



2000-01 BUDGET

23 May 2000

\$7,000 FOR FIRST HOME BUYERS

The Government is allocating \$16.5 million in 2000-01, rising to \$67.9 million over four years, to fund applications for \$7,000 grants to the purchasers of first homes under the First Home Owner's Scheme.

Legislation to establish the scheme was passed by the Assembly in May, and will entitle all purchasers of first homes as principal places of residence (irrespective of income or asset worth) to a \$7,000 cash grant. The scheme is to be funded from GST revenue.

Conditions contained in the legislation for eligibility are that applicants:

- must be individuals, not companies or entities;
- must be Australian citizens or permanent residents;
- have not previously been granted assistance under this scheme, in the ACT or in another state;
- have not previously been eligible to apply but did not do so;
- have not previously had an interest in residential property;
- intend to occupy the home as the principal place of residence;
- form a contract on or after 1 July 2000

"This scheme will be funded from revenue from the Goods and Services Tax, and will cost the ACT up to \$16.5m in the first year, but it provides a real benefit to people considering the purchase of their first home in the ACT.

"But people need to be aware that the grant will only be available for contracts made on or after 1 July 2000. That means contracts made before then, even if delivered after 1 July, will not attract a grant.

"For example, if you sign a contract for a new home this week, but the house isn't built until July, you are not eligible for the grant. Only contracts signed by recipients on or after 1 July will be eligible for the \$7,000 grant," Mr Humphries said.

"Significantly, this incentive furthers the ability of many Canberrans to buy their own homes," Mr Humphries said.

Statement Ends