

**Home purchase assistance
2005–06**

**Commonwealth State Housing Agreement
national data reports**

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HOUSING ASSISTANCE DATA DEVELOPMENT SERIES

Home purchase assistance 2005–06

**Commonwealth State Housing Agreement
national data reports**

June 2007

Australian Institute of Health and Welfare
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Matthew Tomkins, Melinda Petrie and Janice Miller, members of the Housing Assistance Unit, processed the data and prepared this report.

Overview of home purchase assistance in 2005–06

This section presents a summary of the data reported for the 2005–06 Commonwealth State Housing Agreement (CSHA) home purchase assistance data collection.

Home purchase assistance is designed to meet local needs facing state and territory housing agencies, as well as meeting national housing priorities.

Home purchase assistance, along with the Crisis Accommodation Program and private rent assistance are managed under the CSHA. These programs, however, demonstrate 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 rental housing and community housing. Nonetheless, the available information provides a valuable resource for understanding the characteristics of these programs across all jurisdictions.

In 2005–06 home purchase assistance was provided for approximately 37,000 households across Australia. Approximately \$1,001 million was spent on home purchase assistance in 2005–06, compared with \$1,222 million the previous year, a decrease of 18%. These funds were mainly provided as loans by the states and territories.

Most of this funding (\$968.7 million) was given in direct lending, with the majority of it going to home purchasers in Western Australia (59%) and South Australia (34%). Other home purchase assistance funding included \$268,000 in deposit assistance, \$25.4 million in interest rate assistance and \$2.6 million in mortgage relief.

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 remaining five reports in the series are:

- *Community housing 2005–06: Commonwealth State Housing Agreement national data reports* (AIHW 2007a)
- *Crisis Accommodation Program 2005–06: Commonwealth State Housing Agreement national data reports* (AIHW 2007b)
- *Private rent assistance 2005–06: Commonwealth State Housing Agreement national data reports* (AIHW 2007c)
- *Public rental housing 2005–06: Commonwealth State Housing Agreement national data reports* (AIHW 2006b)
- *State owned and managed Indigenous housing 2005–06: Commonwealth State Housing Agreement national data reports* (AIHW 2006c).

These publications are part of the Housing Assistance Data Development Series. This series was initially developed under the 1999 National Housing Data Agreement (NHDA) 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. Related publications in the series include the *National housing assistance data dictionary version 2* (AIHW 2003), the *National housing assistance data dictionary version 3* (AIHW 2006a) and *Measuring housing assistance: national data standards developed under the 1999 Commonwealth–State Housing Agreement* (AIHW 2004).

The 2005–06 home purchase assistance data collection is the third to occur under the 2003 CSHA, and the seventh to occur under the 1999 NHDA. Previous reports are available from <www.aihw.gov.au>.

2 Background

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. The report also presents the outcome and descriptor data items and performance indicators collected in the 2005–06 home purchase assistance data collection.

Further detail on the data items and performance indicators can be found in the 2005–06 home purchase assistance data collection manual (AIHW 2005) and the *National housing assistance data dictionary version 3* (AIHW 2006a).

3 General notes

These data should be read in conjunction with the 2005–06 home purchase assistance data collection manual (AIHW 2005).

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 2005–06 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
Mortgage relief	current	current	current	current	..	..	current	..
Home purchase advisory and counselling	current	..	..	current	..	current	..	..
Other	..	current	current	current	..	..	..	..

Note: 'Current' represents programs which are accepting new clients for the year ending 30 June 2006 (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).

