FOR PRESS:

GRANTS SCHEME WIDENED —

More Encouragement for Homeseekers

Changes to the Federal Government's Home Savings Grant Scheme which recently became law will mean more encouragement for young homeseekers.

The Member for Wannon and Minister for Defence, Mr. Malcolm Fraser, said this today.

The Government introduced the scheme in 1964, rendering young people eligible for a tax-free grant, depending on how much they were able to put away in recognised savings over a period of three years.

The scheme was open to couples and also widowed persons with one or more dependent children, and there was an age limit of 36, Mr. Fraser said.

Since the scheme began, the Commonwealth had paid out more than $74 million to over 170,000 applicants seeking to buy or build a home.

Maximum grant payable was $500 on savings of $1,500 or more, but smaller grants — down to a minimum of $10 — were payable on lesser amounts saved.

Changes to the scheme had only recently become law. These changes would permit more young people to qualify for a grant and allow others to receive larger grants by making eligible some savings which are excluded from the scheme at present.

Previously the applicant for a grant was eligible only if the value of the home, including the value of the land involved, was not above $15,000. Now the limit had been raised to $17,500.

Introducing the change, the Minister for Housing, Senator Dame Annabelle Rankin, said the new limit took into account the fact that homes cost more today. The most significant reason had been the rise in the value of residential land in many cities and towns.

Another reason was that the average house being built today for young families was much better equipped, and was therefore a much better home than the home of a few years ago.

Previously, it was necessary for the applicant to hold savings with a bank in accounts clearly designated as "Home Savings Accounts," or in other acceptable forms. This designation of savings accounts was not now mandatory.

The changes made would extend the forms of acceptable savings to include money held in savings bank accounts and on fixed deposit with trading banks that had not been designated as Home Savings Accounts.
Explaining the change, the Minister for Housing said some applicants had failed to have their accounts designated as required. Among them were many migrants who had been unaware of the acceptable forms of saving.

Another amendment opened the scheme to divorced persons aged less than 36 years with one or more dependent children.

The changes would apply to applicants who entered into a contract to buy or build a house on or after October 27, 1969.

The scheme had been widened another way—savings with approved credit unions were now eligible, Mr. Fraser said.

The credit union involved had to satisfy a number of conditions. Broadly, these were that a credit union regularly made a significant number of loans for the construction or purchase of homes, and that these loans compared in size, interest terms and repayment period with those made by banks and building societies.

The Minister invited all young people who had not previously applied for a grant, and who considered they might become eligible under the new conditions, to apply without delay to the Commonwealth Department of Housing in their State.