

**Commonwealth–State Housing  
Agreement national data  
reports 2004–05**

**Home purchase assistance**

The Australian Institute of Health and Welfare is Australia's national health and welfare statistics and information agency. The Institute's mission is *better health and wellbeing for Australians through better health and welfare statistics and information.*

HOUSING ASSISTANCE DATA DEVELOPMENT SERIES

# **Commonwealth–State Housing Agreement national data reports 2004–05**

**Home purchase assistance**

**March 2006**

Australian Institute of Health and Welfare  
Canberra

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### **Australian Institute of Health and Welfare**

Board Chair  
Hon. Peter Collins, AM, QC

Director  
Penny Allbon

Any enquiries about or comments on this publication should be directed to:

Kristy Raithel  
Australian Institute of Health and Welfare  
GPO Box 570  
Canberra ACT 2601  
Phone: (02) 6244 1158  
Email: [kristy.raithel@aihw.gov.au](mailto:kristy.raithel@aihw.gov.au)

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Fiona Douglass and Kristy Raithel, members of the Housing Assistance Unit, processed the data and prepared this report.

# 1 Introduction

This publication is one of six published by the AIHW as part of arrangements agreed under the 2003 Commonwealth–State Housing Agreement (CSHA). This report focuses on the Home Purchase Assistance program, presenting a compilation of available data from all jurisdictions. The Home Purchase Assistance program, along with the Crisis Accommodation Program and Private Rent Assistance program, demonstrates considerable variability across jurisdictions in terms of program guidelines and coverage. As a result, despite the development and agreement of standard national data definitions, the data derived are less comparable than for the major national programs such as public housing. Nonetheless, the available information provides a valuable resource for understanding the characteristics of these programs across all jurisdictions.

The remaining five reports in the series are:

- *Commonwealth–State Housing Agreement national data reports 2004–05: Community housing* (AIHW 2006)
- *Commonwealth–State Housing Agreement national data reports 2004–05: Crisis Accommodation Program* (AIHWa forthcoming)
- *Commonwealth–State Housing Agreement national data reports 2004–05: Private rent assistance* (AIHWb forthcoming)
- *Commonwealth–State Housing Agreement national data reports 2004–05: Public rental housing* (AIHW 2005c)
- *Commonwealth–State Housing Agreement national data reports 2004–05: State owned and managed Indigenous housing* (AIHW 2005d).

These publications are the sixth set published in the Housing Assistance Data Development Series. The series was initially developed under the 1999 National Housing Data Agreement and the 1999 Agreement on National Indigenous Housing Information to report on the data collections and the associated standards, definitions and classifications under these agreements. These agreements were both renewed for a further five years under the 2003 CSHA.

Related publications in the series include the *National Housing Assistance Data Dictionary* version 2 (AIHW 2003b), the *National Housing Assistance Data Dictionary* version 3 (AIHWc forthcoming) and *Measuring housing assistance: National data standards developed under the 1999 Commonwealth–State Housing Agreement* (AIHW 2004b).

## 2 Background

The 2004–05 home purchase assistance data collection is the sixth in the series under the National Housing Data Agreement, a subsidiary agreement to the Commonwealth–State Housing Agreement. Reports are available from <[www.aihw.gov.au](http://www.aihw.gov.au)> for all previous collections:

- *Commonwealth–State Housing Agreement national data reports 2003–04: Home purchase assistance* (AIHW 2005a)
- *Commonwealth–State Housing Agreement national data reports 2002–03: Home purchase assistance* (AIHW 2004a)
- *Commonwealth–State Housing Agreement national data reports 2001–02: Home purchase assistance* (AIHW 2003a)
- *Commonwealth–State Housing Agreement (CSHA) : Home purchase assistance data collection report 2000–01* (AIHW 2002)
- *Commonwealth–State Housing Agreement (CSHA): Home purchase assistance data collection 1999–2000* (AIHW 2001).

The 2003 CSHA aims to provide appropriate, affordable and secure housing assistance for those who most need it, for the duration of their need. To ensure these aims are being met, all jurisdictions and the Commonwealth have agreed to a CSHA National Performance Indicator Framework for the public rental housing, community housing and state owned and managed Indigenous housing data collections. This contains 11 indicators against which all jurisdictions must report. The CSHA National Performance Indicator Framework is not applied to the Crisis Accommodation Program, home purchase assistance or private rent assistance data collections.

This report presents two of the specific outcomes under the CSHA that apply to home purchase assistance – targeting of assistance to those in need and the affordability of the assistance provided. Data are not available on two other measures, customer satisfaction and efficient use of assets, which relate to this program.

This document presents the outcome and descriptor data items and performance indicators collected in the 2004–05 home purchase assistance data collection.

Further detail on the data items and performance indicators can be found in the 2004–05 home purchase assistance data collection manual (AIHW 2005b) and the *National Housing Assistance Data Dictionary* version 2 (AIHW 2003b). Copies of these documents can be found at <[www.aihw.gov.au/housing/assistance/data\\_collections/index.cfm](http://www.aihw.gov.au/housing/assistance/data_collections/index.cfm)> and <[www.aihw.gov.au/publications/hou/nhadd02/nhadd02.pdf](http://www.aihw.gov.au/publications/hou/nhadd02/nhadd02.pdf)> respectively.

## 3 General notes

These data should be read in conjunction with the home purchase assistance data manual 2004–05 provided at <[http://www.aihw.gov.au/housing/assistance/data\\_collections/index.cfm](http://www.aihw.gov.au/housing/assistance/data_collections/index.cfm)>.

### 3.1 Symbols

..	not applicable
n.a.	not available
no.	number
\$	Australian dollars
'000	thousands
%	per cent

### 3.2 Scope

Variation exists between jurisdictions regarding the types of home purchase assistance offered. Table 3.1 outlines the Home Purchase Assistance program coverage for each jurisdiction.

**Table 3.1: CSHA home purchase assistance 2004–05 programs by jurisdiction**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Direct lending	..	current	current	current	current	..	..	current
Deposit assistance	..	..	current	..	..	current	..	current
Interest rate assistance	..	..	current	current	current	..	..	current
Home purchase advisory and counselling	current	..	..	current	..	current	..	..
Mortgage relief	current	current	current	..	..	..	current	..
Other	..	current	current	..	..	..	..	..

*Note:* 'Current' represents programs which are accepting new clients for the year ending 30 June 2005 (i.e. where a jurisdiction is phasing out a program and only continuing to service clients until the end of their contractual obligations, these programs are not counted as current).

Some programs offered by jurisdictions may fall under two or more categories. For example, where a jurisdiction provides direct lending to finance the purchase of a dwelling it may also provide all or part of the deposit required to secure the purchase. Where possible, individual elements of home purchase assistance are reported separately in this data collection report.

### 3.3 Reporting structure

Some data items have been disaggregated by the following home purchase assistance types:

- direct lending (H1)
- deposit assistance (H2)
- interest rate assistance measures (H3)
- mortgage relief (H4)
- home purchase advisory and counselling services (H5)
- other forms of assistance (H6).

The reporting structure for the home purchase assistance collection allows data for each sub-program to be reported according to the form of assistance provided.