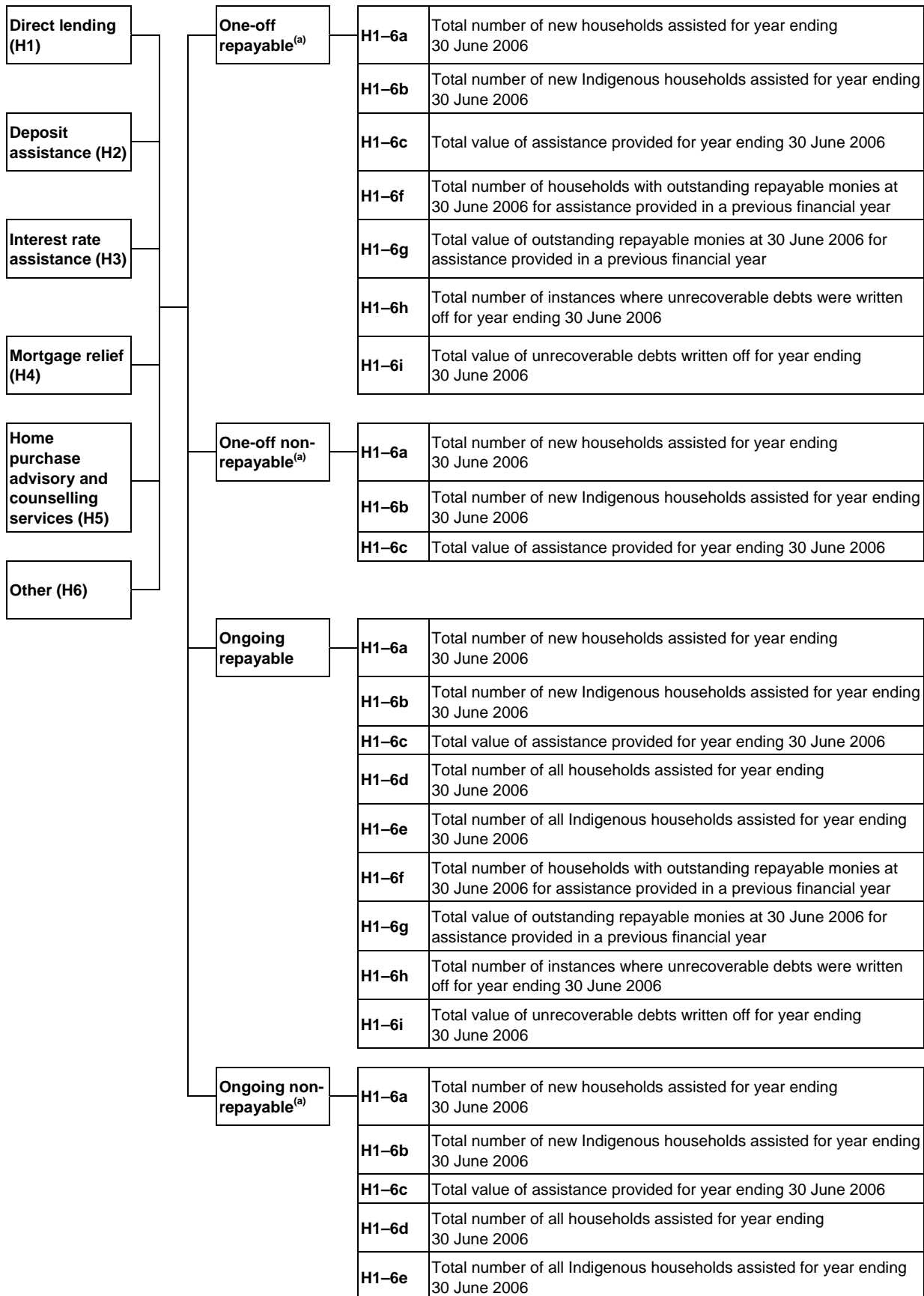
The reporting structure for the home purchase assistance collection allows data for each subprogram to be reported according to the form of assistance provided.

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 6-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.



(a) The AIHW does not collect all items for this form of assistance.

Figure 3.1: CSHA 2005-06 home purchase assistance data collection items

3.4 Data collection coverage

Reporting about Indigenous status of new and all households assisted were 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
 - 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 forms of assistance (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 2005–06 home purchase assistance data

4.1 Summary data

Table 4.1: Home purchase assistance summary data 2005–06

Data items	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)	
Direct lending: one-off repayable										
H1a	Total number of new households assisted for year ending 30 June 2006 (number)	..	0	11	4,379	..	..	..	806	5,196
H1b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	..	n.a.	1	62	..	..	..	18	81
H1c	Total value of assistance provided for year ending 30 June 2006 (\$'000)	..	0	794	573,000	..	..	..	61,000	634,794
H1f	Total number of households with outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (number)	995	3,450	2,811	12,207	..	..	..	1,466	20,929
H1g	Total value of outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (\$'000)	51,800	88,063	51,122	1,081,000	..	..	..	122,000	1,393,985
H1h	Total number of unrecoverable debts written off for year ending 30 June 2006 (number)	0	0	0	54	..	..	..	n.a.	54
H1i	Total value of unrecoverable debts written off for year ending 30 June 2006 (\$'000)	0	0	0	522	..	..	..	n.a.	522
Direct lending: ongoing repayable										
H1a	Total number of new households assisted for year ending 30 June 2006 (number)	..	0	..	..	2,927	..	..	..	2,927
H1b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	..	n.a.	..	..	106	..	..	..	106
H1c	Total value of assistance provided for year ending 30 June 2006 (\$'000)	..	4,099	..	..	329,801	..	..	..	333,900

(continued)

