

1980

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

HOMES SAVINGS GRANT AMENDMENT BILL 1980

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Housing and
Construction, the Hon. D.T. McVeigh, M.P.)

EXPLANATORY MEMORANDUM
HOMES SAVINGS GRANT AMENDMENT BILL 1980

Introductory notes

This Bill will amend the Principal Act: the Homes Savings Grant Act 1976.

The purpose of the Bill is to give effect to the Government's undertaking, announced by the Prime Minister in his policy speech prior to the recent elections, to introduce changes to the Home Savings Grant Scheme to

- . widen the forms of acceptable savings
- . provide a Home Savings Grant Family Bonus for families with one or more dependent children.

Clauses 4 and 5 of the Bill will include in the acceptable forms of saving Australian Savings Bonds held as Inscribed Stock or in safe custody with a bank.

Clauses 4 to 9 of the Bill will include, as acceptable savings, one-half of moneys held or expended with a former fiance.

Clause 10 of the Bill will insert a new Part (Part III A), giving effect to the Home Savings Grant Family Bonus.

Detailed explanations of each clause of the Bill are appended.

Clause 1: Short title

This clause will formally provide, in sub-clause 1, for the citation of the amending Act and, in sub-clause 2, for the title of the Principal Act to be amended.

Clause 2: Commencement

The clause will provide for the amendments to the Principal Act to come into operation on the day on which the Royal Assent is received.

Clause 3: Interpretation

Clause 3 will insert in the Principal Act a new section 19A, setting out definitions in relation to Australian Savings Bonds and associated stock and will provide that their face value will be the amount to be included in acceptable savings.

Clause 4: Acceptable savings of sole applicant to include bank deposits, etc.

Paragraphs (a) and (b) will amend sub-section 21(1) to include, as acceptable savings, moneys paid by a sole applicant for the purchase of Australian Savings Bonds held as Inscribed Stock or in safe custody with a bank.

The new sub-section 21(1)(c) will provide, in sub-paragraph (i), for inclusion of stock issued in association with Australian Savings Bonds that was inscribed, at the relevant date, in the name of the applicant for a Home Savings Grant. The relevant date is the applicant's prescribed date or earlier savings date.

The definition of "stock" in the new interpretative sub-section 19A(1) excludes other forms of Commonwealth securities such as Treasury Bonds or Notes and Special Bonds.

The new sub-section 21(1)(c) will provide, in sub-paragraph (ii), for inclusion of Australian Savings Bonds inscribed, on the relevant date, in the name of a bank. Bonds purchased in this way are held by the bank in safe custody for the purchaser.

Paragraph (c) will amend sub-section 21(2) to include, in acceptable savings, one-half of savings in Australian Savings Bonds held jointly with a spouse or former spouse.

Paragraph (e) will amend sub-section 21(2) to include, as acceptable savings, one-half of moneys held jointly with a former fiance in the form of deposits with a bank, building society or credit union, or in Australian Savings Bonds.

Clause 5: Acceptable savings of joint applicants to include bank deposits, etc.

Clause 5 will amend section 22 and repeats, in the case of a joint applicant, the provisions of clause 4 in respect of savings held as Australian Savings Bonds, and with a former fiance.

Clauses 6 to 9 will amend sections 23 to 26 to include, in the acceptable savings of a sole or a joint applicant, moneys expended jointly with a former fiance on the acquisition of the home which is the subject of the application, or on other residential land.

Clause 10 will insert a new Part III A in the Principal Act to provide for payment of a Family Bonus.

Section 33A will provide definitions of words used in PART III A.

Section 33B will set out the conditions under which the Family Bonus will be payable.

Sub-section (1) will require the Secretary to be satisfied that the conditions have been met, for the bonus to be payable. The conditions, stated in paragraphs (a) and (b), require a Home Savings Grant to be payable and for a child or a student to be a dependant at the prescribed date. In conjunction with the definitions of "child" and "student" in section 33A, section 33B will enable the bonus to be payable to persons in receipt of child endowment at their prescribed date. The discretion will enable the bonus to be payable also to persons who, though otherwise qualified to receive child endowment for a dependent child or student, are not in receipt of that benefit because they have not claimed or because the child is paid under a prescribed educational scheme including the Tertiary Education Assistance Scheme.

Sub-section (2) will provide a discretion for the Secretary to determine that a child is a dependant if the person is contributing to the maintenance of a child in a mental hospital or other institution as defined in the Social Services Act 1947, including persons not in receipt of child endowment for that child.

Section 33C will provide for a bonus of \$500 for persons with one dependent child and \$1000 for persons with two or more dependent children.

Section 33D will provide for an application for the bonus, for administration including reviews and appeals, and for payment and other miscellaneous matters to apply in the same way as for the Home Savings Grant.

Clause 11: Application of amendments

Clause 11 will provide for the amendments to apply to applicants whose prescribed date is on or after 1 October 1980. The prescribed date is defined in the Principal Act in relation to the date of the contract to buy or build the home, or the date construction of the home was commenced by an owner-builder.