



First Home Owner Grant Scheme – Penalties for Non-Compliance

Background

The First Home Owner Grant Scheme (FHOGS) was established to assist first home buyers to purchase their first home by offering a \$7000 grant. Details of the eligibility and residence requirements are contained in our **First Home Benefits factsheet**.

Your obligations

To obtain a First Home Owner Grant, you must:

- provide the correct and complete information necessary for the Chief Commissioner of State Revenue (Chief Commissioner) to determine your eligibility for the grant, and
- meet the residence requirement for the grant by moving in to the grant property within 12 months after completion of the eligible transaction and live there for a continuous period of at least six months.

If you are unable to meet the residence requirement, you must:

- notify the Chief Commissioner immediately and repay the grant within 12 months and 14 days from the completion of the eligible transaction.

Repayment of the grant

You must repay the grant where:

- the amount was paid in error due to incorrect information having been provided, either intentionally or unintentionally
- the amount was paid in error for any reason
- it is subsequently found that you do not meet the eligibility criteria
- you did not satisfy the residence requirement
- the Chief Commissioner reverses the decision for any reason.

Investigations

The Office of State Revenue (OSR) conducts investigations to ensure the grant is only given to applicants who are entitled to it. These compliance checks and audits include cross checking, data matching and verifying information with extensive third party data from multiple sources.

When penalties are imposed

If you receive the grant when you are not entitled, including not meeting the residency requirement, and do not advise the Chief Commissioner and repay the grant, penalties may be imposed.

A penalty may be imposed where:

- you did not declare that you or your spouse have held a prior relevant interest in property
- you did not declare an ineligible spouse in your application
- you or your spouse received an earlier grant
- you failed to repay the grant after not complying with the residence requirement
- there is evidence of dishonesty, including the use of false documents (birth certificate, proof of identity, citizenship, permanent residency, purchase contract, utility bills, statutory declarations, etc)
- you fail to make a repayment required under the *First Home Owner Grant Act 2000*.

Amount of penalty imposed

The penalty imposed will depend on the circumstances of each case and is in addition to having to repay the grant. Factors taken into consideration include:

- the reasons why you received and/or failed to repay the grant to which you weren't entitled
- the circumstances under which your ineligibility for the grant is identified, and
- the degree of cooperation and disclosure of information during the investigation.

After considering the circumstances:

- the penalty imposed will be reduced if you initiated contact with OSR prior to the commencement of an investigation to advise of your ineligibility for the grant, and
- the penalty imposed will be increased where you conceal or do not fully disclose relevant information, are dishonest in your dealings with OSR or hinder an investigation in any way.

Where fraudulent information is provided, OSR will take action to prosecute applicants. Penalties for successful prosecutions include criminal convictions with community service and fines.

MORE INFORMATION



www.osr.nsw.gov.au



1300 130 624
8:30 am – 5:00 pm
Monday to Friday



first.home.benefits@osr.nsw.gov.au

Help in community languages is available.

Office of State Revenue: ISO 9001 – Quality Certified
Department of Finance & Services

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Penalty for not complying with the eligibility criteria

If you or your spouse did not meet the eligibility criteria and incorrectly received the grant, the following penalties may be imposed:

Penalty	Reason for penalty
15 per cent	if you make a disclosure in writing before an investigation has commenced
60 per cent	if you make a disclosure in writing during an investigation
75 per cent	if you do not make a disclosure
90 per cent	if you take steps to prevent or hinder the investigation or conceal relevant information
100 per cent	if you provide false documents (e.g. proof of identity, citizenship, permanent residency, birth certificate, purchase contract, utility bills, statutory declarations etc)

Penalty for not repaying the grant after failing to meet the residence requirement

If you fail to repay the grant after not complying with the residence requirement, the following penalties may be imposed:

Penalty	Reason for penalty
15 per cent	if you make a disclosure in writing before an investigation has commenced and had no intention to occupy the home
20 per cent	if you make a disclosure in writing after an investigation has commenced
30 per cent	if you withhold or provide insufficient information during an investigation or take steps to hinder the investigation
60 per cent	if you provide false or misleading information during the investigation
75 per cent	if you do not make a disclosure during an investigation and had no intention to occupy the home
100 per cent	if you had not intention of occupying the home and provided fraudulent information, were dishonest or hindered the investigation

Contacting OSR

You should contact OSR immediately if you do not meet the FHOGS eligibility requirements. Arrangements will be made with you to repay the grant including the possibility of an instalment plan (with interest) if you have difficulty repaying the amount due in full.