Table 4.1 (continued): Home purchase assistance summary data 2005–06

Data items	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)	
Direct lending: ongoing repayable (continued)										
H1d	Total number of all households assisted for year ending 30 June 2006 (number)	..	79	..	..	15,018	..	..	..	15,097
H1e	Total number of all Indigenous households assisted for year ending 30 June 2006 (number)	..	n.a.	..	..	235	..	..	..	235
H1f	Total number of households with outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (number)	..	35	..	..	12,157	..	..	..	12,192
H1g	Total value of outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (\$'000)	..	4,007	..	..	855,380	..	..	..	859,387
H1h	Total number of unrecoverable debts written off for year ending 30 June 2006 (number)	..	0	..	..	23	..	..	..	23
H1i	Total value of unrecoverable debts written off for year ending 30 June 2006 (\$'000)	..	0	..	..	160	..	..	..	160
Deposit assistance: one-off repayable										
H2a	Total number of new households assisted for year ending 30 June 2006 (number)	..	..	0	..	..	..	..	..	0
H2b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	..	..	0	..	..	..	..	..	0
H2c	Total value of assistance provided for year ending 30 June 2006 (\$'000)	..	..	0	..	..	..	..	..	0
H2f	Total number of households with outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (number)	..	..	53	..	..	..	..	..	53
H2g	Total value of outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (\$'000)	..	..	677	..	..	..	..	..	677
H2h	Total number of unrecoverable debts written off for year ending 30 June 2006 (number)	..	..	0	..	..	..	..	..	0
H2i	Total value of unrecoverable debts written off for year ending 30 June 2006 (\$'000)	..	..	0	..	..	..	..	..	0

(continued)

Table 4.1 (continued): Home purchase assistance summary data 2005–06

Data items	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)	
Deposit assistance: one-off non-repayable										
H2a	Total number of new households assisted for year ending 30 June 2006 (number)	..	..	3	..	..	43	..	n.a.	46
H2b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	..	..	0	..	..	4	..	n.a.	4
H2c	Total value of assistance provided for year ending 30 June 2006 (\$'000)	..	..	10	..	..	258	..	n.a.	268
Interest rate assistance: one-off non-repayable										
H3a	Total number of new households assisted for year ending 30 June 2006 (number)	..	..	..	46	..	..	..	..	46
H3b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	..	..	..	21	..	..	..	..	21
H3c	Total value of assistance provided for year ending 30 June 2006 (\$'000)	..	..	..	22	..	..	..	..	22
Interest rate assistance: ongoing repayable										
H3a	Total number of new households assisted for year ending 30 June 2006 (number)	..	..	..	..	880	..	..	..	880
H3b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	..	..	..	..	n.a.	..	..	..	na
H3c	Total value of assistance provided for year ending 30 June 2006 (\$'000)	..	..	..	..	25,177	..	..	..	25,177
H3d	Total number of all households assisted for year ending 30 June 2006 (number)	..	..	..	..	2,921	..	..	..	2,921
H3e	Total number of all Indigenous households assisted for year ending 30 June 2006 (number)	..	..	..	..	n.a.	..	..	..	n.a.

(continued)

Table 4.1 (continued): Home purchase assistance summary data 2005–06

Data items	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)
Interest rate assistance: ongoing repayable (continued)									
H3f	Total number of households with outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (number)								
	..	..	..	..	2,055	..	..	..	2,055
H3g	Total value of outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (\$'000)								
	..	..	..	..	30,654	..	..	..	30,654
H3h	Total number of unrecoverable debts written off for year ending 30 June 2006 (number)								
	..	..	..	..	7	..	..	..	7
H3i	Total value of unrecoverable debts written off for year ending 30 June 2006 (\$'000)								
	..	..	..	..	12	..	..	..	12
Interest rate assistance: ongoing non-repayable									
H3a	Total number of new households assisted for year ending 30 June 2006 (number)								
	..	..	7	..	..	..	..	..	7
H3b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)								
	..	..	0	..	..	..	..	..	0
H3c	Total value of assistance provided for year ending 30 June 2006 (\$'000)								
	..	..	n.a.	..	..	..	..	215	215
H3d	Total number of all households assisted for year ending 30 June 2006 (number)								
	..	..	57	..	..	..	..	229	286
H3e	Total number of all Indigenous households assisted for year ending 30 June 2006 (number)								
	..	..	2	..	..	..	..	29	31
Mortgage relief: one-off repayable									
H4a	Total number of new households assisted for year ending 30 June 2006 (number)								
	10	..	9	9	..	..	..	..	28
H4b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)								
	n.a.	..	0	n.a.	..	..	..	..	0
H4c	Total value of assistance provided for year ending 30 June 2006 (\$'000)								
	48	..	48	1,428	..	..	..	..	1,524

(continued)

Table 4.1 (continued): Home purchase assistance summary data 2005-06

Data items	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)	
Mortgage relief: one-off repayable (continued)										
H4f	Total number of households with outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (number)	492	..	36	n.a.	..	6	..	..	534
H4g	Total value of outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (\$'000)	2,517	..	67	n.a.	..	28	..	..	2,612
H4h	Total number of unrecoverable debts written off for year ending 30 June 2006 (number)	2	..	0	n.a.	..	2	..	..	4
H4i	Total value of unrecoverable debts written off for year ending 30 June 2006 (\$'000)	2	..	0	n.a.	..	3	..	..	5
Mortgage relief: ongoing repayable										
H4a	Total number of new households assisted for year ending 30 June 2006 (number)	135	9	..	..	..	..	0	..	144
H4b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	n.a.	n.a.	..	..	..	..	n.a.	..	n.a.
H4c	Total value of assistance provided for year ending 30 June 2006 (\$'000)	942	92	..	..	..	..	63	..	1,097
H4d	Total number of all households assisted for year ending 30 June 2006 (number)	189	58	..	..	..	..	24	..	271
H4e	Total number of all Indigenous households assisted for year ending 30 June 2006 (number)	n.a.	n.a.	..	..	..	..	n.a.	..	n.a.
H4f	Total number of households with outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (number)	0	49	..	..	..	..	n.a.	..	49
H4g	Total value of outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (\$'000)	0	189	..	..	..	..	566	..	755

