

**Commonwealth–State Housing  
Agreement national data  
reports 2002–03**

**Home purchase assistance**

**March 2004**

Australian Institute of Health and Welfare  
Canberra

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# 1 Introduction

This document is part of a series of documents that report about all forms of housing assistance under the 1999 Commonwealth-State Housing Agreement (CSHA).

These are:

- public rental housing
- community housing
- state and territory owned and managed Indigenous housing
- home purchase assistance
- Crisis Accommodation Program
- private rent assistance.

This document reports on the data collected under the 2002-03 home purchase assistance data collection. The data manual for this collection is available at [http://www.aihw.gov.au/housing/assistance/data\\_collections/index.html](http://www.aihw.gov.au/housing/assistance/data_collections/index.html).

## 2 Background

The 2002–03 home purchase assistance collection was the fourth and final collection to occur under the 1999 CSHA. The 1999 CSHA aims to facilitate access to affordable, appropriate and secure housing for people on low incomes and people with special needs. Under this CSHA a new national performance indicator framework was developed for the public rental housing, state and territory owned and managed Indigenous housing, and community housing 2002–03 data collections.

The 1999 CSHA framework was not applied to the private rent assistance, Crisis Accommodation Program or home purchase assistance collections due to the variations in programs administered by jurisdictions and the phasing out of program types in some jurisdictions. It is anticipated that the National Housing Data Agreement Management Group (NHDAMG) will review the reporting requirements for these collections after the completion of the 2002–03 collections.

The following four specific outcomes under the CSHA apply to home purchase assistance and the first three of these were included in the 2002–03 home purchase assistance data collection:

- targeting of assistance to those in need
- affordability of assistance provided
- customer satisfaction
- efficient use of assets.

This document examines the outcome and descriptor data items collected in the 2002–03 home purchase assistance data collection.

## 3 General notes

This data should be read in conjunction with the home purchase assistance data manual 2002–03 provided at [http://www.aihw.gov.au/housing/assistance/data\\_collections/index.html](http://www.aihw.gov.au/housing/assistance/data_collections/index.html).

### 3.1 Symbols and acronyms

..	not applicable
n.a.	not available
no.	number
\$	Australian dollars
'000	thousand
%	per cent
CSHA	Commonwealth–State Housing Agreement
LVR	Loan to value ratio
ROE	Return on equity

### 3.2 Scope

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

**Table 3.1: CSHA home purchase assistance 2002–03 programs by jurisdiction**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Direct lending	..	current <sup>(a)</sup>	current	current	current	current	..	current
Deposit assistance	..	..	current	..	..	current	..	current
Interest rate assistance	..	..	current	current	current	..	..	current
Home purchase advisory and counselling	current	..	..	current	..	..	..	..
Mortgage relief	current	current	current	..	..	..	..	..
Other	..	current	current	current	..	..	..	..

(a) On a very limited basis.

Note: 'Current' represents programs which are accepting new clients for year ending 30 June 2003 (e.g. 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:** assistance that aims to meet a specific event, such as direct lending or deposit assistance for the purchase of a home.
- **ongoing assistance:** 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 2002–03 home purchase assistance data collection items

Direct lending (H1)	one-off repayable <sup>(a)</sup>	H1-6a	Total number of new households assisted for year ending 30 June 2003		
		H1-6b	Total number of new Indigenous households assisted for year ending 30 June 2003		
		H1-6c	Total value of assistance provided for year ending 30 June 2003		
		H1-6f	Total number of households with outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year		
		H1-6g	Total value of outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year		
		H1-6h	Total number of instances where unrecoverable debts were written off for year ending 30 June 2003		
		H1-6i	Total value of unrecoverable debts written off for year ending 30 June 2003		
		Deposit assistance (H2)	one-off non-repayable	H1-6a	Total number of new households assisted for year ending 30 June 2003
				H1-6b	Total number of new Indigenous households assisted for year ending 30 June 2003
H1-6c	Total value of assistance provided for year ending 30 June 2003				
Interest rate assistance (H3)	Ongoing repayable	H1-6a	Total number of new households assisted for year ending 30 June 2003		
		H1-6b	Total number of new Indigenous households assisted for year ending 30 June 2003		
		H1-6c	Total value of assistance provided for year ending 30 June 2003		
Mortgage relief (H4)	Ongoing repayable	H1-6d	Total number of all households assisted for year ending 30 June 2003		
		H1-6e	Total number of all Indigenous households assisted for year ending 30 June 2003		
		H1-6f	Total number of households with outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year		
Home purchase advisory and counselling services (H5)	Ongoing repayable	H1-6g	Total value of outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year		
		H1-6h	Total number of instances where unrecoverable debts were written off for year ending 30 June 2003		
		H1-6i	Total value of unrecoverable debts written off for year ending 30 June 2003		
Other (H6)	Ongoing non-repayable	H1-6a	Total number of new households assisted for year ending 30 June 2003		
		H1-6b	Total number of new Indigenous households assisted for year ending 30 June 2003		
		H1-6c	Total value of assistance provided for year ending 30 June 2003		
		H1-6d	Total number of all households assisted for year ending 30 June 2003		
		H1-6e	Total number of all Indigenous households assisted for year ending 30 June 2003		

