

**FIRST HOME OWNER GRANT AMENDMENT BILL 2000**

*Second Reading*

Resumed from 7 November.

**HON N.D. GRIFFITHS** (East Metropolitan) [10.01 pm]: The Australian Labor Party supports the passage of the First Home Owner Grant Amendment Bill 2000. It is interesting in this area, as in so many areas affected by the imposition of the goods and services tax, that injustices have occurred and will continue to occur. The Bill seeks to extend access to the first home owner grant to New Zealand citizens who reside permanently in Australia. Currently, first home owners who are Australian citizens or permanent residents may qualify for the grant, provided they meet the criteria set out in the Act. The \$7 000 grant was designed to compensate some people for part of the evils of the GST inflicted upon the Australian community by the Australian Democrats and the Liberals.

The difficulty that this legislation seeks to address relates to New Zealanders, and it concerns the definition of a permanent resident in respect of the application of the Act. This does not include special category visas granted to New Zealand citizens upon their arrival in Australia. Therefore, it has been discovered in this case, as in so many cases involving the GST, that one group of people are at a disadvantage. In this case, New Zealand citizens residing permanently in Australia are at a disadvantage, as the minister puts it in his second reading speech, relative to other migrants who hold a permanent visa.

I note the observation that similar legislation is being dealt with, or is about to be dealt with, in other Australian jurisdictions. We are fortunate to have had the matter referred to the Standing Committee on Constitutional Affairs. I note that the report of that committee makes a number of pertinent observations, to which I propose to refer briefly. First, I note the reference to the retrospectivity of the Bill; it will apply from 1 July. I note also the very interesting discussion about the issue of an applicant's spouse. That part of the Bill is not specifically related to New Zealand citizens but applies to people who may find themselves in a position in which they can access the first home owners' goods and services tax compensatory grant. The report of the standing committee contains an interesting discussion on how the transaction will apply, depending on when people were married and matters of that kind. These sorts of difficulties invariably arise when a segment of the population finds itself corralled and is given special treatment to compensate for the injustices of the GST. It is good that some people are being compensated for the GST, and I suppose the Australian Democrats and the Liberal Party should be grateful that the people being compensated will not be as angry as they otherwise would; although, of course they are not being compensated in full. The report of the standing committee also contains a useful series of observations about how the amendments relate to the permanent residents. I quote from page 4 of the report -

4.3.2 . . . If the person gains permanent residency status prior to completion of the contract, it could be argued that the person is eligible for the grant. These amendments make it clear that the person is ineligible.

4.3.3 The Committee notes that this may disadvantage new applicants for permanent residency as opposed to the situation under the current legislation.

The report of the standing committee is a useful tool for the House in considering the Bill. The committee recommends that all clauses of the Bill be passed.

I question the applicability of the legislation to New Zealanders. What will be the position with a New Zealand citizen who owned a home in New Zealand before he came to Australia? Will that be taken into account? If a person or his spouse already has a home in Australia, as defined under the First Home Owner Grant Act, he is ineligible for the grant when he buys another home, as it will not be his first. What is the position for someone whose first home is in New Zealand? He will buy his first home in Australia. Will he receive \$7 000? Will those people be treated in the same way as Australians? It would be interesting to know how these matters will be dealt with, how the state government authorities propose to find out whether applicants owned a home in New Zealand, and the processes that are in place to ensure that applicants are genuine first home owners. I like people to be treated equally under the law, although I know it is hard to do justice to all because of the nasty nature of the GST.

Hon J.A. Scott: How does the legislation apply to Australians who move from State to State?

Hon N.D. GRIFFITHS: I do not think there would be any difficulties because of intergovernmental agreements and the legislation. The Attorney General might elaborate on that, but my understanding is that it is not a difficulty. The difficulty is that it is now being extended to New Zealand citizens. That is good, because New Zealanders contribute to our economy. They had to suffer the injustice of the GST over there, which is one of the reasons they came here. However, they are also now suffering the injustice here. Somebody could come

here and say, "I haven't owned a home in Australia before. On the face of it, I am entitled to the first home owners grant". Will the first home in New Zealand be taken into account? There may be no problem, but perhaps the Attorney General, in his infinite wisdom, will tell me what will happen.

Hon Peter Foss: You'll be lucky.

Hon N.D. GRIFFITHS: I am very lucky.

**HON HELEN HODGSON** (North Metropolitan) [10.10 pm]: The Democrats support this Bill. We did support the original First Home Owner Grant Bill when it was passed in this place about June this year. It is a means of providing some compensation to people for increased home prices as a consequence of the goods and services tax. The intention was always to ensure that permanent residents would be entitled to this grant. The anomaly that has been discovered, and the main cause for this amendment legislation, is due to the nature and description of visas held by New Zealanders. They do not technically fall within the definition. It has been put to me that citizenship should be the qualification rather than permanent residency. However, that is outside the scope of this Parliament because it is subject to the inter-governmental agreement which requires permanent residency as the key test.

Hon Peter Foss: It is probably the federal law relating to anti-discrimination.

Hon HELEN HODGSON: I have not checked whether discrimination on the basis of a person's visa is applicable. I might follow that up, because it would be interesting to see whether people on temporary protection visas are being discriminated against under the federal equal opportunity legislation.

The committee identified that this legislation was drafted to overcome the anomaly. I do not think that is particularly material in the scheme of things, because there is no question that it was originally intended to apply to permanent residents, including New Zealanders. For those reasons the Democrats support the Bill.

**HON J.A. SCOTT** (South Metropolitan) [10.11 pm]: The Greens (WA) support this Bill. We suspect there may be an ulterior motive for this piece of legislation and that it may be a form of solatium for the poor performance by New Zealand in the Olympic games! I am not sure whether that is true. If somebody is to be a permanent resident in this country it is fair and reasonable for the first home owner grant not to be withheld because of the arrangements we have with New Zealand concerning citizenship. We support the Bill.

**HON PETER FOSS** (East Metropolitan - Attorney General) [10.12 pm]: I am not sure I can answer everybody's questions. Hon Nick Griffiths said that if a person previously owned a home in any place other than a State or Territory of the Commonwealth it would not count. The only qualification was that he had to be a natural person. Someone might challenge whether certain people are natural persons, but I do not have an answer to that. The other points generally supported the legislation and I thank members for their interest.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate, and passed.