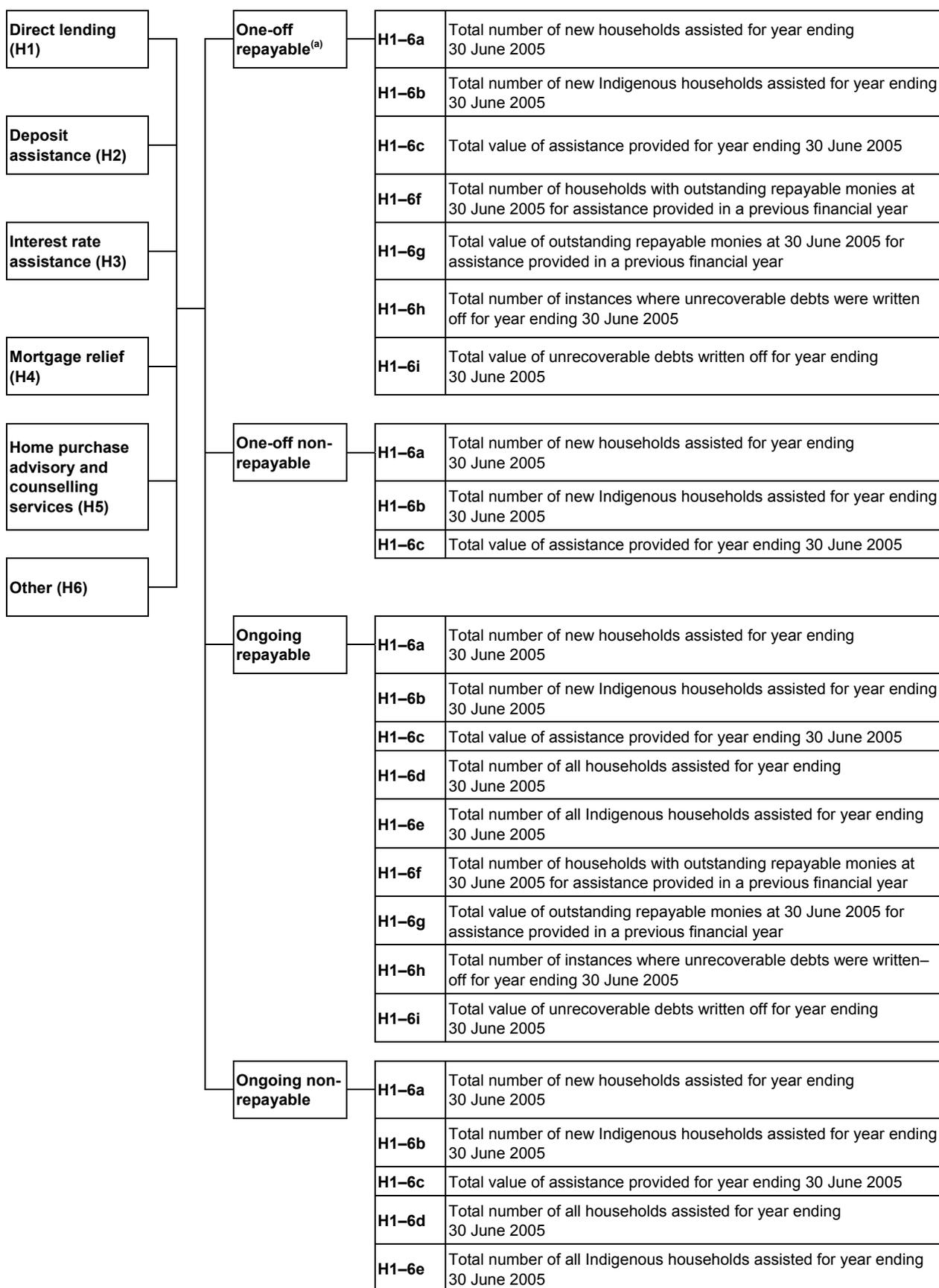
The forms of assistance were defined as:

- **one-off assistance:** refers to assistance that aims to meet a specific event, such as direct lending or deposit assistance for the purchase of a home.
- **ongoing assistance:** refers to assistance that covers a specific length of time, such as interest rate assistance measures for a six-month period.
- **assistance is repayable:** when the client has an obligation to repay, in part or full, the value of assistance provided. The repaying of assistance can be delayed for a period of time (e.g. 12 months after the loan was provided).
- **assistance is non-repayable:** when the client has no obligation to repay any of the value of the assistance provided.

Jurisdictions were required to provide data according to the form of home purchase assistance that was available in their jurisdiction. For example, if deposit assistance was a one-off repayable program, only the data items for this form of assistance have been provided. If deposit assistance was both a one-off repayable and an ongoing repayable program, the relevant data items for each form of assistance have been provided.

The data items collected for each form of assistance are outlined in Figure 3.1.

Figure 3.1: CSHA 2004–05 home purchase assistance data collection items



(a) Data items are not in chronological order as not all items are collected for this form of assistance.

### 3.4 Data collection coverage

Reporting about Indigenous status of new and all households assisted was variable due to data availability issues.

### 3.5 Data qualifications

In addition to minor qualifications detailed in the footnotes the following qualifications apply to the reported data.

1. The national data report only the forms of home purchase assistance that are currently available for each jurisdiction. The following forms of assistance are not reported:
  - direct lending (H1): one-off non-repayable and ongoing non-repayable
  - deposit assistance (H2): ongoing repayable
  - interest rate assistance (H3): one-off repayable and one-off non-repayable
  - mortgage relief (H4): one-off non-repayable and ongoing non-repayable
  - home purchase advisory and counselling services (H5): one-off repayable and ongoing non-repayable
  - other (H6): ongoing repayable and ongoing non-repayable.
2. Totals are calculated using only those states and territories where information is available. Due to the sparse coverage of national data in relation to particular program types, please note that not all jurisdictions will be represented in the totals.
3. The number of households assisted does not correspond to the actual number of households (i.e. this is the number of instances of assistance provided to households).

# 4 CSHA 2004–05 home purchase assistance data

## 4.1 Summary data

Table 4.1: Home purchase assistance summary data 2004–05

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>	
<b>Direct lending: one-off repayable</b>										
H1a	Total number of new households assisted for year ending 30 June 2005 (number)	..	0	25	5,417	..	..	..	444	5,886
H1b	Total number of new Indigenous households assisted for year ending 30 June 2005 (number)	..	n.a.	1	86	..	..	..	19	106
H1c	Total value of assistance provided for year ending 30 June 2005 (\$'000)	..	0	1,724	783,973	..	..	..	66,253	851,950
H1f	Total number of households with outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year (number)	1,175	4,140	3,271	15,628	..	..	..	1,654	25,868
H1g	Total value of outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year (\$'000)	62,500	108,904	66,289	1,378,621	..	..	..	117,321	1,733,635
H1h	Total number of unrecoverable debts written off for year ending 30 June 2005 (number)	0	0	2	46	..	..	..	0	48
H1i	Total value of unrecoverable debts written off for year ending 30 June 2005 (\$'000)	0	0	3	1,327	..	..	..	0	1,330
<b>Direct lending: ongoing repayable</b>										
H1a	Total number of new households assisted for year ending 30 June 2005 (number)	..	76	..	..	3,286	..	..	..	3,362
H1b	Total number of new Indigenous households assisted for year ending 30 June 2005 (number)	..	n.a.	..	..	120	..	..	..	120
H1c	Total value of assistance provided for year ending 30 June 2005 (\$'000)	..	11,866	..	..	344,114	..	..	..	355,980

(continued)

**Table 4.1 (continued): Home purchase assistance summary data 2004–05**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>	
<b>Direct lending: ongoing repayable (continued)</b>										
H1d	Total number of all households assisted for year ending 30 June 2005 (number)	..	134	..	..	14,494	..	..	..	14,628
H1e	Total number of all Indigenous households assisted for year ending 30 June 2005 (number)	..	n.a.	..	..	142	..	..	..	142
H1f	Total number of households with outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year (number)	..	10	..	..	11,202	..	..	..	11,212
H1g	Total value of outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year (\$'000)	..	1,722	..	..	658,411	..	..	..	660,133
H1h	Total number of unrecoverable debts written off for year ending 30 June 2005 (number)	..	0	..	..	15	..	..	..	15
H1i	Total value of unrecoverable debts written off for year ending 30 June 2005 (\$'000)	..	0	..	..	42	..	..	..	42
<b>Deposit assistance: one-off repayable</b>										
H2a	Total number of new households assisted for year ending 30 June 2005 (number)	..	..	..	..	..	..	..	..	..
H2b	Total number of new Indigenous households assisted for year ending 30 June 2005 (number)	..	..	..	..	..	..	..	..	..
H2c	Total value of assistance provided for year ending 30 June 2005 (\$'000)	..	..	..	..	..	..	..	..	..
H2f	Total number of households with outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year (number)	..	..	68	..	..	..	..	..	68
H2g	Total value of outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year (\$'000)	..	..	846	..	..	..	..	..	846
H2h	Total number of unrecoverable debts written off for year ending 30 June 2005 (number)	..	..	0	..	..	..	..	..	0
H2i	Total value of unrecoverable debts written off for year ending 30 June 2005 (\$'000)	..	..	0	..	..	..	..	..	0

(continued)

