Queensland Government

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Practice direction
First Home Owner Grant and Other Home Owner Grants Act:

INSTALMENT CONTRACTS

A practice direction, when issued, is the published view of the Commissioner of State Revenue (the Commissioner) on the particular topic to which it relates. It therefore replaces and overrides any existing private rulings, memoranda, manuals and advice provided by the Commissioner in respect of the issue(s) it addresses. Where a change in legislation or case law (the law) affects the content of a practice direction, the change in the law overrides the practice direction—that is, the Commissioner will determine the tax liability or eligibility for a concession, grant or exemption, as the case may be, in accordance with the law.

What this direction is about

1. This practice direction clarifies when the first home owner grant (the grant) under the *First Home Owner Grant and Other Home Owner Grants Act 2000* (Grants Act) will be paid to a purchaser before completion of an instalment contract, assuming other conditions of payment of the grant are satisfied.

2. The Grants Act provides that the grant is payable on application if the applicant (or if there are 2 or more applicants, each of the applicants) complies with the eligibility criteria and the transaction for which the grant is sought is an eligible transaction and has been completed.[1]

3. A contract for the purchase of a home is completed if the purchaser becomes entitled to possession and the purchaser's title to the land is registered.[2]

4. Instalment contracts are contracts for the sale of land under which the buyer is bound to make 1 or more payments by instalment of the purchase price of the land, other than a deposit, and is not entitled to receive a transfer of the title to the land in exchange for the payments.[3]

5. Usually, a purchaser under an instalment contract is not entitled to a transfer of title until one of the following events occurs:

   (a) The final instalment is paid.

   (b) One-third of the purchase price has been paid and one of the parties to the contract requires a transfer to the purchaser with a mortgage back to the vendor as security for the unpaid purchase price.

1 Section 10(1) of the Grants Act
2 Definition of 'completed' in Schedule to the Grants Act
3 Section 89 of the *Property Law Act 2023*

(c) The purchaser pays the balance of the purchase price at some other time (e.g. using funds borrowed from a financial institution).

6. The Commissioner may authorise payment of the grant before the completion of the eligible transaction if satisfied that it is appropriate in the circumstances.[4]

7. The Commissioner may also attach conditions to the payment of the grant.[5]

Direction and explanation

Conditional payment prior to completion

8. The Commissioner will exercise the discretion[6] to pay the grant to a purchaser under an instalment contract before completion of the contract if all the following circumstances exist:

   (a) The contract has been in existence for at least one year.

   (b) The purchaser is not in default under the contract so that the vendor has no right to cancel the contract.

   (c) The purchaser has occupied the home as their principal place of residence under the contract.

   (d) The purchaser has paid to the vendor an amount of not less than the amount of the grant or an amount that is equal to at least 10% of the purchase price, whichever is the greater. In calculating the amount paid to the vendor, any of the following can be taken into account:

      (i) any deposit paid by the purchaser to the vendor

      (ii) any interest paid by the purchaser to the vendor

      (iii) any other amounts that have been paid and deducted from the balance of the purchase price.

Conditions of payment

9. A grant paid before completion of an instalment contract will be paid subject to the following conditions:

   (a) The contract will be completed and will not be cancelled or terminated.

   (b) Following payment of the grant, the purchaser will meet the residence conditions:

      (i) For contracts entered into before 1 January 2004, the purchaser will remain in possession of the home as their principal place of residence and will continue in possession following completion of the contract.[7]

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4 Section 19(2) of the Grants Act
5 Section 23 of the Grants Act
6 Section 19(2) of the Grants Act
7 Section 15 of the Grants Act before being amended by the *First Home Owner Grant Amendment Act 2003*

(ii) For contracts entered into on or after 1 January 2004, the purchaser will remain in possession of the home as their principal place of residence and will continue in possession following completion of the contract for a continuous period of at least 6 months.[8]

(c) Within 14 days of non-compliance with conditions (a) or (b), the purchaser will notify the Commissioner of non-compliance and will repay the grant.

Procedure

10. Where a purchaser under an instalment contract claims payment of the grant under the terms of this practice direction, the application must be supported by a statutory declaration from the purchaser detailing compliance with the matters referred to in paragraph 8. This statutory declaration should also include a statement of the purchaser's intention in relation to the matters referred to in paragraphs 9(a) and (b).

11. Where the Commissioner imposes the conditions in paragraph 9, the purchaser must agree in writing, before payment of the grant, to notify the Commissioner and repay the grant in accordance with paragraph 9(c).

12. It is an offence under the Grants Act for a person not to comply, without reasonable excuse, with a condition imposed by the Commissioner under the Grants Act.[9]

13. Where the person fails to repay the grant under the conditions of the grant, the Commissioner may—as an alternative to prosecution—impose a penalty of up to 100% of the amount of the grant.[10]

14. It is also an offence under the Grants Act for a person to:

(a) give to the Commissioner or an authorised officer under the Grants Act a document containing information

(b) state anything to the Commissioner or an authorised officer under the Grants Act that the person knows is false or misleading in a material particular.[11]

15. Where the grant is paid in error because of the provision of such false or misleading information in relation to the application for the grant, the Commissioner may:

(a) require the grant to be repaid[12]

and

(b) impose a penalty of up to 100% of the amount of the grant paid in error, as an alternative to prosecution.[13]

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8 Section 15 of the Grants Act after being amended by the *First Home Owner Grant Amendment Act 2003*; the Commissioner may, however, shorten the period of residence or exempt an applicant from the residence conditions if there are good reasons for doing so.
9 Section 23(4) of the Grants Act
10 Sections 47(3) and 51 of the Grants Act
11 Sections 42 and 43 of the Grants Act
12 Section 47(1) of the Grants Act
13 Sections 47(2) and 51 of the Grants Act

Date of effect

16. This practice direction takes effect from the date of issue.

Simon McKee
Commissioner of State Revenue
Date of issue: 1 August 2025

References

Practice Direction	Issued	Dates of effect	
		From	To
FHOGA019.1.1	1 August 2025	1 August 2025	Current
Supersedes Public Ruling FHOGA019.1.3	3 November 2020	3 November 2020	31 July 2025

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