(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 reports about 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 and ongoing non-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): ongoing 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 2002–03 home purchase assistance data

## 4.1 Summary data

Table 4.1: Home purchase assistance summary data, 2002–03

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 2003 (number)	0	1	130	3,543	..	201	..	185	4,060
H1b Total number of new Indigenous households assisted for year ending 30 June 2003 (number)	0	n.a.	3	38	..	n.a.	..	7	48
H1c Total value of assistance provided for year ending 30 June 2003 (\$'000)	0.0	321.0	8,694.0	379,900.0	..	8,899.0	..	20,069.0	417,883.0
H1f Total number of households with outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year (number)	1,817	7,060	4,884	18,895	..	1,528	..	2,212	36,396
H1g Total value of outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year (\$'000)	101,900.0	184,624.0	117,760.0	1,348,651.0	..	47,477.0	..	153,144.0	1,953,556.0
H1h Total number of unrecoverable debts written off for year ending 30 June 2003 (number)	9	6	28	101	..	23	..	0	167
H1i Total value of unrecoverable debts written off for year ending 30 June 2003 (\$'000)	234.0	142.0	195.0	1,932.0	..	175.0	..	0.0	2,678.0
<b>Direct lending: ongoing repayable</b>									
H1a Total number of new households assisted for year ending 30 June 2003 (number)	..	75	..	..	2,466	..	..	..	2,541
H1b Total number of new Indigenous households assisted for year ending 30 June 2003 (number)	..	n.a.	..	..	n.a.	..	..	..	..
H1c Total value of assistance provided for year ending 30 June 2003 (\$'000)	..	7,803.0	..	..	162,154.0	..	..	..	169,957.0
H1d Total number of all households assisted for year ending 30 June 2003 (number)	..	82	..	..	13,950	..	..	..	14,032

(continued)

**Table 4.1 (continued): Home purchase assistance summary data, 2002–03**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>	
<b>Direct lending: ongoing repayable continued</b>										
H1e	Total number of all Indigenous households assisted for year ending 30 June 2003 (number)	..	n.a.	..	..	n.a.	..	..	..	..
H1f	Total number of households with outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year (number)	..	23	..	..	11,484	..	..	..	11,507
H1g	Total value of outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year (\$'000)	..	2,953.0	..	..	522,581.0	..	..	..	525,534.0
H1h	Total number of unrecoverable debts written off for year ending 30 June 2003 (number)	..	0	..	..	37	..	..	..	37
H1i	Total value of unrecoverable debts written off for year ending 30 June 2003 (\$'000)	..	0.0	..	..	124.0	..	..	..	124.0
<b>Deposit assistance: one-off repayable</b>										
H2a	Total number of new households assisted for year ending 30 June 2003 (number)	..	..	0	..	..	..	..	..	0
H2b	Total number of new Indigenous households assisted for year ending 30 June 2003 (number)	..	..	0	..	..	..	..	..	0
H2c	Total value of assistance provided for year ending 30 June 2003 (\$'000)	..	..	0.0	..	..	..	..	..	0.0
H2f	Total number of households with outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year (number)	..	..	116	..	..	..	..	..	116
H2g	Total value of outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year (\$'000)	..	..	1,413.0	..	..	..	..	..	1,413.0
H2h	Total number of unrecoverable debts written off for year ending 30 June 2003 (number)	..	..	1	..	..	..	..	..	1
H2i	Total value of unrecoverable debts written off for year ending 30 June 2003 (\$'000)	..	..	16.0	..	..	..	..	..	16.0

(continued)

**Table 4.1 (continued): Home purchase assistance summary data, 2002-03**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>
<b>Deposit assistance: one-off non-repayable</b>									
H2a	..	..	22	..	..	413	..	350	785
H2b	..	..	3	..	..	n.a.	..	21	24
H2c	..	..	81.0	..	..	1,762.0	..	473.0	2,316.0
<b>Interest rate assistance: ongoing repayable</b>									
H3a	..	..	..	..	759	..	..	..	759
H3b	..	..	..	..	n.a.	..	..	..	..
H3c	..	..	..	..	10,859.0	..	..	..	10,859.0
H3d	..	..	..	..	2,974	..	..	..	2,974
H3e	..	..	..	..	n.a.	..	..	..	..
H3f	..	..	..	..	2,215	..	..	..	2,215
H3g	..	..	..	..	24,944.0	..	..	..	24,944.0
H3h	..	..	..	..	11	..	..	..	11
H3i	..	..	..	..	8.0	..	..	..	8.0
<b>Interest rate assistance: ongoing non-repayable</b>									
H3a	..	..	99	163	..	..	..	163	425
H3b	..	..	1	7	..	..	..	17	25
H3c	..	..	n.a.	136.0	..	..	..	410.0	546.0
H3d	..	..	177	163	..	..	..	489	829
H3e	..	..	3	7	..	..	..	35	45