(continued)

Table 4.1 (continued): Home purchase assistance summary data 2005-06

Data items	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)	
Mortgage relief: ongoing repayable (continued)										
H4h	Total number of unrecoverable debts written off for year ending 30 June 2006 (number)	0	0	..	..	..	..	15	..	15
H4i	Total value of unrecoverable debts written off for year ending 30 June 2006 (\$'000)	0	0	..	..	..	..	248	..	248
Home purchase advisory and counselling services: one-off non-repayable										
H5a	Total number of new households assisted for year ending 30 June 2006 (number)	7,874	..	..	4,379	..	..	..	..	12,253
H5b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	n.a.	..	..	62	..	..	..	..	62
H5c	Total value of assistance provided for year ending 30 June 2006 (\$'000)	0	..	..	175	..	..	..	..	175
Home purchase advisory and counselling services: ongoing repayable										
H5a	Total number of new households assisted for year ending 30 June 2006 (number)	..	..	..	..	..	39	..	..	39
H5b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	..	..	..	..	..	3	..	..	3
H5c	Total value of assistance provided for year ending 30 June 2006 (\$'000)	..	..	..	..	..	2,775	..	..	2,775
H5d	Total number of all households receiving home purchase assistance for year ending 30 June 2006	..	..	..	..	..	473	..	..	473
H5e	Total number of all Indigenous households receiving some home purchase assistance for year ending 30 June 2006	..	..	..	..	..	3	..	..	3
H5f	Total number of households with outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year	..	..	..	..	..	1,082	..	..	1,082

(continued)

Table 4.1 (continued): Home purchase assistance summary data 2005–06

Data items	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)	
Home purchase advisory and counselling services: ongoing repayable (continued)										
H5g	Total value of outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year	..	..	..	..	..	19,902	..	..	19,902
H5h	Total number of instances where unrecoverable debts were written off for year ending 30 June 2006	..	..	..	..	..	0	..	..	0
H5i	Total value of unrecoverable debts written off for year ending 30 June 2006	..	..	..	..	..	0	..	..	0
Other: one-off repayable										
H6a	Total number of new households assisted for year ending 30 June 2006 (number)	..	52	..	282	..	..	..	..	334
H6b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	..	n.a.	..	n.a.	..	..	..	..	n.a.
H6c	Total value of assistance provided for year ending 30 June 2006 (\$'000)	..	413	..	564	..	..	..	..	977
H6f	Total number of households with outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (number)	..	257	..	n.a.	..	..	..	..	257
H6g	Total value of outstanding repayable monies at 30 June 2006 for assistance provided in a previous financial year (\$'000)	..	1,329	..	n.a.	..	..	..	..	1,329
H6h	Total number of unrecoverable debts written off for year ending 30 June 2006 (number)	..	1	..	n.a.	..	..	..	..	1
H6i	Total value of unrecoverable debts written off for year ending 30 June 2006 (\$'000)	..	1	..	n.a.	..	..	..	..	1
Other: one-off non-repayable										
H6a	Total number of new households assisted for year ending 30 June 2006 (number)	..	..	5	42	..	..	..	..	47
H6b	Total number of new Indigenous households assisted for year ending 30 June 2006 (number)	..	..	1	17	..	..	..	..	18

(continued)

Table 4.1 (continued): Home purchase assistance summary data 2005–06

Data items	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)
Other: one-off non-repayable (continued)									
H6c	Total value of assistance provided for year ending 30 June 2006 (\$'000)								
	..	..	45	116	..	..	..	..	161

(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	HomeFund loans: 918. Home Purchase Assistance Account loans: 77								
H1g	HomeFund loans: \$50.3 million. Home Purchase Assistance Account loans: \$1.5 million.								
	Mortgage relief: one-off repayable								
H4b	The data captured by the NSW Department of Housing on home purchase assistance clients do not allow identification of Indigenous households.								
	Mortgage relief: ongoing repayable								
H4b, H4e	The data captured by the Department on home purchase assistance clients does not allow identification of Indigenous households.								
H4c	Includes \$803,000 for new households assisted and \$139,000 for households where assistance commenced in 2004–05 and continued into 2005–06.								
H4d	Includes 135 new households assisted and 54 households where assistance commenced in 2004–05 and continued into 2005–06.								
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 2005–06. (Does not include calls from clients seeking general information about other forms of assistance provided by the NSW Department of Housing.)								
H5b	The data captured by the NSW Department of Housing on home purchase assistance clients does not allow identification of Indigenous households.								
Qld	Direct lending: one-off repayable								
H1a	Direct lending provided to new households during 2005–06 included: Queensland State Housing Loans for 2 households and Queensland Housing Finance loans for 9 households.								
H1c	Direct lending provided to new households during 2005–06 included: \$107,250 from Queensland State Housing Loans and \$686,551 from Queensland Housing Finance loans.								