**Table 4.1 (continued): Home purchase assistance summary data 2004–05**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>	
<b>Deposit assistance: one-off non-repayable</b>										
H2a	Total number of new households assisted for year ending 30 June 2005 (number)	..	..	5	..	..	..	..	29	34
H2b	Total number of new Indigenous households assisted for year ending 30 June 2005 (number)	..	..	0	..	..	..	..	1	1
H2c	Total value of assistance provided for year ending 30 June 2005 (\$'000)	..	..	19	..	..	..	..	43	62
<b>Deposit assistance: ongoing non-repayable</b>										
H2a	Total number of new households assisted for year ending 30 June 2005 (number)	..	..	..	..	..	21	..	..	21
H2b	Total number of new Indigenous households assisted for year ending 30 June 2005 (number)	..	..	..	..	..	0	..	..	0
H2c	Total value of assistance provided for year ending 30 June 2005 (\$'000)	..	..	..	..	..	125	..	..	125
H2d	Total number of all households assisted for year ending 30 June 2005 (number)	..	..	..	..	..	21	..	..	21
H2e	Total number of all Indigenous households assisted for year ending 30 June 2005 (number)	..	..	..	..	..	0	..	..	0
<b>Interest rate assistance: ongoing repayable</b>										
H3a	Total number of new households assisted for year ending 30 June 2005 (number)	..	..	..	..	565	..	..	..	565
H3b	Total number of new Indigenous households assisted for year ending 30 June 2005 (number)	..	..	..	..	n.a.	..	..	..	n.a.
H3c	Total value of assistance provided for year ending 30 June 2005 (\$'000)	..	..	..	..	9,973	..	..	..	9,973
H3d	Total number of all households assisted for year ending 30 June 2005 (number)	..	..	..	..	2,575	..	..	..	2,575
H3e	Total number of all Indigenous households assisted for year ending 30 June 2005 (number)	..	..	..	..	n.a.	..	..	..	n.a.

(continued)

**Table 4.1 (continued): Home purchase assistance summary data 2004–05**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>
<b>Interest rate assistance: ongoing repayable (continued)</b>									
H3f	..	..	..	..	2,011	..	..	..	2,011
H3g	..	..	..	..	216,195	..	..	..	216,195
H3h	..	..	..	..	3	..	..	..	3
H3i	..	..	..	..	1	..	..	..	1
<b>Interest rate assistance: ongoing non-repayable</b>									
H3a	..	..	10	36	..	..	..	13	59
H3b	..	..	0	3	..	..	..	0	3
H3c	..	..	n.a.	47	..	..	..	370	417
H3d	..	..	81	76	..	..	..	389	546
H3e	..	..	2	9	..	..	..	31	42
<b>Mortgage relief: one-off repayable</b>									
H4a	10	..	6	..	..	..	..	..	16
H4b	n.a.	..	0	..	..	..	..	..	0
H4c	34	..	32	..	..	..	..	..	66

(continued)

**Table 4.1 (continued): Home purchase assistance summary data 2004–05**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>	
<b>Mortgage relief: one-off repayable (continued)</b>										
H4f	Total number of households with outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year (number)	537	..	57	..	..	11	..	..	605
H4g	Total value of outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year (\$'000)	2,716	..	96	..	..	35	..	..	2,847
H4h	Total number of unrecoverable debts written off for year ending 30 June 2005 (number)	3	..	0	..	..	0	..	..	3
H4i	Total value of unrecoverable debts written off for year ending 30 June 2005 (\$'000)	8	..	0	..	..	0	..	..	8
<b>Mortgage relief: ongoing repayable</b>										
H4a	Total number of new households assisted for year ending 30 June 2005 (number)	152	20	..	..	..	..	1	..	173
H4b	Total number of new Indigenous households assisted for year ending 30 June 2005 (number)	n.a.	n.a.	..	..	..	..	n.a.	..	n.a.
H4c	Total value of assistance provided for year ending 30 June 2005 (\$'000)	900	22	..	..	..	..	86	..	1,008
H4d	Total number of all households assisted for year ending 30 June 2005 (number)	193	20	..	..	..	..	33	..	246
H4e	Total number of all Indigenous households assisted for year ending 30 June 2005 (number)	n.a.	n.a.	..	..	..	..	n.a.	..	n.a.
H4f	Total number of households with outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year (number)	0	49	..	..	..	..	52	..	101
H4g	Total value of outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year (\$'000)	0	251	..	..	..	..	725	..	976

(continued)

**Table 4.1 (continued): Home purchase assistance summary data 2004–05**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>	
<b>Mortgage relief: ongoing repayable (continued)</b>										
H4h	Total number of unrecoverable debts written off for year ending 30 June 2005 (number)	0	0	..	..	..	..	0	..	0
H4i	Total value of unrecoverable debts written off for year ending 30 June 2005 (\$'000)	0	0	..	..	..	..	0	..	0
<b>Home purchase advisory and counselling services: one-off non-repayable</b>										
H5a	Total number of new households assisted for year ending 30 June 2005 (number)	10,724	..	..	..	..	..	..	..	10,724
H5b	Total number of new Indigenous households assisted for year ending 30 June 2005 (number)	n.a.	..	..	..	..	..	..	..	n.a.
H5c	Total value of assistance provided for year ending 30 June 2005 (\$'000)	0	..	..	..	..	..	..	..	0
<b>Home purchase advisory and counselling services: ongoing repayable</b>										
H5a	Total number of new households assisted for year ending 30 June 2005 (number)	..	..	..	..	..	44	..	..	44
H5b	Total number of new Indigenous households assisted for year ending 30 June 2005 (number)	..	..	..	..	..	0	..	..	0
H5c	Total value of assistance provided for year ending 30 June 2005 (\$'000)	..	..	..	..	..	2,710	..	..	2,710
H5d	Total number of all households receiving home purchase assistance for year ending 30 June 2005	..	..	..	..	..	1,362	..	..	1,362
H5e	Total number of all Indigenous households receiving some home purchase assistance for year ending 30 June 2005	..	..	..	..	..	0	..	..	..
H5f	Total number of households with outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year	..	..	..	..	..	1,362	..	..	1,362

(continued)

**Table 4.1 (continued): Home purchase assistance summary data 2004–05**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>
<b>Home purchase advisory and counselling services: ongoing repayable (continued)</b>									
H5g	..	..	..	..	..	28,092	..	..	28,092
H5h	..	..	..	..	..	0	..	..	0
H5i	..	..	..	..	..	0	..	..	0
<b>Other: one-off repayable</b>									
H6a	..	78	..	..	..	..	..	..	78
H6b	..	n.a.	..	..	..	..	..	..	n.a.
H6c	..	492	..	..	..	..	..	..	492
H6f	..	264	..	..	..	..	..	..	264
H6g	..	1,361	..	..	..	..	..	..	1,361
H6h	..	0	..	..	..	..	..	..	0
H6i	..	0	..	..	..	..	..	..	0
<b>Other: one-off non-repayable</b>									
H6a	..	..	6	..	..	..	..	..	6
H6b	..	..	1	..	..	..	..	..	1

(continued)

**Table 4.1 (continued): Home purchase assistance summary data 2004–05**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>
<b>Other: one-off non-repayable (continued)</b>									
H6c	Total value of assistance provided for year ending 30 June 2005 (\$'000)		49	..	..	..	..	..	49

(a) May not represent national total due to data not being available from all jurisdictions.

Notes—Summary data

**NSW Direct lending: one-off repayable**

H1f Includes 1,067 HomeFund loans and 108 Home Purchase Assistance Account loans.

H1g Includes \$60.3 million in HomeFund loans and \$2.2 million in Home Purchase Assistance Account loans.

**Mortgage relief: One-off repayable**

H4b The data captured by the Department on home purchase assistance clients do not allow identification of Indigenous households.

H4f, H4g In view of difficulties in distinguishing between 'one-off' and 'ongoing' assistance for assistance provided in a previous financial year, the total assistance provided has been reported under 'one-off' assistance.

H4h, H4i In view of difficulties in distinguishing between unrecoverable debts written off for 'one-off' assistance and those for 'ongoing' assistance, the total unrecoverable debts written off have been reported under 'one-off' assistance.

**Mortgage relief: Ongoing repayable**

H4b, H4e The data captured by the Department on home purchase assistance clients do not allow identification of Indigenous households.

H4c Includes \$810,000 for new households assisted and \$90,000 for households where assistance commenced in 2003–04 and continued into 2004–05.

H4d Includes 152 new households assisted and 41 households where assistance commenced in 2003–04 and continued into 2004–05.

H4f, H4g In view of difficulties in distinguishing between 'one-off' and 'ongoing' assistance for assistance provided in a previous financial year, the total assistance provided has been reported under 'one-off' assistance.

H4h, H4i In view of difficulties in distinguishing between unrecoverable debts written off for 'one-off' assistance and those for 'ongoing' assistance, the total unrecoverable debts written off have been reported under 'one-off' assistance.