(continued)

**Table 4.1 (continued): Home purchase assistance summary data, 2002–03**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>	
<b>Mortgage relief: one-off repayable</b>										
H4a	Total number of new households assisted for year ending 30 June 2003 (number)	16	..	15	..	0	0	..	..	31
H4b	Total number of new Indigenous households assisted for year ending 30 June 2003 (number)	n.a.	..	0	..	0	0	..	..	n.a.
H4c	Total value of assistance provided for year ending 30 June 2003 (\$'000)	46.0	..	65.0	..	0.0	0.0	..	..	111.0
H4f	Total number of households with outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year (number)	730	..	174	..	0	16	..	..	920
H4g	Total value of outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year (\$'000)	3,269.0	..	377.0	..	0.0	45.0	..	..	3,691.0
H4h	Total number of unrecoverable debts written off for year ending 30 June 2003 (number)	7	..	17	..	53	0	..	..	77
H4i	Total value of unrecoverable debts written off for year ending 30 June 2003 (\$'000)	19.0	..	29.0	..	39.0	0.0	..	..	87.0
<b>Mortgage relief: ongoing repayable</b>										
H4a	Total number of new households assisted for year ending 30 June 2003 (number)	150	3	..	..	0	..	2	..	155
H4b	Total number of new Indigenous households assisted for year ending 30 June 2003 (number)	n.a.	n.a.	..	..	n.a.	..	n.a.	..	n.a.
H4c	Total value of assistance provided for year ending 30 June 2003 (\$'000)	697.0	8.0	..	..	0.0	..	132.0	..	837.0
H4d	Total number of all households assisted for year ending 30 June 2003 (number)	198	3	..	..	0	..	37	..	238
H4e	Total number of all Indigenous households assisted for year ending 30 June 2003 (number)	n.a.	n.a.	..	..	n.a.	..	n.a.	..	n.a.
H4f	Total number of households with outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year (number)	0	92	..	..	0	..	88	..	180
H4g	Total value of outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year (\$'000)	0.0	348.0	..	..	0.0	..	1,088.0	..	1,436.0
H4h	Total number of unrecoverable debts written off for year ending 30 June 2003 (number)	0	2	..	..	n.a.	..	..	..	2
H4i	Total value of unrecoverable debts written off for year ending 30 June 2003 (\$'000)	0.0	5.0	..	..	n.a.	..	..	..	5.0

(continued)

**Table 4.1 (continued): Home purchase assistance summary data, 2002–03**

Descriptors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>
<b>Home purchase advisory and counselling services: one-off repayable</b>									
H5a	..	..	..	3,543	..	..	..	..	3,543
H5b	..	..	..	38	..	..	..	..	38
H5c	..	..	..	90.0	..	..	..	..	90.0
<b>Home purchase advisory and counselling services: one-off non-repayable</b>									
H5a	14,340	..	..	..	..	..	..	..	14,340
H5b	n.a.	..	..	..	..	..	..	..	..
H5c	..	..	..	..	..	..	..	..	..
<b>Home purchase advisory and counselling services: ongoing non-repayable</b>									
H5a	..	..	..	n.a.	..	..	..	..	..
H5b	..	..	..	n.a.	..	..	..	..	..
H5c	..	..	..	n.a.	..	..	..	..	..
H5d	..	..	..	n.a.	..	..	..	..	..
H5e	..	..	..	n.a.	..	..	..	..	..
<b>Other: one-off repayable</b>									
H6a	..	56	..	768	..	413	..	..	1,237
H6b	..	n.a.	..	n.a.	..	n.a.	..	..	n.a.
H6c	..	292.0	..	1,459.0	..	2.0	..	..	1,753.0
H6f	..	327	..	n.a.	..	..	..	..	327
H6g	..	1,773.0	..	n.a.	..	..	..	..	1,773.0
H6h	..	0	..	0	..	..	..	..	0
H6i	..	0.0	..	0.0	..	..	..	..	0.0

(continued)

