

**2015**

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**FIRST HOME OWNER GRANT AMENDMENT BILL 2015**

**EXPLANATORY STATEMENT**

**Presented By**  
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# FIRST HOME OWNER GRANT AMENDMENT BILL 2015

## Summary

The *First Home Owner Grant Amendment Bill 2015* amends the *First Home Owner Grant Act 2000*.

## Overview

The *First Home Owner Grant Amendment Bill 2015* amends the *First Home Owner Grant Act 2000* (the Act) to allow the Minister to determine the grant value through disallowable instrument.

The grant amount can be appropriately amended to reflect the economic requirements and ensure the ongoing sustainability of the First Home Owner Grant (FHOG) scheme.

The Act and the FHOG were introduced on 1 July 2000 to offset the effect of GST on home ownership, providing a one-off \$7,000 grant to first home buyers to purchase their first home. The FHOG scheme is now fully funded by the ACT Government and administered by the ACT Revenue Office.

On 1 September 2013 the FHOG was increased to \$12,500 per eligible transaction and retargeted to new and substantially renovated properties only. In conjunction with the Home Buyer Concession Scheme for conveyance duty, this increase to the FHOG amount helped stimulate construction activity and boost further supply of housing in the Territory.

Economic stimulus through the increased grant amount supported the ACT economy when drastic Commonwealth government employment cuts were negatively impacting on the local economy.

As these employment cuts are lessened and the ACT returns to more stable growth projections, ensuring the sustainability of the scheme is imperative.

## Commencement Date

The amendments will be effective from 1 January 2016.

## **Details of the First Home Owner Grant Amendment Bill 2015**

### **Clause 1 – Name of Act**

This is a technical clause that provides the title of the Act. The name of the Act is the *First Home Owner Grant Amendment Act 2015*.

### **Clause 2 – Commencement**

The Act commences on 1 January 2016.

### **Clause 3 – Legislation amended**

This is a technical clause stating that the legislation being amended is the *First Home Owner Grant Act 2000*.

### **Clause 4 – Amount of grant, Section 18 (b)**

This clause removes from the *First Home Owner Grant Act 2000* a direct reference to the monetary amount of the grant, and replaces this with a provision for the Minister to determine the amount of the First Home Owner Grant.

This will allow the amount of the grant to be determined as required, removing the necessity for legislative amendment if and when a change to the grant value is deemed appropriate.

### **Clause 5 – New section 18 (2)**

This clause provides that a determination of the grant amount, under new section 18 (b), is to be made by disallowable instrument. Disallowable instruments must be notified and presented to the Legislative Assembly.