

1990

THE PARLIAMENT OF THE COMMONWEALTH  
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

FIRST HOME OWNERS AMENDMENT BILL, 1990

EXPLANATORY MEMORANDUM

(Circulated by authority of the  
Minister for Community Services and Health,  
the Honourable Brian Howe MP)



## FIRST HOME OWNERS AMENDMENT BILL 1990

### OUTLINE

The main purpose of the Bill is to preclude payment of assistance under the First Home Owners Act 1983 to sole or joint applicants who contract to purchase or build, or commence construction of a dwelling on or after 22 August 1990.

The Bill also fixes 30 June 1991 as the cut off date by which applications for assistance under the First Home Owners Act 1983 must be submitted to the Secretary to the Department of Community Services and Health.

The Bill additionally deals with two minor amendments. Firstly it amends section 38 of the First Home Owners Act 1983, to create an offence related to the recklessly making of false or misleading statements in connection with applications under the Act, in addition to the existing offence of knowingly making such statements. Further, it deletes certain references which are unnecessary duplications of provisions which can be found in the Crimes Act 1914. Secondly the Bill corrects some anomalies which occurred when references to migration law in the First Home Owners Act 1983 were amended by the Migration Legislation Amendment Act 1989.

### FINANCIAL IMPACT STATEMENT

The amendments terminating eligibility for assistance and establishing the requirement to submit applications no later than 30 June 1991 are expected to result in savings of \$33.4m in 1990-91, \$61.8m in 1991-92 and \$81.5m in 1992-93. The remaining amendments in the Bill have no identifiable financial impact.

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## NOTES ON INDIVIDUAL CLAUSES

Clause 1: Short Title

This clause will enable this Bill, when enacted, to be cited as the First Home Owners Amendment Act 1990.

Clause 2: Commencement

This clause provides for the dates on which various provisions of the amending Act will come into operation.

Subclause 2(1) provides that subject to subclause 2(2) the provisions of the amending Act will come into operation on the day on which the amending Act receives Royal Assent. .

Subclause 2(2) provides that clause 4 is taken to have commenced on 22 August 1990.

Clause 3: Principal Act

This clause cites the First Home Owners Act 1983 to be the Principal Act for the purposes of the amending Act.

Clause 4: Financial Assistance

This clause inserts a new subsection (3) into section 16 of the Principal Act to preclude payment of assistance under the Principal Act to sole or joint applicants whose "prescribed date" for the purposes of the Act (ie the date on which they contract to purchase or build, or commence construction of, a dwelling) is on or after 22 August 1990.

Clause 5: Assistance not payable unless certain conditions satisfied

This clause corrects oversights which occurred when section 17(4) of the Principal Act was amended by the Migration Legislation Amendment Act 1989. The word "or" is inserted at the end of paragraph 17(4)(b) and the word "permanently" is inserted after the word "remain" in paragraph 17(4)(d). Omission of the word "permanently" has changed the legal meaning of the paragraph as originally intended and enacted.

Clause 6: Time limit for applications

This clause inserts a new section 17A in the Principal Act, after section 17 in Division I, to preclude payment of assistance under the Principal Act to sole or joint applicants unless their application for assistance is received by the Secretary no later than 30 June 1991.

**Clause 7: Relevant year of income in certain cases**

This clause corrects an omission which occurred when new paragraphs 17(4)(b), (c) and (d) were substituted by the Migration Legislation Amendment Act 1989 but a consequential amendment to section 22(5) inserting a reference to paragraph 17(4)(d) was not undertaken.

**Clause 8: Misleading statements etc**

This clause repeals section 38 of the Principal Act and substitutes new subsections 38(1) and (2) to provide the offence of recklessly making misleading statements in connection with an application for assistance, in addition to the offence of knowingly making false or misleading statements, and, for obtaining payment of assistance by means of impersonation or a fraudulent device.

This amendment will bring the Act into line with other Commonwealth legislation such as the Social Security Act 1947 and the Taxation Administration Act 1953.

Subsection 38(1) and (2) of the Principal Act contain references to pecuniary penalties, which together with subsections (2A) and (3) of section 38 of the Principal Act, which provide for summary conviction and the empowering of a court in addition to imposing a penalty to order repayment of the amount of assistance obtained, are all duplications of provisions of the Crimes Act 1914, obviating the need to specify them in the new section 38.