**Table 4.1 (continued): Home purchase assistance summary data, 2002–03**

Descriptors		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total <sup>(a)</sup>
<b>Other: one-off non-repayable</b>										
H6a	Total number of new households assisted for year ending 30 June 2003 (number)	..	..	8	68	..	413	..	..	489
H6b	Total number of new Indigenous households assisted for year ending 30 June 2003 (number)	..	..	0	38	..	..	..	..	38
H6c	Total value of assistance provided for year ending 30 June 2003 (\$'000)	..	..	73.0	21.0	..	1,762.0	..	..	1,856.0

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

*Notes—Summary data*

NSW	H1f	Includes: HomeFund loans (1,540); home purchase assistance account loans (277).
	H1g	Includes: HomeFund loans (\$96.2 million); home purchase assistance account loans (\$5.7 million).
	H1h	Includes HomeFund loans (9); home purchase assistance account loans (0).
	H1i	Includes HomeFund loans (\$0.234 million); home purchase assistance account loans: (\$0).
	H4b & H4e	The data captured by the NSW Department of Housing on home purchase assistance clients does not allow identification of Indigenous households.
	H4c	Includes \$611,000 for new households assisted and \$86,000 for households where assistance commenced in 2001–02 and continued into 2002–03.
	H4d	Includes 150 new households assisted and 48 households where assistance commenced in 2001–02 and continued into 2002–03. The published 2001–02 figure (i.e. 43) is incorrect. The correct figure is 198 (i.e. 155 new households and 43 households where assistance carried over from the previous year).
	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.
	H5a	Total number of calls to Home Purchase Advisory Service during 2002–03 (does not include calls from clients seeking general information about other forms of assistance provided by the NSW Department of Housing). The figure reported for 2001–02 (i.e. 17,444) was incorrect. The correct figure is 11,993.
Vic	General	Note that Home Renovation lending has been included under the 'Other' category for both 2002–03 and 2001–02. Previously it was included in the 'Direct lending' category.
	H1a	Loan made to finance a community housing joint venture under the Social Housing Innovations Project Program.
	H1h & H1i	Figures exclude return on equity (ROE) debts written off. Unique to Home Finance, this type of write off is based on an internal policy decision which offers eligible clients their initial equity return upon sale of their property from sale proceeds thereby potentially exposing the Department to a shortfall. For information purposes two instances of ROE were written off with a total value of \$16,175 for the year ending 30 June 2003.
	H1d	Figure includes 59 households that sought refinancing through the private sector during the year.
	H4a & H4c	Three households were assisted during the 2002–03 financial year, but only two loans were advanced.



Qld	General	The total value of home purchase assistance provided to households included Special Assistance Grant \$72,767.
	H1a	Direct lending provided to new households during 2002–2003 included Queensland State Housing Loan—23 households; Queensland Housing Finance Loan—107 households.
	H1c	Direct lending provided to new households during 2002–2003 included: Queensland State Housing Loan—\$1,633,265; Queensland Housing Finance Loan—\$7,060,839.
	H1f	Households with outstanding repayable monies at 30 June 2003 for assistance provided in a previous financial year included: Direct lending <ul style="list-style-type: none"> <li>• Queensland State Housing Loan (current scheme)</li> <li>• Queensland Housing Finance Loan (current scheme)</li> <li>• Queensland Housing Loan (discontinued 2001)</li> <li>• Rental Purchase Plan (shared equity scheme—discontinued 1996)</li> <li>• H.O.M.E Loan (discontinued 1994)</li> <li>• Interest Subsidy Loan (discontinued 1990)</li> <li>• other housing loans (discontinued 1990)</li> </ul> and deposit assistance <ul style="list-style-type: none"> <li>• Deposit Assistance Loan (in conjunction with the Queensland Housing Loan—discontinued 1996).</li> </ul>
	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—equivalent to 50% of the required 5% deposit.  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.
	H2f & H2g	Number and value of outstanding and repayable Deposit Assistance Loans as at 30 June 2003. Discontinued provision of Deposit Assistance Loans in 1996.
	H3a	Interest rate assistance provided to new households for year ending 30 June 2003 includes Queensland Housing Finance Loan—76 households; Queensland State Housing Loan—23 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 up to 1% below the Queensland Department of Housing'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) which is set at up to 1% below the Queensland Department of Housing'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 therefore a specific value on the assistance cannot be provided.
	H3d	Includes existing households at the commencement of the year plus new households assisted.
	H6a	8 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 home modifications.  If home modifications are not required, a maximum grant of \$5,000 is available to assist with deposit or fees.