H1f The direct lending forms of assistance provided in a previous financial year included the 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), H.O.M.E Loan (discontinued 1994), Interest Subsidy Loan (discontinued 1990), and Other Housing Loans (discontinued 1990). The deposit assistance provided in a previous financial year was through the Deposit Assistance Loan (in conjunction with the Queensland Housing Loan—discontinued 1996).

Deposit assistance: one-off repayable

H2f, H2g Number and value of outstanding and repayable Deposit Assistance Loans as at 30 June 2006. Discontinued provision of Deposit Assistance Loans in 1996.

Deposit assistance: one-off non-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 2006 includes Queensland Housing Finance Loans (for five households) and Queensland State Housing Loans (for two households). During the first five years of Queensland Housing Finance Loans (Rental Purchase Plan conversions only), the interest rate is capped at 1% below the Queensland Department of Housing's standard variable interest rate at the time of the loan's approval 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 Loans employ 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.

H3c Interest rate assistance is linked to direct lending as part of the product package and we are 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. Grant is only available to new borrowers or existing borrowers under the Rental Purchase Plan scheme. Maximum grant available is \$10,000 to assist with 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.

H6c The total value of home purchase assistance provided to households includes Special Assistance Grants of \$45,000.

WA

Direct lending: one-off repayable

H1a Includes the Department's full home ownership and shared equity schemes.

H1f Excludes advances in 2005–06.

Mortgage relief: one-off repayable

H4a New Shared Equity Scheme for Sole Parents to help them retain their family home.

Home purchase advisory and counselling services: one-off non-repayable

H5a All borrowers are provided with counselling prior to getting their loan.

H5c Estimated administrative cost.

Other: one-off repayable

H6a Fees assistance loan.

Other: one-off non-repayable

H6a Cash Assistance.

H6c Cash Assistance Grant.

SA Direct lending: ongoing repayable

H1b This is the total number of Nunga loans settled for the 2005–06 financial year.

Deposit assistance: one-off repayable

H2a HomeStart's lending policy allows customers to apply FHOG funds towards part of their deposit. Acting on previous advice in relation to 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 and allows eligible applicants to take up a suitable HomeStart Loan in conjunction with an EquityStart Loan of up to \$50,000. Regular repayments on the EquityStart portion are optional and payment can be deferred and paid at the end of the loan period. The \$ calculations include only the EquityStart subsidised component of the loan.

H3h, H3i When a loan is written off the Advantage Loan (or EquityStart loan) is rolled over to the customer's primary loan (standard HomeStart loan) so the amount cannot be picked up on its own. Therefore, the approximate amounts of advantage loans 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.

Tas Deposit assistance: one-off non-repayable

H2a, H2c These items were previously reported as ongoing non-repayable deposit assistance. Reporting as one off non-repayable assistance this year is the result of reviewing the definition of this item, not any policy or procedural change.

NT Deposit assistance: one-off non-repayable

H2a-H2c Deposit Assistance Grant ceased on 1 July 2004.

Interest rate assistance: ongoing non-repayable

H3a-H3b Interest Assistance Subsidy ceased on 1 July 2004.

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 type of home purchase assistance.

5.1.1 Direct lending

Direct lending programs reported in the 2005–06 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 2005–06.

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 refinanced 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 \$195,000. Queensland State Housing Loan: up to \$195,000 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 \$475,000 loan depending on income. Access Home Loan Scheme: only offered to households with a disability. Goodstart Loan Scheme: shared equity scheme, rental tenants and applicants for rental accommodation. Aboriginal Home Ownership Scheme: shared equity scheme, only offered to Indigenous applicants. Restart: private sector borrowers in difficulty through job loss can refinance their loan into Keystart. Sole Parent Family Home Loan Assistance: shared equity scheme, private sector borrowers in difficulty through loss of partner.
South Australia	HomeStart Finance: offers a maximum loan amount of \$280,000, 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 draw down 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 2005–06 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 2005–06.