**Home purchase advisory and counselling services: One-off non-repayable**

H5a Total number of calls to Home Purchase Advisory Service during 2004–05. (Do not include calls from clients seeking general information about other forms of assistance provided by the Department).

H5b The data captured by the Department on home purchase assistance clients do not allow identification of Indigenous households.

**Vic Direct lending: One-off repayable**

H1a No new loans are being advanced under the Full Home Ownership program and Shared Home Ownership Scheme (SHOS). Seven existing households from the Full Home Ownership program were transferred to SHOS in 2004–05.

H1b Data captured by the Department do not allow the identification of Indigenous households.

**Direct lending: Ongoing repayable**

H1b Data captured by the Department do not allow the identification of Indigenous households.

H1e Data captured by the Department do not allow the identification of Indigenous households.

**Mortgage relief: One-off repayable**

H4b Data captured by the Department do not allow the identification of Indigenous households.

H4e Data captured by the Department do not allow the identification of Indigenous households.

**Other: One-off repayable**

H6b Data captured by the Department do not allow the identification of Indigenous households.

**Qld Direct lending: One-off repayable**

H1a Direct lending provided to new households during 2004–05 included:

- Queensland State Housing Loan—6 households
- Queensland Housing Finance Loan—19 households

H1c Direct lending provided to new households during 2004–05 included:

- Queensland State Housing Loan—\$554,775
- Queensland Housing Finance Loan—\$1,168,924

H1f Households with outstanding repayable monies at 30 June 2005 for assistance provided in a previous financial year included:

- Queensland State Housing Loan (current scheme)
- Queensland Housing Finance Loan (current scheme)
- Queensland Housing Loan (discontinued 2001)
- Rental Purchase Plan (shared equity scheme—discontinued 1996)
- HOME Loan (discontinued 1994)
- Interest Subsidy Loan (discontinued 1990)

- Other Housing Loans (discontinued 1990)
- Deposit Assistance Loan (in conjunction with the Queensland Housing Loan—discontinued 1996).

**Deposit assistance: One-off repayable**

H2a The Deposit Assistance Grant is a one-off non-repayable grant provided to all Public Housing tenants and all eligible wait list applicants wishing to purchase an available Public Housing rental property through the Queensland State Housing Loan scheme. Other applicants wishing to purchase an available Public Housing rental property are also eligible (means tested). The maximum grant available is equivalent to 50% of the required 5% deposit and is means tested. In addition, the Deposit Assistance Grant is also available to new borrowers of Aboriginal, Torres Strait Islander or Australian South Sea Islander descent—maximum grant available is \$5,000 to assist with fees or deposit.

**Interest rate assistance: Ongoing non-repayable**

H3a Interest rate assistance provided to new households for year ending 30 June 2005 includes:

- Queensland Housing Finance Loan—4 households
- Queensland State Housing Loan—6 households
- Queensland housing finance loan (only applies to Rental Purchase Plan conversions) – during the first five years of the loan the interest rate is capped at 1% below the Department's standard variable interest rate at the time the loan is approved and cannot rise above the capped rate. Should the Department's standard variable interest rate fall below the capped rate during the first five years, the interest rate will be that lower rate.
- Queensland State Housing Loan—employs a concessional interest rate (capped rate) of 1% below the Department's prevailing variable interest rate. If the Department's prevailing interest rate drops below the capped rate, the capped rate will be reduced to the same level as the prevailing rate.

**Interest rate assistance: Ongoing non-repayable (continued)**

H3c Interest rate assistance is linked to direct lending as part of the product package and the Department is unable to provide a specific value on the assistance provided.

H3d Includes existing households at the commencement of the year plus new households assisted.

**Other: One-off non-repayable**

H6a Five households were assisted with a special assistance grant. The grants were provided to assist households with a disabled family member to either modify their home to increase safety or assist with deposit or fees. The grant is only available to new borrowers or existing borrowers under the Rental Purchase Plan scheme. The maximum grant available is \$10,000 to assist home modifications. If home modifications are not required, a maximum grant of \$5,000 is available to assist with deposit, loan application fees and/or other costs associated with the purchase of a home.

One household was assisted with a special assistance grant for a person of Aboriginal, Torres Strait Islander and/or Australian South Sea Islander descent. The maximum grant available is \$5,000. The grant can be used to support their own cash deposit or assist with loan application fees and costs associated with buying a home.

H6c The total value of home purchase assistance provided to households included:

- Special Assistance Grants—\$48,868

**SA Direct lending: Ongoing repayable**

H1a The 'Nunga Loan' was launched in April 2004, with a total of 142 Nunga Loans being settled between the launch date and the end of June 2005.

**Deposit assistance: One-off repayable**

H2a HomeStart's lending policy allows customers to apply First Home Owner Grant (FHOG) funds towards part of their deposit. Acting on previous advice in relation to Home Purchase Assistance (HPA) data this has not been included as a means of deposit assistance.

**Interest rate assistance: Ongoing repayable**

H3a HomeStart's interest rate assistance mechanisms now include two loan types: the Advantage loan and the EquityStart loan (for public housing tenants). The EquityStart loan was launched in April 2005, with 4 being settled between the launch date and the end of June 2005.

H3h, H3i When a loan is written off the Advantage loan is rolled over to the customer's primary loan (standard HomeStart loan). Therefore the amounts written off have been calculated as follows:  
Advantage and EquityStart loan funds /Total funds advanced x Write-off amount.

**Mortgage relief: One-off repayable**

H4a HomeStart's remaining Mortgage Relief loans were all written off in 2002–03, and this loan type no longer exists at HomeStart.

**ACT Mortgage relief: Ongoing repayable**

H4a All ACT Government home buyer lending for public housing tenants ceased on 1996. New households assisted during 2004–05 refers to those households who had taken out a mortgage on their government home prior to the end of the scheme in 1996 and who became eligible for deferred assistance in the 2003–04 financial year because their standard monthly loan instalment became greater than 27% of the household income.

**NT Direct lending: One-off repayable**

H1a Includes home loans and interest-free fee assistance loans which are utilised to assist with home set-up fees, deposits and the purchase of whitegoods.

# 5 Outcomes

## 5.1 Outcome 1: Targeting

Outcome 1 measures the targeting of assistance to those in need. This outcome was measured via a policy audit of the eligibility criteria for each sub-program under the Home Purchase Assistance program.

### 5.1.1 Direct lending

Direct lending programs reported in the 2004–05 home purchase assistance data collection are outlined in Table 5.1.

New South Wales and the Australian Capital Territory do not appear in Table 5.1 as they did not provide direct lending to new clients as a form of home purchase assistance in 2004–05.

**Table 5.1: Direct lending program by jurisdiction**

Jurisdiction	Program description
Victoria	Group Self Build Bridging Loan: short-term bridging finance is provided to individual participants to cover the purchase of land, conveyancing and establishment costs and the amount required to build the home. When the house is completed, the bridging loan from the Director is re-financed with a long-term home loan from a private sector lender. An asset limit of \$15,000 applies. A minimum gross weekly income that demonstrates an ability to service a long-term home loan in the private sector is applied for each project, depending on the costs involved. Current homeowners are not eligible.
Queensland	Queensland Housing Finance Loan: a maximum of three times an applicant's gross annual income is provided in direct lending up to \$165,000.  Queensland State Housing Loan: up to \$165,000 is provided in direct lending.  A maximum loan to value ratio (LVR) of 95% will be permissible at the commencement of both loan schemes.
Western Australia	Keystart Loan Scheme: offered to low income earners to a maximum of \$360,000 loan depending on income.  Access Home Loan Scheme: only offered to households with a disability.  Goodstart Loan Scheme: rental tenants and applicants for rental accommodation.  Aboriginal Home Ownership Scheme: only offered to Indigenous applicants.  Restart: private sector borrowers in difficulty through job loss.  Sole Parent Family Home Loan Assistance: private sector borrowers in difficulty through loss of partner.
South Australia	HomeStart Finance: offers a maximum loan amount of \$270,000, or 3.9 times the applicant's annual gross income.  HomeStart Advantage Loan: a subsidised-rate loan that is available to increase the borrowing capacity for low income applicants. It is not available as a stand-alone product, and if repaid within 5 years of drawdown interest is waived.
Tasmania	Home Ownership Assistance Program: offered to low income earners who are unable to obtain finance from traditional sources. Maximum loan of \$120,000.