SA	General	<p>The HomeStart portfolio includes the following products: Construction, Split Variable, Established, Refinance, Rosewood, Seniors, Fixed Rate, City Loan, Low Deposit, Carers Home Maintenance, Investor, Graduate, Investor Select. The following are not part of the standard HomeStart program: Aged Care, P&amp;I Community Loan, Staff PC Loans, Rental Purchase and Mortgage Relief, Home Ownership Made Easy (HOME) Loans, SACHA (Fixed Rate) Loan. The portfolio value relates to these inclusions and exclusions.</p> <p>HomeStart does not directly capture any information on the ethnic/Indigenous background of its borrowers or applicants. However, there are a small number of Aboriginal Housing Authority loans in the HomeStart portfolio. These have not been included as they would tend to understate the actual picture. During the year HomeStart settled 16 new Aboriginal Home Loans, with the total number of Aboriginal Home Loans in the portfolio being 33.</p> <p>HomeStart's lending policy allows customers to apply First Home Owner Grant funds towards part of their deposit. This has not been included in the data.</p>
	H3a	HomeStart's interest rate assistance mechanism is the Advantage Loan. 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 Loan funds/Total funds advanced) x Write off amount.
SA	H4h & H4i	There were a total of 53 mortgage relief loans written off and closed in 2002–2003 at a value of \$38,627. Another 34 loans with a value of \$57,433 were transferred to loss recovery; therefore they have not been written off and were not included in the figures.
ACT	H4a	Mortgage relief program ceased on 1 January 2001. The two new households which began receiving assistance in 2002–03 had requested deferred assistance in 2000–01.
	H4c & H4d	Represents assistance provided to 35 households which began receiving assistance before 2002–03 and two new households assisted in 2002–03.

# 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 subprogram under the home purchase assistance program.

### 5.1.1 Direct lending

Direct lending programs reported in the 2002–03 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 2002–03.

**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 (for materials etc.). 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.
Queensland	Queensland Housing Finance Loan: a maximum of 3 times an applicants' gross annual income is provided in direct lending. 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 commencement of both loan schemes.
Western Australia	Access Home Loan Scheme: only offered to households with a disability. Aboriginal Home Ownership Scheme: only offered to Indigenous applicants. Keystart Loan scheme: offered to low income earners.
South Australia	HomeStart Finance and Advantage Loan: a minimum of \$10,000 (minimum of \$2,500 for seniors loan) to a maximum of \$165,000, or a maximum of 3.1 times the annual gross income of a single and 2.8 times the annual gross income of a couple.
Tasmania	Assistance of between \$30,000–\$80,000.
Northern Territory	HomeStart scheme: up to \$115,000.

Eligibility criteria for direct lending assistance during 2002–03 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 2002–03.

**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	\$490– \$1,480	\$769– \$962	\$700	\$800
Property value limit <sup>(b)</sup>		\$175,000	\$200,000	Minimum property value \$40,000	Minimum property value \$30,000	\$180,000
Minimum deposit <sup>(c)</sup>		5% of purchase price	\$1,000	\$1,000	Greater of \$3,000 or 5% of purchase price	5% of purchase price
Additional savings to cover fees, legals etc. <sup>(d)</sup>		\$1,500– \$3,500	\$2,500– \$3,000			
Demonstrated savings pattern		Minimum 3 months	Minimum 3 months	Deposit saved within 3 months	Minimum \$1,000 deposit	Minimum \$2,000 deposit
Good credit history	✓	✓	✓	✓	✓	✓
No significant other debts/other financial commitments cannot exceed <sup>(e)</sup>	✓	✓	8% 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	✓	✓	✓	✓	✓	✓

*Note:* ✓ 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) Vic Minimum of \$700; an asset limit of \$15,000 applies; WA—Income limit is dependent on household composition and location within the jurisdiction; SA—additional \$96 for each dependant; NT—HomeShare scheme: \$1,100.

(b) SA Loans for less than \$40,000 made at the discretion of the Retailer Manager; NT—HomeShare scheme: no limit.

(c) Qld Queensland State Housing Loan and Queensland Housing Finance Loan: 5% of purchase price.

(d) Qld Queensland State Housing Loan: \$1,500–\$2,000; Queensland Housing Finance Loan: \$2,000–\$3,500.

(e) Qld All repayments for other debts are deducted from assessed gross monthly income—borrowing capacity is then based on reduced income figure; SA—Maximum commitment to all debts, including HomeStart loan, must not exceed 33% of income, client must not be an undischarged bankrupt; Tas—Client must not be an undischarged bankrupt; NT—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) Qld 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; Tas—If employed, must be in current employment for a minimum of 6 months; NT—Do not consider casual or contract employment.

(g) Qld While there is no maximum age limit, age is relevant to an applicant's ability to sustain repayments for the full term; Tas—Applicants over 60 years of age are ineligible.

## 5.1.2 Deposit assistance

Deposit assistance programs reported in the 2002–03 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 2002–03.