Table 5.2: Direct lending eligibility criteria by jurisdiction

Eligibility criteria	Vic	Qld	WA	SA	Tas	NT
Gross weekly income limit ^(a)	..	\$1,250	Shared equity - \$1,153 Normal 100% loan - \$3,269	No income limits except for Advantage loan for which income limit is \$650	\$825	\$1,166
Property value limit ^(b)	..	\$350,000	Shared equity \$365,000 Normal \$500,000	Minimum property value \$40,000	Minimum property value \$30,000	\$260,000
Minimum deposit ^(c)	..	5% of purchase price	\$1,000–\$2,000	\$1,000	Greater of \$3,000 or 5% of purchase price	2% of purchase price
Additional savings to cover fees, legals etc. ^(d)	..	\$2,500–\$5,000	Nil	..	..	..
Demonstrated savings pattern	..	Minimum 3 months	Not required, however 3 months bank statements	\$1,000 within 3 months, or a clear 12 months rental history under certain circumstances	Minimum \$1,000	Not required
Good credit history	✓	✓	✓	✓	✓	✓
No significant other debts/ other financial commitments cannot exceed ^(e)	✓	✓	5% of assessable income	✓	5% of assessable income	✓
Employment terms ^(f)	..	✓	✓

(continued)

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

Eligibility criteria	Vic	Qld	WA	SA	Tas	NT
Citizen or permanent resident of Australia	✓	✓	✓	✓	✓	✓
Resident of the relevant state	✓	✓	✓	..	✓	..
Cannot own or part own a home or land	✓	✓	✓	✓	✓	✓
Minimum age ^(g)	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 \$740, an asset limit of \$15,000 applies. Western Australia—income limit is dependent on household composition and location within the jurisdiction.
- (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: \$2,500–\$5,000, Queensland Housing Finance Loan: \$2,500–\$5,000.
- (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. Bankrupts 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 2005–06 home purchase assistance data collection are reported in Table 5.3. New South Wales, Victoria, Western Australia, South Australia, the Australian Capital Territory and the Northern 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 2005–06.

Table 5.3: Deposit assistance by jurisdiction

Jurisdiction	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 Incentive Program. The incentive offers \$6,000 flat rate deposit assistance to allow low income earners to purchase ex-Housing Tasmania homes or House and Land packages

Eligibility criteria for deposit assistance during 2005–06 are reported in Table 5.4. New South Wales, Victoria, Western Australia, South Australia, the Australian Capital Territory and the Northern 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 2005–06.

Table 5.4: Deposit assistance eligibility criteria by jurisdiction

Eligibility criteria	Qld ^(a)	Tas
Gross weekly income limit	..	\$849–1,689 ^(b)
Property value limit	..	n.a.
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.

(b) Income limits differ depending on household composition.

5.1.3 Interest rate assistance

Interest rate assistance programs reported in the 2005–06 home purchase assistance data collection are reported in Table 5.5. New South Wales, Victoria, Tasmania, the Northern Territory 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 2005–06.

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 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.

Eligibility criteria for interest rate assistance during 2005–06 are reported in Table 5.6. New South Wales, Victoria, Tasmania, the Northern Territory 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 2005–06.

Table 5.6: Interest rate assistance eligibility criteria by jurisdiction

Eligibility criteria	Qld	WA	SA
Gross weekly income limit ^(a)	..	\$600–\$1,634	\$650
Property value limit	..	\$400,000	Purchase price cannot exceed the SA median house price
Finance obtained from a private lender
Not previously owned property in the relevant 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.

5.1.4 Home purchase advisory and counselling

New South Wales and Western Australia provided home purchase advisory and counselling services during 2005–06. Home purchase advisory and counselling is not subject to any eligibility criteria. Tasmania provides independent financial advice under its Streets Ahead Incentive Program. This assistance is provided to those clients whose gross income is between \$849 to \$1,698 per week depending on household composition and whose total assets do not exceed \$40,000.

5.1.5 Mortgage relief

Mortgage relief programs reported in the 2005–06 home purchase assistance data collection are reported in Table 5.7. South Australia, the Northern Territory and Tasmania 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 2005–06.

Table 5.7: Mortgage relief by jurisdiction

Jurisdiction	Description
New South Wales	\$12,000 (assistance does not exceed 1 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	\$12,000
Western Australia	New Shared Equity Scheme for sole parents to help them retain their family home.
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 2005–06 are reported in Table 5.8. South Australia, the Northern Territory and Tasmania 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 2005–06. Details for the Western Australian Shared Equity Scheme are not included, but details can be obtained from <www.keystart.com.au>.

Table 5.8: Mortgage relief eligibility criteria by jurisdiction

Eligibility criteria	NSW	Vic	Qld ^(a)	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 ^(a)	✓	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 ^(b)	\$500,000	..	\$450,000	..
Mortgage repayments must exceed percentage of income	36% gross	27%	30% gross	..
Commitment to mortgage repayments ^(c)	✓	✓	✓	..
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 2005–06.

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 2005–06 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 2005–06 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 availability 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 state affordability policies for home purchase assistance.