*(continued)*

**Table 5.1 (continued): Direct lending program by jurisdiction**

Jurisdiction	Program description
Northern Territory	<p><i>New schemes introduced on 1 July 2004:</i></p> <p>HomeNorth Standard Variable Loan: designed to allow low to middle income earners in the Northern Territory to buy a home by offering a low deposit loan.</p> <p>HomeNorth Shared Equity Loan: designed to allow low to middle income earners in the Northern Territory to buy a home in partnership with Territory Housing.</p> <p>HomeNorth Fee Assistance Loan: helps low to middle income earners in the Northern Territory fund the fees required to purchase a home, including stamp duty costs. Up to \$1,500 can be used to purchase white-goods.</p> <p><i>Previous schemes not offered to new applicants as of 1 July 2004:</i></p> <p>HomeStart scheme: up to \$115,000.</p> <p>HomeShare scheme: for public housing tenants.</p>

Eligibility criteria for direct lending assistance during 2004–05 are reported in Table 5.2. New South Wales and the Australian Capital Territory do not appear in Table 5.2 as they did not provide direct lending to new clients as a form of home purchase assistance in 2004–05.

**Table 5.2: Direct lending eligibility criteria by jurisdiction**

Eligibility criteria	Vic	Qld	WA	SA	Tas	NT
Gross weekly income limit <sup>(a)</sup>		\$1,058	\$600– \$1,634	No income limits except for Advantage loan for which income limit is \$650	\$825	New schemes: \$1,100 HomeStart: \$800 HomeShare: \$1,100
Property value limit <sup>(b)</sup>		\$265,000	\$400,000	Minimum property value \$40,000	Minimum property value \$30,000	New schemes: \$240,000 HomeStart: \$180,000 HomeShare: No limit
Minimum deposit <sup>(c)</sup>		5% of purchase price	\$1,000– \$2,000	\$1,000	Greater of \$3,000 or 5% of purchase price	New schemes: 2% of purchase price Old schemes: 5% of purchase price
Additional savings to cover fees, legals etc. <sup>(d)</sup>		\$1,500– \$3,500	Nil			

(continued)

**Table 5.2 (continued): Direct lending eligibility criteria by jurisdiction**

Eligibility criteria	Vic	Qld	WA	SA	Tas	NT
Demonstrated savings pattern		Minimum 3 months	Not required	\$1,000 within 3 months, or a clear 12 months rental history under certain circumstances	Minimum \$1,000 deposit	New schemes: Not required  HomeStart: Minimum \$2,000 deposit  HomeShare: n.a.
Good credit history	✓	✓	✓	✓	✓	✓
No significant other debts/ other financial commitments cannot exceed <sup>(e)</sup>	✓	✓	4% of assessable income	✓	5% of assessable income	✓
Employment terms <sup>(f)</sup>		✓				✓
Citizen or permanent resident of Australia	✓	✓	✓	✓	✓	✓
Resident of the relevant state	✓	✓	✓		✓	
Cannot own or part own a home or land	✓	✓	✓	✓	✓	✓
Minimum age <sup>(g)</sup>	18 years	18 years	18 years	18 years	18 years	18 years
Loan must be used to purchase or build a home in relevant state, and client must live in this home	✓	✓	✓	✓	✓	✓

- ✓ Indicates that the requirement is part of the eligibility criteria for the jurisdiction. A blank space indicates that this requirement is not part of the eligibility criteria for the jurisdiction.
- (a) Victoria—minimum of \$700, an asset limit of \$15,000 applies; Western Australia—income limit is dependent on household composition and location within the jurisdiction; South Australia—additional \$96 for each dependant.
- (b) Queensland—property value limit effective from 1 October 2003.
- (c) Queensland—Queensland State Housing Loan and Queensland Housing Finance Loan: 5% of purchase price. Western Australia—Shared Equity Scheme \$1,000. Keystart—full ownership \$2,000.
- (d) Queensland—Queensland State Housing Loan: \$1,500—\$2,000, Queensland Housing Finance Loan \$2,000—\$3,500.
- (e) Queensland—all repayments for other debts are deducted from assessed gross monthly income—borrowing capacity is then based on reduced income figure; South Australia—maximum commitment to all debts, including HomeStart loan, must not exceed 35% of income, client must not be an undischarged bankrupt; Tasmania—client must not be an undischarged bankrupt; Northern Territory—all financial commitments must not exceed 40% of gross income including the mortgage repayments associated with the home loan. Bankruptcies must have been discharged for at least 2 years.
- (f) Queensland—if employed, must be employed for 12 months for permanent or part-time employee, 2 years for casual, 3 years for self-employed or those on commission; Tasmania—if employed, must be in current employment for a minimum of 6 months; Northern Territory—permanent full-time and part-time employment—3 months in current position; permanent casual employment—6 months in current position; casual employment—12 months in current position; contract employment—6 months in current position and at least 6 months remaining.
- (g) Queensland—while there is no maximum age limit, age is relevant to an applicant's ability to sustain repayments for the full term.

## 5.1.2 Deposit assistance

Deposit assistance programs reported in the 2004–05 home purchase assistance data collection are reported in Table 5.3. New South Wales, Victoria, Western Australia, South Australia and the Australian Capital Territory do not appear in Table 5.3 as they did not provide deposit assistance to new clients as a form of home purchase assistance during 2004–05.

**Table 5.3: Deposit assistance program by jurisdiction**

Jurisdiction	Program description
Queensland	Deposit assistance is offered in conjunction with the Queensland State Housing Loan. Department of Housing tenants, rental waiting list applicants and those eligible to be on the rental waiting list receive a non-repayable deposit assistance grant of 50% of the minimum 5% deposit. All other applicants receive a portion of the grant (means tested).
Tasmania	Deposit assistance is provided under the Streets Ahead program. The incentive offers \$3,000–\$6,000, depending on income, to allow low income earners to purchase ex-departmental homes.
Northern Territory	Deposit assistance of between \$1,000 to \$3,000 is available depending on household size and gross family weekly income. This scheme ceased being offered to new clients on 1 July 2004. Previously approved clients continued to be funded in 2004–05.

Eligibility criteria for deposit assistance during 2004–05 are reported in Table 5.4. New South Wales, Victoria, Western Australia, South Australia and the Australian Capital Territory do not appear in Table 5.4 as they did not provide deposit assistance to new clients as a form of home purchase assistance during 2004–05.

**Table 5.4: Deposit assistance eligibility criteria by jurisdiction**

Eligibility criteria	Qld <sup>(a)</sup>	Tas	NT
Gross weekly income limit		\$900	\$1,100
Property value limit		\$130,000	\$180,000
Not previously owned property in the relevant jurisdiction			✓
Existing housing tenant or eligible to be housing tenant		✓	

✓ Indicates that the requirement is part of the eligibility criteria for the jurisdiction. A blank space indicates that this requirement is not part of the eligibility criteria for the jurisdiction.

(a) The Queensland eligibility criteria associated with the Deposit Assistance Grant is based on a sliding scale in relation to the applicant's annual income.

### 5.1.3 Interest rate assistance

Interest rate assistance programs reported in the 2004–05 home purchase assistance data collection are reported in Table 5.5. New South Wales, Victoria, Tasmania and the Australian Capital Territory do not appear in Table 5.5 as they did not provide interest rate assistance to new clients as a form of home purchase assistance during 2004–05.

**Table 5.5: Interest rate assistance program by jurisdiction**

Jurisdiction	Program description
Queensland	Queensland State Housing Loan: clients receive a 5-year capped interest rate 1% below the standard variable interest rate at time of approval and a maximum annual increase following the capped rate period of 0.5% per annum.  Rental Purchase Plan: clients who re refinance through the Queensland Housing Finance Loan receive a 5-year capped interest rate 1% below the standard variable interest rate at time of approval.
Western Australia	Interest rate assistance is available to loan clients when there has been a reduction to their income. This assistance is available for up to 6 months.
South Australia	Interest rate assistance provided through the Advantage Loan. Interest is charged to the loan at a rate equivalent to the Consumer Price Index (CPI). If the Advantage Loan is repaid within 5 years interest is waived, otherwise it continues to accrue at a rate equivalent to CPI.
Northern Territory	A subsidy is paid directly to the lender each month to offset the costs of home mortgage repayments. The subsidy varies from \$20 to \$132 per month depending upon gross family weekly income and base loan amount. The subsidy is paid at the appropriate commencing level for 2 years and then reduces by one level each succeeding year. The subsidy can be paid for up to a maximum of 7 years. This scheme ceased being offered to new clients on 1 July 2004. Previously approved clients continued to be funded in 2004–05.

