



Q & S CONVEYANCING UPDATE

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FIRST HOME OWNER BOOST

The Federal Government recently announced that the first home owner boost will supplement the existing first home owner grant scheme as follows:

1. First home buyers purchasing an established home will receive an extra \$7,000.00 (doubling the grant to \$14,000.00); and
2. First home buyers building a new home or purchasing a newly constructed home will receive an extra \$14,000.00, (tripling the grant to \$21,000.00) provided that the home meets relevant State or Territory energy efficiency and sustainability standards.

Unfortunately for some buyers, only those who enter into Contracts from 14 October 2008 to 30 June 2009 will be eligible for the first home owner boost. We have recently received enquiries from buyers asking if they can rescind a Contract dated before 14 October 2008 and enter into a new one in order to obtain the first home owner boost.

A Contract entered into under these circumstances would not be an "eligible transaction" for the purposes of the First Home Owner Grant Act 2000 ("the Act") as section 5 of the Act states that the Commissioner would consider that "*it forms part of a scheme to circumvent limitations on, or requirements affecting, eligibility or entitlement to a first home owner grant*".

The Office of State Revenue, which administers the first home owner grant scheme, is carefully examining all first home owner grant applications and warning first home buyers of this who may be contemplating replacing existing Contracts to obtain the grant.

Under the Act, the Commissioner has the power to carry out investigations on any applications for the grant and may require that a person provide information (supported by statutory declarations), answer questions in person, or produce documents relevant to the investigation.

If the application is considered to form part of an avoidance scheme then the Commissioner may order the following:

1. Repayment of the grant;
2. Imposition of penalties or prosecution;
3. Payment of duty on both Contracts;
4. Prosecution of another party for fraud (e.g. the Seller, Agent or Lawyer assisting in the avoidance scheme).

We strongly recommend that Agents do not assist buyers in trying to obtain the grant in circumstances where this will be considered part of an avoidance scheme. We suggest that all first home buyers should seek legal advice before entering into a Contract in order to ascertain their eligibility for the grant.

Richie Muir, Solicitor, Quinn & Scattini

If you would like to ask any question about this or any other similar issue Richie may be contacted on 38212766 between 8.30am to 5pm Monday to Friday.

Quinn & Scattini Lawyers has offices in Brisbane, Beenleigh, Caboolture, Southport, Ipswich and Cleveland. In addition to residential and commercial Conveyancing services, our team of experienced lawyers practice in Business Law, Commercial Litigation, Property Law, Wills & Estates, Criminal Law and Family Law.

Offices at:

Brisbane
Level 28 Central Plaza One
345 Queen Street
Brisbane

Beenleigh
99 George Street
Beenleigh

Caboolture
9 Elliott Street
Corner Morayfield Road
Caboolture

Cleveland
141 Shore Street West
Cleveland

Gold Coast
64 Marine Parade
Southport

Ipswich
55 Limestone Street
Ipswich

Telephone
Freecall 1800 652 969

mail@quinnscattini.com.au
www.quinnscattini.com.au