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 liabilities are assessed to determine overall capacity to commence repayments. Where current mortgage and other credit commitments 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 mortgage and other credit commitments and 36% of their gross income.</p> <p>Where the client is unable to commence repayments, as their mortgage and 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 (SHOS): total fixed commitments including SHOS payments must not exceed 38% 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"> • 28% of agreed continued income; • disposable income; or • the minimum repayment required to repay the loan within the loan term. <p>For Queensland State Housing Loan, monthly repayments commence at the lesser of:</p> <ul style="list-style-type: none"> • 26% of the agreed continued income; • disposable income; or • the minimum repayment required to repay the loan within the loan term.
		Mortgage relief	Repayments are not required for the first 12 months, and then regular monthly repayments are required (repayable over a 10-year term).
	Other assistance	Non-repayable

(continued)

Table 5.9 (continued): Home purchase assistance affordability policy

Jurisdiction	Program type	Percentage of income on repayments for Home purchase assistance
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: Total repayments (including loan) do not exceed 36% of monthly income if income is under \$35,000, above this income 39%.
	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 or if the property is not the residential address of the recipient of assistance.
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.
	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.

Table 5.10: Jurisdiction's definition of assessable income

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

- ✓ 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 overtime, 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. The submeasures of this indicator are:

1a = The percentage of the value of arrears greater than 60 but less than 90 days to loan portfolio balance and is calculated as

$$\frac{\text{Value of loan portfolio balance in arrears greater than 60 days and less than 90 days at 30 June 2006 (HAR1)} \times 100}{\text{Total loan portfolio balance at 30 June 2006 (HAR7)}}$$

1b = The percentage of the number of arrears greater than 60 but less than 90 days to loan outstanding and is calculated as

$$\frac{\text{Number of all arrears greater than 60 days and less than 90 days at 30 June 2006 (HAR2)} \times 100}{\text{Total number of loans outstanding at 30 June 2006 (HAR8)}}$$

1c = The percentage of the value of arrears greater than or equal to 90 days to loan portfolio balance and is calculated as

$$\frac{\text{Value of loan portfolio balance in arrears greater than or equal to 90 days at 30 June 2006 (HAR3)} \times 100}{\text{Total loan portfolio balance at 30 June 2006 (HAR7)}}$$

1d = The percentage of the number of arrears greater or equal to 90 days to loan outstanding and is calculated as

$$\frac{\text{Number of all arrears greater than or equal to 90 days at 30 June 2006 (HAR4)} \times 100}{\text{Total number of loans outstanding at 30 June 2006 (HAR8)}}$$

1e = The percentage of the value of all arrears to loan portfolio balance and is calculated as

$$\frac{\text{Value of loan portfolio balance in arrears greater than 60 days at 30 June 2006 (HAR5)} \times 100}{\text{Total loan portfolio balance at 30 June 2006 (HAR7)}}$$

1f = The percentage of the number of all arrears to loan outstanding and is calculated as

$$\frac{\text{Number of all arrears greater than 60 days at 30 June 2006 (HAR6)} \times 100}{\text{Total number of loans outstanding at 30 June 2006 (HAR8)}}$$

Table 5.11: Number and value of arrears 2005-06

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 2006 (\$'000)	1,668	1,002	82	4,595	3,361	250	9	1,211	12,178
HAR2	Number of all arrears greater than 60 days and less than 90 days at 30 June 2006	23	32	8	61	46	25	9	13	217
HAR3	Value of loan portfolio balance in arrears greater than or equal to 90 days at 30 June 2006 (\$'000)	2,346	3,473	197	5,741	5,265	789	144	1,283	19,238
HAR4	Number of all arrears greater than or equal to 90 days at 30 June 2006	32	71	43	63	63	87	40	14	413
HAR5	Value of loan portfolio balance in arrears greater than 60 days at 30 June 2006 (\$'000)	4,014	4,475	279	10,336	8,627	1,039	153	2,495	31,417
HAR6	Number of all arrears greater than 60 days at 30 June 2006	55	103	51	124	109	112	49	27	630
HAR7	Total loan portfolio balance at 30 June 2006 (\$'000)	50,300	103,488	52,850	1,653,650	1,166,332	22,677	14,612	188,460	3,252,369
HAR8	Total number of loans outstanding at 30 June 2006	918	4,139	2,919	16,586	15,018	1,121	446	1,910	43,057
Measure 1: Number and value of arrears^(a)										
At 30 June current financial year										
1a	The percentage of the value of arrears greater than 60 days and less than 90 days to loan portfolio balance (%)	3.3	1.0	0.2	0.3	0.3	1.0	0.1	0.6	0.4
1b	The percentage of the number of arrears greater than 60 but less than 90 days to loan outstanding (%)	2.5	0.8	0.3	0.4	0.3	2.0	2.0	0.7	0.5
1c	The percentage of the value of arrears greater than or equal to 90 days to loan portfolio balance (%)	4.7	3.4	0.4	0.3	0.5	3.0	1.0	0.7	0.6
1d	The percentage of the number of arrears greater than or equal to 90 days to loan outstanding (%)	3.5	1.7	1.5	0.4	0.4	8.0	9.0	0.7	1.0
1e	The percentage of the value of all arrears to loan portfolio balance (%)	8.0	4.3	0.5	0.6	0.7	5.0	1.0	1.3	1.0
1f	The percentage of the number of all arrears to loan outstanding (%)	6.0	2.5	1.8	0.7	0.7	10.0	11.0	1.4	1.5

(a) Totals calculated using national totals of data items.