Eligibility criteria for interest rate assistance during 2004–05 are reported in Table 5.6. New South Wales, Victoria, Tasmania and the Australian Capital Territory do not appear in Table 5.6 as they did not provide interest rate assistance as a form of home purchase assistance during 2004–05.

**Table 5.6: Interest rate assistance eligibility criteria by jurisdiction**

Eligibility criteria	Qld	WA	SA	NT
Gross weekly income limit <sup>(a)</sup>		\$600–\$1,634	\$650	\$700–\$1,000
Property value limit		\$400,000	Purchase price cannot exceed the SA median house price	\$180,000
Finance obtained from a private lender				✓
Not previously owned property in the relevant jurisdiction				✓

✓ Indicates that the requirement is part of the eligibility criteria for the jurisdiction. A blank space indicates that this requirement is not part of the eligibility criteria for the jurisdiction.

(a) Queensland—interest rate assistance is only provided to borrowers who meet the requirements of a Queensland Housing Finance Loan (only applies to Rental Purchase Plan conversions) and a Queensland State Housing Loan; Western Australia—interest rate assistance is provided to current recipients of WA Government home loans and is based on demonstrated stress resulting from loss of income through job loss, loss of partner, sickness etc.; South Australia—additional \$96 for each dependant; Northern Territory—CEO (Housing) has the discretion to approve applications below the minimum income limit if they have obtained approval for finance.

## 5.1.4 Home purchase advisory and counselling

New South Wales and Western Australia provided home purchase advisory and counselling services during 2004–05. Home purchase advisory and counselling is not subject to any eligibility criteria. Tasmania provides independent financial advice under its Streets Ahead program. This assistance is provided to those clients whose income does not exceed \$900 per week and whose total assets do not exceed \$34,473.

## 5.1.5 Mortgage relief

Mortgage relief programs reported in the 2004–05 home purchase assistance data collection are reported in Table 5.7. Western Australia, South Australia, Tasmania and the Northern Territory do not appear in Table 5.7 as they did not provide mortgage relief to new clients as a form of home purchase assistance in 2004–05.

**Table 5.7: Mortgage relief program by jurisdiction**

Jurisdiction	Program description
New South Wales	\$12,000 (assistance does not exceed one year).
Victoria	\$15,000 to borrowers with loans from private sector lenders who are experiencing difficulty with mortgage repayments due to change in circumstances that affect their income, but who have the potential to resume normal loan repayments after a maximum period of 2 years.
Queensland	\$6,000.
Australian Capital Territory	All ACT government home buyer lending for public housing tenants ceased in 1996. Mortgage relief in the form of deferred assistance may be available to those who had a mortgage on their government home at the time this scheme ceased. If the standard monthly instalment is greater than 27% of a mortgagor's household income the mortgagor may be eligible for deferred assistance. Repayments are set at 27% of income until all deferred assistance is repaid.

Eligibility criteria for mortgage relief assistance during 2004–05 are reported in Table 5.8. Western Australia, South Australia, Tasmania and the Northern Territory do not appear in Table 5.8 as they did not provide mortgage relief to new clients as a form of home purchase assistance in 2004–05.

**Table 5.8: Mortgage relief eligibility criteria by jurisdiction<sup>(a)</sup>**

Eligibility criteria	NSW	Vic	Qld	ACT
Gross weekly income limit	\$1,346			
Cannot own any other real estate	✓	✓	✓	
Available resources exhausted	✓	✓	✓	✓
Experienced unavoidable change in circumstances for which preparations couldn't be made	✓	✓	✓	✓
Financially distressed and in danger of losing home	✓	✓	✓	✓
Other financial commitments must not impinge on ability to maintain required mortgage repayments <sup>(a)</sup>	✓	Must be less than 12% of gross income	✓	✓
Mortgage value limit	Max. \$270,000, and less than 90% property mortgaged	Max. original mortgage \$264,150		
Property value limit <sup>(b)</sup>	\$500,000		\$350,000	

(continued)

**Table 5.8 (continued): Mortgage relief eligibility criteria by jurisdiction<sup>(a)</sup>**

Eligibility criteria	NSW	Vic	Qld	ACT
Mortgage repayments must exceed percentage of income	36% gross	27%	30% gross	
Commitment to mortgage repayments <sup>(c)</sup>	✓	✓	✓	
Property must be located in the relevant state	✓	✓	✓	Existing potential applicants all located in the ACT
Applicant must reside in the mortgaged property	✓	✓	✓	Subletting can occur under special circumstances ✓
No previous default on repayment of mortgage assistance	✓	Not outstanding	✓	

✓ Indicates that the requirement is part of the eligibility criteria for the jurisdiction. A blank space indicates that this requirement is not part of the eligibility criteria for the jurisdiction.

(a) Queensland—other commitments secured by a registered mortgage considered in assessment.

(b) Queensland—property value limit effective from 1 June 2004.

(c) New South Wales—demonstrated by maintaining regular monthly repayments of at least 27% of gross household income over the preceding 6 months. Queensland—applicants must be maintaining repayments equivalent to 30% of reduced income.

### 5.1.6 Other forms of assistance

The following other forms of home purchase assistance were available in some jurisdictions during 2004–05.

#### Victoria: home renovation loans

Loans of up to \$25,000 at commercial interest rates less 2% p.a. are available to eligible elderly and disabled homeowners, or home owners caring for a person with a disability, to assist with the cost of home renovations, modifications and maintenance relating to health and safety issues which have been identified via a free home inspection report from a qualified professional that is provided under the Home Renovation Inspection Service.

Eligibility criteria:

- Commonwealth Health Care Card or Pension Card
- applicant must be elderly (60+), a disabled home owner, or a carer for a person with a disability
- loans are advanced in relation to health and safety issues only
- total monthly commitments including the proposed home renovation loan, credit cards and existing personal and home loans cannot exceed 25% of gross monthly income.

In CSHA home purchase assistance data collections prior to 2002–03 this program was counted under the ‘direct lending’ program. In the 2004–05 data collection it has been included under the ‘other’ program due to a reclassification of this program by the jurisdiction. Caution, therefore, should be exercised when comparing the 2004–05 data with data from 2002–03 and previous collections.

## **Victoria: Shared Home Ownership Scheme (SHOS)**

Co-owners who wish to purchase further shares from the Department of Housing may do so at any time. If co-owners wish to purchase further shares with loan assistance from the Director, a new SHOS arrangement will replace the existing arrangement.

## **Queensland: Deposit Assistance Grant—Queensland State Housing Loan**

The maximum grant available is equivalent to 50% of the required 5% deposit. The grant is a one-off non-repayable grant provided to all public housing tenants and all eligible waiting list applicants wishing to purchase an available public housing rental property. Other owner occupied purchasers wishing to purchase an available public housing rental property are also eligible (means tested).

## **Queensland: Special Assistance Grant**

Applicants who apply for a housing loan may also be eligible for a Special Assistance Grant. Two types of grants are available.

### 1. Modifications and Assistance Grant:

- available to people with disabilities and families with a disabled family member to assist payment of modifications to the home to increase safety or to assist with (up to 50%) deposit or fees
- maximum grant is \$10,000.

### 2. Aboriginal, Torres Strait Islander and Australian South Sea Islanders Grant:

- available to applicants of Aboriginal, Torres Strait Islander or Australian South Sea Islander descent
- maximum grant of \$5,000 to assist with the costs of purchasing a home.

## **Western Australia: cash assist**

Up to \$3,000 is provided to assist purchasers with the up-front fees associated with the purchase of a home through specialist shared-equity schemes, if not eligible for the First Home Owner Scheme.

## **South Australia: low deposit loans and assistance to public housing tenants**

The introduction of the Low Deposit Loan, Graduate Loan, and Nunga Loan has enabled borrowers who meet the criteria to borrow up to 100% of the property's value.

A subsidised rate loan of up to \$50,000 (known as EquityStart) is available for existing public housing tenants, to be used to purchase a home in conjunction with a HomeStart loan. This scheme was released early in 2005 and is limited.

## 5.2 Outcome 2: Affordability

Outcome 2 measures whether the assistance provided is affordable. This outcome was measured via a policy audit of the maximum percentage each household spends on home purchase assistance payments and the definition of assessable income.

### 5.2.1 Affordability of specific programs

Table 5.9 reports on the affordability of Home Purchase Assistance programs.

