

## **Legislation Fact Sheet**

### **First Home Owner Grant Amendment Bill 2014**

- Amendments to the First Home Owner Grant Act will provide legislative certainty to the previous State Government's policy of increasing the First Home Builder Boost (FHBB) from \$15 000 to \$30 000 for the period 7 November 2013 to 31 December 2014.
- Legislative amendments to the First Home Owner Grant Act are required to give legislative protection to both the state government and the grant recipient. Until now the FHBB has been paid to eligible applicants by way of a grant deed, as the former State Government was unable to introduce legislation into Parliament prior to entering caretaker period.
- The amendments are to commence retrospectively from the date of announcement of the FHBB scheme (7 November 2013).
- FHBB eligibility is tied to eligibility for the First Home Owner Grant (FHOG). The current grant deed, and the planned amendments to the First Home Owner Grant Act, provide an additional \$23 000 on top of the \$7 000 available under the FHOG for eligible recipients.
- The increased FHBB is intended to provide total first home owner assistance of \$30 000 to eligible FHOG applicants who, between 7 November 2013 to 31 December 2014 either:
  - buy a newly constructed home;
  - enter a comprehensive building contract to build their first home;
  - buy a house and land package; or
  - commence construction of their first home as an owner-builder.
- Amendments to the First Home Owner Act will ensure that the increased grant amount continues to only be available to new homes, as currently defined in the Act.
- The \$30 000 grant was to be funded from the under spend of the original \$15 000 grant and therefore expected to be Budget neutral. However, since October 2013, demand for both grants (Boosts) has increased and will contribute to an estimated increase in cost on average per year of approximately \$5 million in 2013-14 and 2014-15.