

First Home Owner Grant

09/04/2003

V 916/3/4

2003

Public Guideline

What is the First Home Owner Grant?

The First Home Owner Grant (FHOG) was established to offset the effect of the GST on home ownership, by providing a \$7 000 grant to first home owners. The grant is not means-tested nor is it restricted by the purchase price of the property. Importantly, the contract to purchase an established home or to build a new home must be signed no earlier than 1 July 2000.

The grant is administered by the Tasmanian State Revenue Office (SRO). A number of financial institutions also participate in the administration of the grant as approved agents of the Commissioner of State Revenue. Applicants who obtain a loan through an approved agent can apply for the grant directly through the approved agent, rather than applying through the SRO.

How much is the grant?

A one-off payment of up to \$7 000 is payable to eligible first homebuyers to help with their purchase or construction.

Are you eligible?

To be eligible to receive the grant, applicants **must** meet a number of eligibility criteria.

An applicant or spouse must:

- apply as a natural person (not a company);
- be an Australian citizen or have permanent resident status (a New Zealand citizen may also be eligible under certain circumstances);
- not have owned a home before;
- occupy the home as their principal place of residence within 12 months;
- not have received the FHOG before;
- not have entered into a contract to purchase or build a home before 1 July 2000, or not commenced construction as an owner builder prior to that date.

To determine your eligibility for the grant, please complete the checklist at the back of this brochure.

What homes qualify?

The home must be a fixed dwelling that meets local planning standards. This includes new or established dwellings such as a house, flat, unit, townhouse or apartment located anywhere in Australia. Houseboats or mobile homes are not eligible.

The dwelling must be used as your principal place of residence within 12 months of the date of settlement in the case of an established home, or for a new home, 12 months from the date the building is ready for occupancy. The contract to buy an established home or to build a new home must be signed no earlier than 1 July 2000.

How, when and where do you apply for the grant?

Application forms are available from *Service Tasmania* and approved agents. Application forms and the required supporting documentation can be lodged at *Service Tasmania* or with an approved agent (where the applicant is borrowing funds from the approved agent). A complete list of approved agents is available on the FHOG Internet site. Alternatively you can check with your local financial institution to see if they are an approved agent. An application may only be made within a period ending 12 months after the completion of the transaction, being settlement date or building completion date.

Supporting documentation

You must lodge supporting documentation with an application. The supporting documents that you are required to supply will vary depending on whether you are applying through an approved agent or *Service Tasmania* shop. The application form lists all documentation you are required to supply.

Please note that applicants may also be required to supply proof of identity.

When will you receive payment of the grant?

The timing of payment will depend on the type of home (existing or new building) and the method of application.

Approved Agent

For the purchase of an *existing dwelling*, payment will be made at settlement. For a *contract to build*, payment will be made at the first drawdown of the home loan. For an *owner-builder*, payment will be made on receipt of a certificate of occupancy or completion.

Service Tasmania

For the purchase of an *existing dwelling*, payment will be made after proof of settlement. For a *contract to build* or an *owner builder*, payment will be made following receipt of a certificate of occupancy or completion. Claims will take up to 14 days (2 weeks) to process.

How will the grant be paid?

Payment of the grant will be made to a nominated bank account. The grant will be paid into only one bank account in the case of multiple applicants. The nominated bank account may be that of a third party who is not an applicant.

How will you be informed that you are eligible to receive the grant?

Applicants will receive written notification of their eligibility for the grant once the application has been processed. This will be within 14 days (2 weeks) of lodging the application.

What if the home is in another State or Territory?

Each State or Territory has their own FHOG legislation and application form. If you intend to purchase or build a home in another State or Territory, you will need to apply for FHOG in that State/Territory. The SRO can assist you in obtaining the relevant paperwork if you are purchasing or building in another State or Territory. This information is also available on the FHOG Internet site.

Can a decision be appealed?

If an applicant is dissatisfied with a decision by the Commissioner to refuse a grant, that applicant can object or appeal the decision within 60 days after the date of the notice of decision.

Confidentiality and privacy

All information provided to the SRO is subject to strict confidentiality and privacy laws.

Penalties for giving misleading or deceptive information

The SRO, as part of its role in administering the *First Home Owner Grant Act 2000* (the Act) has the authority to conduct investigations and compliance checks to ensure that applicants comply with the Act. A penalty of up to \$10,000 may be imposed for making a *false or misleading statement* in, or in connection with, an application.

The Commissioner may also, as a result of an applicant's *dishonesty*, impose a penalty of up to \$10,000, along with the repayment of the \$7 000 grant pursuant to the Act.

Other concessions

The existing duty loan assistance arrangements for first homebuyers in Tasmania continue during the availability of the FHOG. The duty loan assistance arrangements require applicants to meet certain eligibility criteria that differ from FHOG. Please contact the SRO if you require further information regarding the duty loan assistance arrangements.