**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 wait list applicants and those eligible to be on the rental wait 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 \$3000–\$6000, 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.

Eligibility criteria for Deposit Assistance during 2002–03 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 2002–03.

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

Eligibility criteria	Qld <sup>(a)</sup>	Tas	NT
Gross weekly income limit		\$700	\$1,100
Property value limit			\$180,000
Not previously owned property in the relevant jurisdiction			✓
Existing housing tenant or eligible to be housing tenant		✓	

*Note* ✓ 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 Qld 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 2002–03 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 2002–03.

**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 that re-finance 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 six months.
South Australia	Available to clients with an Advantage Loan. Assistance is a subsidised interest rate calculated using a two-quarter lag of the 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 two years and then reduces by one level each succeeding year. The subsidy can be paid for up to a maximum of seven years.

Eligibility criteria for interest rate assistance during 2002–03 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 2002–03.

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

Eligibility criteria	Qld <sup>(b)</sup>	WA	SA	NT
Gross weekly income limit <sup>(a)</sup>		\$580–\$769	\$580–\$769	\$700–\$1,000
Property value limit		\$150,000	\$150,000	\$180,000
Finance obtained from a private lender				✓
Not previously owned property in the relevant jurisdiction				✓

*Note:* ✓ 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) SA—Additional \$96 for each dependant; NT—CEO (Housing) has the discretion to approve applications below the minimum income limit if they have obtained approval for finance.

(b) Interest Rate Assistance is only provided to borrowers who meet the eligibility requirements of a Queensland Housing Finance Loan (only applies to Rental Purchase Plan conversions) and a Queensland State Housing Loan.

### 5.1.4 Home purchase advisory and counselling

New South Wales and Western Australia provided home purchase advisory and counselling services during 2002–03. Home purchase advisory and counselling is not subject to any eligibility criteria.

### 5.1.5 Mortgage relief

Mortgage relief programs reported in the 2002–03 home purchase assistance data collection are reported in Table 5.7. Western Australia, South Australia, Tasmania, the Australian Capital Territory 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 2002–03.

**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 (\$3,000 for arrears and \$12,000 in assistance; assistance does not exceed two years).
Queensland	\$6,000.

Eligibility criteria for mortgage relief assistance during 2002–03 are reported in Table 5.8. Western Australia, South Australia, Tasmania, the Australian Capital Territory 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 2002–03.

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

Eligibility criteria	NSW	Vic	Qld	WA
Gross weekly income limit	\$1,346	Not applicable		\$1,442
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>	✓	✓	✓	✓
Mortgage value limit	Max. \$270,000, and less than 90% property mortgaged	Max. original mortgage \$169,200		\$175,000
Property value limit	\$500,000		\$250,000	\$200,000
Mortgage repayments must exceed percentage of income <sup>(b)</sup>	36% gross	27%	30% gross	23–31%
Commitment to mortgage repayments <sup>(c)</sup>	✓	✓	✓	✓
Property must be located in the relevant state	✓	✓	✓	✓
Applicant must reside in the mortgaged property	✓	✓	✓	✓
No previous default on repayment of mortgage assistance	✓	Not outstanding	✓	✓

*Note:* ✓ 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) Qld—Other commitments secured by a registered mortgage considered in assessment.

(b) WA—Depending on scheme.

(c) NSW—Demonstrated by maintaining regular monthly repayments of at least 27% of gross household income over the preceding 6 months. Qld—Applicants must maintain 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 2002–03.

### **Victoria: Subsidised Loans for Elderly and Disabled<sup>1</sup>**

Subsidised interest rate loans up to \$20,000 are provided to assist elderly and disabled homeowners with the cost of home renovations, modifications and maintenance, relating to health and safety issues.

Eligibility criteria:

- 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
- income and asset (\$30,000) limits apply.

### **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 wait-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 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.

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<sup>1</sup> In previous CSHA home purchase assistance data collections this program was counted under the 'direct lending' program. In the 2002–03 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 2002–03 data with data from prior years.



**Western Australia: Cash Assist**

Up to \$2,500 is provided to assist purchasers with the up-front fees associated with the purchase of a home. For subsidised schemes this assistance is in the form of a grant, whereas for non-subsidised schemes it is repayable.