Notes

NSW	HAR1– HAR8	HomeFund loans only. (Arrears data in the required format is not available for Home Purchase Assistance Authority and Mortgage Assistance Scheme loans).
Vic	HAR7	Figure excludes the general and specific provisions for doubtful debts, allowance for return on equity (ROE) and allowance for deferred loan balance subsidy. 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. 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.
Qld	HAR1 HAR2 HAR3 HAR4	<p>The value of the loan portfolio in arrears greater than 60 days and less than 90 days as at 30 June 2006 includes housing loans of \$76,379 and mortgage relief loans of \$5,904.</p> <p>The number of all arrears greater than 60 days and less than 90 days as at 30 June 2006 includes six housing loans and two mortgage relief.</p> <p>The value of the loan portfolio balance in arrears greater than or equal to 90 days at 30 June 2006 includes housing loans of \$146,577 and mortgage relief loans of \$49,928.</p> <p>Number of all arrears greater than or equal to 90 days as at 30 June 2006 includes housing loans for 21 units and mortgage relief for 22 units.</p>
SA	HAR1 HAR7 HD1	<p>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.</p> <p>Included are those products in the total loan portfolio that are considered part of the standard HomeStart loan program. This includes the following products: Construction, Split Variable, Established, Refinance, Rosewood, Seniors, Fixed Rate, City Loan, Low Deposit, Carers Home Maintenance, Investor, Graduate, Investor Select, Land Construction, Nunga 1, Seniors Extension, and bridging loans. Those loan products excluded are deemed to be outside the standard HomeStart loan program. These constitute loan portfolios that HomeStart currently manages but which are no longer available to new customers (Rental Purchase and HOME loans), loan products for special interest groups (loans to aged care providers, SACHA loans, P&I Community Loan) and loans to staff.</p> <p>The general provision for doubtful debts was transferred to the collective impairment provision on adoption of the new International Finance and Reporting Standards at 1 July 2005. This figure is the closing balance of the collective impairment provision.</p>

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

Table 5.12: Number and value of bad debts and other losses written off 2005-06

Efficient use of assets		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Measure 2: Number of bad debts and write-offs for year ending 30 June 2006										
HDW(n)	Number of unrecoverable debts written off for year ending 30 June 2006 (number)	2	1	0	54	23	2	15	0	95
HDW(v)	Value of unrecoverable debts written off for year ending 30 June 2006 (\$'000)	2	1	0	522	160	3	248	0	933

Notes

NSW HDW(n) Mortgage portfolio: 0; Mortgage Assistance Scheme: 2.
 HDW(v) Mortgage portfolio: 0; Mortgage Assistance Scheme: \$0.002 million.

5.3.3 Measure 3: level of provision for doubtful debts

This indicator measures adequate provisions for high risk and non-performing loans. The submeasures of this indicator are:

3a = General provision for doubtful debts as a percentage of portfolio value and is calculated as

$$\frac{\text{General provision for doubtful debts for year ending 30 June 2006 (HD1)} \times 100}{\text{Total loan portfolio value at 30 June 2006 (HD3)}}$$

3b = Specific provision for doubtful debts as a percentage of portfolio value and is calculated as

$$\frac{\text{Specific provision for doubtful debts for year ending 30 June 2006 (HD2)} \times 100}{\text{Total loan portfolio value at 30 June 2006 (HD3)}}$$

Table 5.13: Level of provision for doubtful debts 2005–06

Efficient use of assets		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total ^(a)
Measure 3: Level of provision for doubtful debts										
HD1	General provision for doubtful debts for year ending 30 June 2006 (\$'000)	0	920	0	0	12,020	112	9,400	239	22,691
HD2	Specific provision for doubtful debts for year ending 30 June 2006 (\$'000)	0	451	163	1,447	1,726	0	0	0	3,787
HD3	Total loan portfolio value at 30 June 2006 (\$'000)	54,317	103,488	52,850	0	1,166,332	22,677	14,612	188,460	1,602,736
3a	General provision for doubtful debts as a percentage of portfolio value (%) ^(b)	0.0	0.9	0.0	n.a.	1.0	0.5	64.3	0.1	1.4
3b	Specific provision for doubtful debts as a percentage of portfolio value (%) ^(b)	0.0	0.4	0.3	n.a.	0.1	0.0	0.0	0.0	0.2

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

(b) Totals calculated using national totals of data items.

Notes

NSW HD1, HD2 With the introduction of the International Financial Reporting Standards in 2005–06, the provisions for doubtful debts have been written back to nil.

HD3 HomeFund loans: \$50.3 million. Home Purchase Assistance Account loans: \$1.5 million. Mortgage Assistance Scheme loans: \$2.517 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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