house, or have commenced the construction of such a house (sub-clause 15 (1)). Applicants must be either 18 years of age, or be married or engaged to be married (sub-clause 15 (2)). Applicants must be either Australian citizens or have permanent resident status (sub-clause 15 (2)). A person who has owned a house in Australia before (clause 18) or who has received a grant under either the new or the current schemes (sub-clause 15 (2)) will not be eligible.
(b) **Acceptable Savings**

To be eligible for a grant, an applicant or joint applicants must have saved in one or more of the acceptable forms laid down in the Bill for a period of at least one complete year before their prescribed date. (sub-clause 19 (1)). The ‘prescribed date’ is the date that the contract to buy or build the home is entered into or the date that construction commenced. (sub-clause 4 (1)).

Acceptable savings are mainly savings held in one or more of the following forms on or after 1 January 1976 (sub-clause 21 (1):

- savings bank accounts and fixed deposits with trading banks (but not cheque accounts);
- deposits with and shares in registered building and co-operative housing societies;
- deposits with registered credit unions;

but not including –

- Moneys borrowed.

Clauses 23 to 26 also allow applicants to include among acceptable savings payments made before the prescribed date for the land on which the home is to be built, as a deposit on the home, and for building materials or other payments in connection with the acquisition of the house.

Savings held in the above forms at 31 May 1976 are deemed to have been held since 1 January 1976 (clause 7). This provision allowed persons 2 months from 31 March 1976 (when the Government first announced the details of the new scheme) to convert their savings into acceptable forms.

(c) **Amount of Grant**

The amount of the grant is related to the amount of acceptable savings made by the applicant or applicants during the “savings period”, which may be of one, two or three years before the prescribed date. The savings period must commence on or after 1 January 1976 (subject to the provision mentioned earlier that savings held at 31 May 1976 are deemed to have been held since 1 January 1976).

The grant consists of $1 for each $3 of acceptable savings held at the beginning of the savings period, plus what is saved during the savings period. The maximum grants are $667 for a savings period of 1 year; $1333 over 2 years, and $2000 over 3 years (sub-clause 31 (1)).

In calculating the amount of the grant, there is a limit of $1200 in respect of the increase in the applicant’s savings in each 6 months in the savings period, (sub-clause 31 (10). If the balance of savings falls during any of these 6 month periods, the amount of the fall is deducted. However, any savings above $1200 in any period may be applied to offset decreases in savings in a subsequent period (sub-clause 31 (9)).

(d) **Appeals**

A person affected by a decision made under the Act may make application to the Administrative Appeals Tribunal for a review of that decision.
Warning:
This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments. This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.