## 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	Commencing minimum payment is either 25% or 27% of income depending on loan origination. Instalments are escalated annually by CPI or a fixed percentage depending on loan type.
	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 two-year deferral on repayments after assistance has ceased.
	Other assistance	Home Renovation Scheme Loans: repayments cannot exceed 30% of gross weekly income, less \$30.
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 25% of monthly income (includes rates allowance).
		Aboriginal Home Ownership Scheme: Repayments do not exceed 23% of monthly income.
		Keystart Loan Scheme: Repayments do not exceed 31% of monthly income.
	Deposit assistance	Non-repayable
	Interest rate assistance	Non-repayable
	Mortgage relief	Non-repayable
South Australia	Direct lending	Repayments are calculated as 25% of assessable income for applicants who take out the maximum loan and 15–25% for applicants who take out less than the maximum loan. The maximum commitment to all debts is 33% of income, including the HomeStart loan.
	Deposit assistance	Non-repayable
	Interest rate assistance	Non-repayable
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.
Northern Territory	Direct lending	Repayments between 25–30% of gross income.
	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. The Australian Capital Territory does not appear in Table 5.10 as it did not provide home purchase assistance to new clients in 2002–03.

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

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

*Note:* ✓ 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. NSW—All except the Family Tax Payment (assessed as Part A 75% and Part B 45%); Qld—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; ACT—Includes Centrelink benefits except basic and additional family payments, pharmaceutical, child disability and home care allowances, foster care payments and rent assistance; NT— Includes Age Pension, 25% of gross Base Rate of Family Tax Benefit Part A & Parenting Payment, 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; Qld—Penalty rates, overtime, part-time work, second jobs and casual work must be identified as being sustainable over a 2-year period; Tas—Overtime only included if it has been regular for the past 6 months, only 50% of overtime and penalties are included; NT—Also includes Defence Forces Income and First Aid Allowance.
- (c) NT—Also includes Police Housing Allowance.
- (d) NT—60% of gross income from rent is assessable.

# 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, 2002–03**

Efficient use of assets		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
<b>Measure 1: Number and value of arrears</b>										
HAR1	Value of loan portfolio balance in arrears greater than 60 days and less than 90 days at 30 June 2002 (\$'000)	4,489.0	1,576.0	831.0	7,525.0	5,226.0	579.0	15.0	333.0	20,574.0
HAR2	Number of all arrears greater than 60 days and less than 90 days at 30 June 2003	61	49	31	97	98	34	28	3	401
HAR3	Value of loan portfolio balance in arrears greater than or equal to 90 days at 30 June 2003 (\$'000)	3,819.0	5,320.0	783.0	11,624.0	2,362.0	233.0	274.0	987.0	25,402.0
HAR4	Number of all arrears greater than or equal to 90 days at 30 June 2003	48	159	153	145	43	54	89	22	713
HAR5	Value of loan portfolio balance in arrears greater than 60 days at 30 June 2003 (\$'000)	8,308.0	6,896.0	1,614.0	19,149.0	7,588.0	812.0	289.0	1,320.0	45,976.0
HAR6	Number of all arrears greater than 60 days at 30 June 2003	109	208	184	242	141	88	117	25	1,114
HAR7	Total loan portfolio balance at 30 June 2003 (\$'000)	96,200.0	198,758.0	126,740.0	1,514,306.0	683,988.0	47,477.0	48,969.0	174,191.0	2,890,629.0
HAR8	Total number of loans outstanding at 30 June 2003	1,540	7,635	5,200	19,665	13,708	1,528	907	2,418	52,601
<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 (%)	4.7	0.8	0.7	0.5	0.8	1.2	0.0	0.2	0.7
1b	The percentage of the number of arrears greater than 60 but less than 90 days to loans outstanding (%)	4.0	0.6	0.6	0.5	0.7	2.2	3.1	0.1	0.8
1c	The percentage of the value of arrears greater or equal to 90 days to loan portfolio balance (%)	4.0	2.7	0.6	0.8	0.3	0.5	0.6	0.6	0.9
1d	The percentage of the number of arrears greater or equal to 90 days to loans outstanding (%)	3.1	2.1	2.9	0.7	0.3	3.5	9.8	0.9	1.4
1e	The percentage of the value of all arrears to loan portfolio balance (%)	8.6	3.5	1.3	1.3	1.1	1.7	0.6	0.8	1.6
1f	The percentage of the number of all arrears to loans outstanding (%)	7.1	2.7	3.5	1.2	1.0	5.8	12.9	1.0	2.1

