

FIRST HOME OWNER GRANT AMENDMENT BILL 2000

Introduction and First Reading

Bill introduced, on motion by Mr Kierath (Minister assisting the Treasurer), and read a first time.

Second Reading

MR KIERATH (Riverton - Minister assisting the Treasurer) [12.42 pm]: I move -

That the Bill be now read a second time.

The Bill seeks to extend access to the first home owner grant to New Zealand citizens who reside permanently in Australia. Under the Act, first home buyers who are Australian citizens or permanent residents may qualify for a grant of up to \$7 000 to compensate for the impact of the goods and services tax on house prices. The current legislation defines a permanent resident as the holder of a permanent visa within the meaning of the Commonwealth's Migration Act 1958. This does not include special category visas granted to New Zealand citizens upon their arrival in Australia, even though both types of visa can serve the same purpose. As a result, New Zealand citizens residing permanently in Australia are at a disadvantage relative to other migrants who hold a permanent visa.

This anomaly emerged after the original legislation was drafted and it is intended that these amendments operate retrospectively to 1 July 2000, being the commencement date of the scheme. Similar amendments are intended, or have already been made, by other States and Territories so that national uniformity of the scheme is maintained in line with the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations. It is difficult to estimate the number of first home buyers who will be eligible for assistance as a result of the amendments contained in this Bill. However, the Government has received many complaints from New Zealanders who are currently excluded from the scheme.

The Commonwealth has indicated that it is supportive of this extension to the scheme, and that its current estimates of the cost of the scheme would already include grants paid to New Zealanders. Accordingly, any grant payments resulting from these amendments will be taken into account in the calculation of the Commonwealth's guarantee payments to the States and Territories, thereby ensuring that the State's budget remains no worse off as a result of national tax reform.

The Bill also proposes minor amendments to clarify that an applicant must meet the eligibility criteria specific to the applicant, at the commencement date of the eligible transaction. The commencement date is, in the case of a contract, the date when the contract is made, or, in the case of the building of a home by an owner builder, the date when laying the foundations for the home begins. The scheme has always been administered on that basis and the proposed amendments merely seek to remove any ambiguity that could arise from the current wording of the Act. I commend the Bill to the House.

Debate adjourned, on motion by Mr McGowan.