Frequently Asked Questions

Following are some frequently asked questions about FHOG. Please contact the SRO directly for assistance with any further questions or queries not covered by this brochure.

Enquiries about the First Home Owner Grant may be made in person or by telephone during office hours, Monday to Friday between 9:00am and 5:00pm.

First Home Owner Grant – Public Guideline

I currently own vacant land but now wish to buy an established home. Will ownership of vacant land before 1 July 2000 mean that I do not qualify for the grant?

You will qualify for the grant if you own vacant land before 1 July 2000.

Will I still get the \$7 000 grant if I purchase vacant land?

The purchase of land only does not qualify you for the grant. If you enter into a comprehensive building contract or commence building as an owner builder after 1 July 2000, you may be eligible.

Is there a minimum time limit I have to take up occupancy of the property to get the grant?

All applicants must occupy the home as their principal place of residence within 12 months upon completion of the transaction. The transaction is complete upon settlement for an established home or certificate of occupancy for newly constructed homes. The Commissioner may approve a longer period in exceptional circumstances upon an application in writing. The onus will be on the applicant to prove that they have lived in the property as their principal residence on a substantial basis.

If I receive the grant, am I able to rent the house first and then move into it later on?

Yes, on the condition that you occupy the property as your principal place of residence within 12 months of completion of the transaction. If you do not fulfil the residence requirement you may have to repay the grant.

Am I eligible if I have owned a residential property before 1 July 2000, but rented the property out and not occupied it myself?

No. A person is not eligible if they or their spouse (including de facto) have previously owned a home before 1 July 2000 in Australia, whether they have lived in the home or not.

I am an owner builder and therefore no contract to build has been entered into. What criteria do I have to meet to qualify?

You must start building on or after 1 July 2000. Commencement, with regard to owner builders, is defined as the laying of foundations. You must also meet all other eligibility criteria.

My de facto has previously owned a home. Am I still eligible?

No, as previous ownership criteria applies to an applicant or their spouse (including de facto) and therefore neither can have previously owned a home.

If I qualify for the grant, can I use the \$7 000 as a deposit before I sign the contract of sale?

No, the grant is only payable upon completion of the transaction. This will be at settlement, first drawdown of the loan or certificate of occupation depending on whether you are buying an established home or constructing a new home.

Can I receive the grant for an investment property?

No, the grant is only available for the purchase of a home where the applicant will occupy the property as their principal place of residence. The applicant must reside in the property within 12 months of settlement or completion of construction to be eligible to receive the grant.

How will the grant be paid if there are joint applicants for the grant?

The grant will be paid by Electronic Funds Transfer (EFT) to the one bank account nominated by the applicants. The grant will not be divided up amongst the applicants. The applicants may nominate payment to a third party.

Direct Enquiries To (Monday to Friday 9:00am to 5:00pm):

By Correspondence:

The Commissioner of State Revenue
State Revenue Office, GPO Box 1374, HOBART TAS 7001

In Person:

Service Tasmania Shops

Telephone: 03 6233 2927
Facsimile: 03 6231 1783
E-mail: fhogs@treasury.tas.gov.au
Internet: www.sro.tas.gov.au

Eligibility checklist

To help you determine your eligibility for the grant, please answer the questions below by ticking the appropriate box.

1. Will this be the first time **each** applicant or their spouse could receive a grant under the *First Home Owner Grant Act 2000* in any State or Territory of Australia? Yes No
2. Is **each** applicant and their spouse a person who has **never** owned a residential property, either jointly, separately or with some other person **before** 1 July 2000, in any State or Territory of Australia? Yes No
3. Is **each** applicant and their spouse a person who has **never** owned and occupied a residential property (other than the property to which this application relates), either jointly, separately or with some other person **on or after** 1 July 2000, in any State or Territory of Australia? Yes No
4. Is **each** applicant a natural person? (i.e. not a company or a trust) Yes No
5. Is at least **one** applicant a permanent resident or Australian citizen? Yes No
6. Will **all** applicants be occupying the residential property to which this application relates as their principal place of residence within 12 months of either settlement or completion of construction? Yes No

Please answer only one of a, b or c.

7. Has each applicant **on or after** 1 July 2000:
 - (a) entered into a Contract of Sale and Purchase or Agreement for the purchase of a home in Tasmania? Yes No
 - OR**
 - (b) entered into a comprehensive building contract to have a home built on their land in Tasmania? Yes No
 - OR**
 - (c) in cases of an owner-builder, commenced construction (laying of the foundations) of a home on their land in Tasmania? Yes No

Determination of eligibility

If you answered 'YES' to all of the above questions, you may be entitled to receive the First Home Owner Grant, subject to the decision being made by the Commissioner of State Revenue