*Notes*

NSW	HAR1– HAR8	HomeFund loans only. (Arrears data in the required format is not available for HPAA and Mortgage Assistance Scheme loans.)
	HAR7 & HAR8	Figures reported for 2001–02 were incorrect as they included all loans whereas the arrears statistics (HAR1 to HAR6) related only to HomeFund loans. The correct figures for 2001–02 are \$126.7 million and 1,932 loans respectively.
Vic	HAR7	Figures exclude specific provision for return on equity and provisions for deferred interest.
Qld	HAR1	The value of the loan portfolio in arrears greater than 60 days and less than 90 days as at 30 June 2003 includes Housing Loans \$823,331; Mortgage Relief \$7,642.
	HAR2	The number of all arrears greater than 60 days and less than 90 days as at 30 June 2003 includes Housing Loans 27; Mortgage Relief 4.
	HAR3	Value of loan portfolio balance in arrears greater than or equal to 90 days at 30 June 2003 includes Housing Loans \$490,525; Mortgage Relief \$292,068.
	HAR4	Number of all arrears greater than all equal to 90 days as at 30 June 2003 includes Housing Loans 26; Mortgage Relief 127.
SA	General	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 (see HAR7).
	HAR7	Includes the following HomeStart portfolio products: Construction, Split Variable, Established, Refinance, Rosewood, Seniors, Fixed Rate, City Loan, Low Deposit, Carers Home Maintenance, Investor, Graduate, Investor Select. Excludes Aged Care, P&I Community Loan, Staff PC Loans, Rental Purchase and Mortgage Relief, Home Ownership Made Easy (HOME) Loans, SACHA (Fixed Rate) Loan.
ACT	HAR1	The decrease in outstanding debts from 2001–02 is due to an increase in the level of debt collection activity.

## 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, 2002-03

Efficient use of assets		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
<b>Measure 2: Number of bad debts and writeoffs for year ending 30 June 2003</b>										
HDW(n)	Number of unrecoverable debts written off for year ending 30 June 2003 (number)	16	9	46	101	37	24	0	0	233
HDW(v)	Value of unrecoverable debts written off for year ending 30 June 2003 (\$'000)	253.0	147.0	239.0	1,932.0	124.0	193.0	0.0	0.0	2,888.0

*Notes*

NSW	HDW(n)	Mortgage portfolio: 9; Mortgage Assistance Scheme: 7.
	HDW(v)	Mortgage portfolio: \$0.234 million; Mortgage Assistance Scheme: \$0.019 million.
Vic	HDW(n) & HDW(v)	Figures include six write offs in direct lending totalling \$141,862, two write offs in mortgage relief totalling \$4,974 and one write off in agency lending at \$135.
Qld	HDW(n)	The number of bad debts and write offs for the year ending 30 June 2003 includes housing loans 29; mortgage relief 17.
	HDW(v)	The value of bad debts and write offs for the year ending 30 June 2003 includes housing loans \$210,482; mortgage relief \$28,833.



### 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 program: Measure 3: Level of provision for doubtful debts, 2002–03**

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 2003 (\$'000)	3,166.0	1,381.0	1,572.0	9,004.0	13,762.0	296.0	7,705.0	35.0	36,921.0
HD2	Specific provision for doubtful debts for year ending 30 June 2003 (\$'000)	559.0	1,222.0	351.0	4,195.0	1,093.0	114.0	n.a.	0.0	7,534.0
HD3	Total loan portfolio value at 30 June 2003 (\$'000)	105,169.0	198,758.0	126,740.0	1,348,651.0	684,735.0	47,477.0	48,969.0	174,191.0	2,734,690.0
3a	General provision for doubtful debts as a percentage of portfolio value (%)	3.0	0.7	1.2	0.7	2.0	0.6	15.7	0.0	1.4
3b	Specific provision for doubtful debts as a percentage of portfolio value (%)	0.5	0.6	0.3	0.3	0.2	0.2	0.0	0.0	0.3

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

*Notes*

NSW	HD1	Mortgage Portfolio: \$2.890 million; Mortgage Assistance Scheme: \$0.276 million.
	HD2	Mortgage Portfolio: \$0.510 million; Mortgage Assistance Scheme: \$0.049 million.
	HD3	HomeFund loans: \$96.2 million; home purchase assistance account loans: \$5.7 million; Mortgage Assistance Scheme loans: \$3.269 million.

Vic	HD2	<p>Figure excludes the provision for return on equity (ROE). Unique to Home Finance, this type of write off is based on an internal policy decision which offers eligible clients their initial equity return upon sale of their property from sale proceeds thereby potentially exposing the Department to a shortfall.</p> <p>A ROE provision of \$87,805 was created for the 2002–03 financial year.</p> <p>Nominal accounts have been included in the category of specific provisions. These accounts hold the excess of clients' loan balances over their current estimated property values. They are interest free but must eventually be repaid. For information purposes the provision for these accounts was \$419,600 for the 2002–03 financial year, representing 100% shortfall regardless of whether or not any of these accounts were in arrears.</p>
	HD3	<p>Figures exclude specific provision for return on equity and provisions for deferred interest.</p>
Qld	HD1 & HD2	<p>Includes provisions for Housing Loans and Mortgage Relief loans.</p>
ACT	HD1	<p>The general provision of doubtful debts for year ending 30 June 2003 increased substantially since 30 June 2002. This increase was the result of the recategorisation of some loans in the portfolio at a higher level of risk for bad debts.</p>