**Table 5.9: Home purchase assistance affordability policy**

Jurisdiction	Program type	Percentage of income on repayments for home purchase assistance
New South Wales	Direct lending	Minimum payment is 27% of gross income.
	Mortgage relief	<p>Client's income, assets and other credit liabilities are assessed and, where these do not exceed 36% of the client's gross income, the client is requested to commence repayments. The level of repayments is determined by the difference between the client's other credit commitments and 36% of their gross income.</p> <p>Where the client is unable to commence repayments, as their other credit commitments exceed 36% of their gross income, the client is granted a deferment of up to 18 months.</p> <p>Where the client has no prospect of repaying the debt, the debt may be classified as 'dormant' with recovery reliant on the caveat previously placed on the title to the mortgaged home. In certain circumstances, the loan may be converted to a grant.</p>
Victoria	Direct lending	Repayments are not mandatory during the building phase but voluntary repayments of any amount may be made at any time to reduce the amount of the bridging loan and minimise interest cost.
	Mortgage relief	Repayments can be made by the way of lump sum or at the rate of \$100 per month. An applicant can request up to a 2-year deferral on repayments after assistance has ceased.
	Other assistance	<p>Home Renovation Loans: the minimum repayment is negotiable, but the maximum repayment cannot exceed 30% of the gross weekly income of the client, less \$30.</p> <p>Shared Home Ownership Scheme: total fixed commitments including SHOS payments must not exceed 35% of assessable income.</p>
Queensland	Direct lending	<p>For Queensland Housing Finance Loan, monthly repayments commence at the lesser of:</p> <ul style="list-style-type: none"> <li>• 27% of agreed continued income;</li> <li>• disposable income; or</li> <li>• the minimum repayment required to repay the loan within the loan term.</li> </ul> <p>For Queensland State Housing Loan, monthly repayments commence at the lesser of:</p> <ul style="list-style-type: none"> <li>• 25% of the agreed continued income;</li> <li>• disposable income; or</li> <li>• the minimum repayment required to repay the loan within the loan term.</li> </ul>
	Mortgage relief	Repayments are not required for the first 12 months, and then regular monthly repayments are required (repayable over a 6-year term).
	Other assistance	Non-repayable

*(continued)*

**Table 5.9 (continued): Home purchase assistance affordability policy**

<b>Jurisdiction</b>	<b>Program type</b>	<b>Percentage of income on repayments for Home purchase assistance</b>
Western Australia	Direct lending	Access Home Loan Scheme: repayments do not exceed 27–31% of monthly income (includes rates allowance).
		Aboriginal Home Ownership Scheme: repayments do not exceed 27–31% of monthly income.
		Keystart Loan Scheme: repayments do not exceed 27–31% of monthly income.
	Deposit assistance	Non–repayable
	Interest rate assistance	Non–repayable
	Mortgage relief	Non–repayable
South Australia	Direct lending	Repayments on a standard HomeStart Loan are calculated as 28–30% of assessable income for applicants who take out a maximum loan and 15–28% for applicants who take out less than a maximum loan. The maximum commitment to all debts is 35% of income, including the HomeStart loan.
	Interest rate assistance	Advantage loan: no scheduled repayments although any voluntary payments greater than \$20 must be directed to the Advantage loan before the primary HomeStart loan.
Tasmania	Direct lending	Repayments are initially set at 25% of gross income and are increased annually in line with inflation.
	Deposit assistance	Repayable only if the property is sold within 3 years.
Australian Capital Territory	Mortgage relief	All ACT government home buyer lending for public housing tenants ceased in 1996. Mortgage relief in the form of deferred assistance may be available to those who had a mortgage on their government home at the time this scheme ceased. If the standard monthly instalment is greater than 27% of a mortgagor's household income the mortgagor may be eligible for deferred assistance. Repayments are set at 27% of income until all deferred assistance is repaid.
Northern Territory	Direct lending	Home loan repayments must be less than 30% of gross income. Total loan commitment must not exceed 40% of gross income and there must be at least 10% of net income remaining after all loan commitments and living expenses.
	Deposit assistance	Non–repayable
	Other assistance	Non–repayable

## 5.2.2 Definition of assessable income

Table 5.10 reports the income which jurisdictions consider when they determine assessable income for the purpose of Home Purchase Assistance programs.

**Table 5.10: Jurisdiction's definition of assessable income**

Income source	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Centrelink payments <sup>(a)</sup>	✓	✓	✓	✓	✓	✓	✓	✓
Gross wages <sup>(b)</sup>	✓	✓	✓	✓	✓	✓	✓	✓
Veterans' Affairs Pensions	✓		✓	✓			✓	✓
Net profits for self-employed	✓	✓	✓	✓	✓	✓	✓	✓
Workcover and other compensation payments <sup>(c)</sup>	✓	✓	✓	✓	✓	✓	✓	
Child maintenance payments	✓	✓	✓	✓	✓	✓	✓	
Housing allowance <sup>(d)</sup>	✓							✓
Rent <sup>(e)</sup>	✓							

- ✓ Indicates that the income source is included in the definition of assessable income for the jurisdiction. A blank space indicates that this requirement is not part of the eligibility criteria for the jurisdiction.
- (a) Inclusion of payment types vary between jurisdictions. New South Wales—all except the Family Tax Payment (assessed as Part A 75% and Part B 45%); Queensland—all non-specific purpose payments and part-payments of pensions and benefits may be included in the agreed continued income (a pension or benefit provided for medical treatment, medication or basic family payment would not be included); Australian Capital Territory—includes Centrelink payments, including Family Tax Benefit Part A, parenting payments and child maintenance payment, but excludes pension basic supplement, pharmaceutical allowance and carer's allowance. Northern Territory—includes Age Pension, 100% of gross Base Rate of Family Tax Benefit Part A and Parenting Payment if children are under 10 years of age, otherwise 30% is used, Carer Payment, Disability Pension, District Allowance, Newstart Allowance (as a supplement to other income).
- (b) Including over—time, shift allowances and bonuses; before tax instalments, superannuation and union fees are deducted; Victoria—overtime will only be included as assessable income where earned on a regular basis; Queensland—penalty rates, overtime, part-time work, second jobs and casual work must be identified as being sustainable over a 2-year period; Tasmania—overtime only included if it has been regular for the past 6 months, only 50% of overtime and penalties are included; Northern Territory—also includes Defence Forces Income and First Aid Allowance.
- (c) Included to determine eligibility; affordability is assessed on a case by case basis.
- (d) Northern Territory—also includes Police Housing Allowance.
- (e) Northern Territory—cannot own an investment property.

# 5.3 Outcome 3: Efficient use of assets

## 5.3.1 Measure 1: Number and value of arrears

This indicator measures efficient account management by allocation groups.

1a = 
$$\frac{\text{the percentage of the value of arrears greater than 60 but less than 90 days to loan portfolio balance and is calculated as (HAR1x100)}}{\text{HAR7}}$$

1b = 
$$\frac{\text{the percentage of the number of arrears greater than 60 but less than 90 days to loan outstanding and is calculated as (HAR2x100)}}{\text{HAR8}}$$

1c = 
$$\frac{\text{the percentage of the value of arrears greater or equal to 90 days to loan portfolio balance and is calculated as (HAR3x100)}}{\text{HAR7}}$$

1d = 
$$\frac{\text{the percentage of the number of arrears greater or equal to 90 days to loan outstanding and is calculated as (HAR4x100)}}{\text{HAR8}}$$

1e = 
$$\frac{\text{the percentage of the value of all arrears to loan portfolio balance and is calculated as (HAR5x100)}}{\text{HAR7}}$$

1f = 
$$\frac{\text{the percentage of the number of all arrears to loan outstanding and is calculated as (HAR6x100)}}{\text{HAR8}}$$

**Table 5.11: Home purchase assistance efficient use of assets: Measure 1: Number and value of arrears 2004–05**

Efficient use of assets		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Measure 1: Number and value of arrears										
HAR1	Value of loan portfolio balance in arrears greater than 60 days and less than 90 days at 30 June 2005 (\$'000)	2,624	812	205	80	4,512	261	9	435	8,938
HAR2	Number of all arrears greater than 60 days and less than 90 days at 30 June 2005	39	42	14	30	61	12	7	4	209
HAR3	Value of loan portfolio balance in arrears greater than or equal to 90 days at 30 June 2005 (\$'000)	2,175	2,989	300	160	3,805	491	145	862	10,927
HAR4	Number of all arrears greater than or equal to 90 days at 30 June 2005	30	146	61	24	58	65	43	24	451
HAR5	Value of loan portfolio balance in arrears greater than 60 days at 30 June 2005 (\$'000)	4,799	3,801	505	240	5,352	752	155	1,297	16,901
HAR6	Number of all arrears greater than 60 days at 30 June 2005	69	188	75	54	70	77	50	28	611
HAR7	Total loan portfolio balance at 30 June 2005 (\$'000)	60,300	126,550	68,794	1,695	1,002,525	28,127	20,003	181,086	1,489,080
HAR8	Total number of loans outstanding at 30 June 2005	1,067	5,444	3,422	n.a.	14,494	1,373	560	2,102	28,462
<b>Measure 1: Number and value of arrears</b>										
<b>At 30 June current financial year</b>										
1a	The percentage of the value of arrears greater than 60 days and less than 90 days to loan portfolio balance (%)	4.4	0.6	0.3	4.7	0.5	0.9	0.0	0.2	0.6
1b	The percentage of the number of arrears greater than 60 but less than 90 days to loan outstanding (%)	3.7	0.8	0.4	n.a.	0.4	0.9	1.3	0.2	0.7
1c	The percentage of the value of arrears greater or equal to 90 days to loan portfolio balance (%)	3.6	2.4	0.4	9.4	0.4	1.7	0.7	0.5	0.7
1d	The percentage of the number of arrears greater or equal to 90 days to loan outstanding (%)	2.8	2.7	1.8	n.a.	0.4	4.7	7.7	1.1	1.6
1e	The percentage of the value of all arrears to loan portfolio balance (%)	8.0	0.0	0.7	14.2	0.5	2.7	0.8	0.7	1.1
1f	The percentage of the number of all arrears to loan outstanding (%)	6.5	9.0	2.2	n.a.	0.5	5.6	8.9	1.3	2.1

*Notes*

NSW	HAR1– HAR8	HomeFund loans only as arrears data in the required format are not available for Home Purchase Assistance Account (HPA) and Mortgage Assistance Scheme loans.
Vic	HAR7	<p>Figure excludes the general and specific provisions for doubtful debts, allowance for return on equity (ROE) and allowance for deferred loan balance subsidy.</p> <p>Unique to Home Finance, the allowance for ROE provides for the potential outlay arising from the payment made to eligible clients for their initial equity return upon sale of their property from sale proceeds thereby potentially exposing Department of Housing to a shortfall. For information purposes there was nil ROE write-off for the year ending 30 June 2005.</p> <p>In addition, an allowance for deferred loan balance subsidy was set up in October 2003 for subsidies granted to eligible borrowers to reduce their loan balance immediately or upon the discharge of their loans depending on eligibility criteria compliance. Loan balance subsidies provided for the year ended 30 June 2005 totalled \$468,420.</p>
Qld	HAR1	<p>The value of the loan portfolio in arrears greater than 60 days and less than 90 days as at 30 June 2005 includes:</p> <ul style="list-style-type: none"><li>• Housing loans: \$203,497</li><li>• Mortgage relief: \$1,457</li></ul>
	HAR2	<p>The number of all arrears greater than 60 days and less than 90 days as at 30 June 2005 includes:</p> <ul style="list-style-type: none"><li>• Housing loans: 11</li><li>• Mortgage relief: 3</li></ul>
	HAR3	<p>Value of loan portfolio balance in arrears greater than or equal to 90 days at 30 June 2005 includes:</p> <ul style="list-style-type: none"><li>• Housing loans: \$227,235</li><li>• Mortgage relief: \$72,487</li></ul>
	HAR4	<p>Number of all arrears greater than all equal to 90 days as at 30 June 2005 includes:</p> <ul style="list-style-type: none"><li>• Housing loans: 25</li><li>• Mortgage relief: 36</li></ul>
SA	HAR1	Arrears calculations are based on the number of monthly instalments missed, rather than time periods. Therefore an account with arrears code 2 represents 2 missed monthly instalments. Consequently the implication is that this customer is over 60 days in arrears. Arrears figures are based on HomeStart's portfolio.
	HAR7	<p>The HomeStart portfolio includes the following products:</p> <ol style="list-style-type: none"><li>1. Construction</li><li>2. Split Variable</li><li>3. Established</li><li>4. Refinance</li><li>5. Rosewood</li><li>6. Seniors</li><li>7. Fixed Rate</li><li>8. City Loan</li></ol>

- 9. Low Deposit
- 10. Carers Home Maintenance
- 11. Investor
- 12. Graduate
- 13. Investor Select
- 14. Land Construction
- 15. Nunga
- 16. Seniors Extension

The following are excluded as not being part of the standard HomeStart program:

- 1. Aged Care
- 2. P & I Community Loan
- 3. Staff PC Loan
- 4. Rental Purchase and Mortgage Relief
- 5. Home Ownership Made Easy (HOME) Loans
- 6. SACHA (Fixed Rate) Loan

ACT      HAR7      Includes all current and non-current loans receivable.

### 5.3.2 Measure 2: Number and value of bad debts and other losses written off

Table 5.12: Home purchase assistance efficient use of assets: Measure 2: Number and value of bad debts and other losses written off 2004–05

Efficient use of assets		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
<b>Measure 2: Number of bad debts and write-offs for year ending 30 June 2005</b>										
HDW(n)	Number of unrecoverable debts written off for year ending 30 June 2005 (number)	3	0	2	0	15	0	0	0	20
HDW(v)	Value of unrecoverable debts written off for year ending 30 June 2005 (\$'000)	8	0	3	0	42,411	0	0	0	42,422

*Notes*

NSW	HDW(n)	Mortgage portfolio: 0; Mortgage Assistance Scheme: 3
	HDW(v)	Mortgage portfolio: 0; Mortgage Assistance Scheme: \$0.008 million
Qld	HDW(n)	The number of bad debts and write-offs for the year ending 30 June 2005 includes: <ul style="list-style-type: none"> <li>• Housing loans: 2</li> <li>• Mortgage relief: 0</li> </ul>
	HDW(v)	The value of bad debts and write-offs for the year ending 30 June 2005 includes: <ul style="list-style-type: none"> <li>• Housing loans: \$3,461</li> <li>• Mortgage relief: \$0</li> </ul>

### 5.3.3 Measure 3: Level of provision for doubtful debts

This indicator measures adequate provisions for high risk and non-performing loans:

$$3a = \frac{\text{general provision for doubtful debts as a percentage of portfolio value and is calculated as (HD1} \times 100)}{\text{HD3}}$$

$$3b = \frac{\text{specific provision for doubtful debts as a percentage of portfolio value and is calculated as (HD2} \times 100)}{\text{HD3}}$$

**Table 5.13: Home purchase assistance efficient use of assets: Measure 3: Level of provision for doubtful debts 2004–05**

Efficient use of assets		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>
<b>Measure 3: Level of provision for doubtful debts</b>										
HD1	General provision for doubtful debts for year ending 30 June 2005 (\$'000)	1,644	1,052	859	n.a.	16,658	127	12,500	71	32,911
HD2	Specific provision for doubtful debts for year ending 30 June 2005 (\$'000)	290	355	126	n.a.	1,172	0	0	0	1,943
HD3	Total loan portfolio value at 30 June 2005 (\$'000)	65,216	126,550	68,794	n.a.	1,002,525	28,127	20,003	181,086	1,492,301
3a	General provision for doubtful debts as a percentage of portfolio value (%)	2.5	0.8	1.2	n.a.	1.7	0.5	62.5	0.0	2.2
3b	Specific provision for doubtful debts as a percentage of portfolio value (%)	0.4	0.3	0.2	n.a.	0.1	0.0	0.0	0.0	0.1

(a) May not represent national total due to data not being available from all jurisdictions.

*Notes*

NSW	HD1	Mortgage Portfolio: \$1.530 million; Mortgage Assistance Scheme: \$0.114 million.
	HD2	Mortgage Portfolio: \$0.270 million; Mortgage Assistance Scheme: \$0.020 million.
	HD3	HomeFund loans: \$60.3 million.

Home Purchase Assistance Account loans: \$2.2 million.

Mortgage Assistance Scheme loans: \$2.716 million.

Vic HD2 Figure includes the provision for nominal accounts. These accounts hold the excess of clients' loan balances over their current estimated property values. The balance held in the nominal account is interest free but must eventually be repaid.

Qld HD1, HD2 Includes provisions for housing loans and mortgage relief loans.

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