



## REVENUE RULING

FHOG 3.0

# SUPERSEDED

## FIRST HOME OWNER GRANT - REASONABLE SECURITY OF TENURE

### RULING HISTORY

Revenue Ruling	Issued	Date of Effect	
		From	To
FHOG 3.0	December 2006	December 2006	7 May 2015

### INTRODUCTION

1. Section 6(1) of the *First Home Owner Grant Act 2000* (“the Act”) defines the meaning of relevant interest in land and includes in section 6(1)(f) a licence or right of occupancy granted by the Commonwealth, State or a local government that gives, in the Commissioner’s opinion, the licensee or the holder of the right reasonable security of tenure.
2. The purpose of this ruling is to set out the factors that the Commissioner will take into consideration when determining whether a person’s licence or right of occupancy provides reasonable security of tenure under section 6(1)(f) of the Act.

### RULING

3. In determining whether a person’s licence or right of occupancy provides reasonable security of tenure, the Commissioner will consider the following factors:
  - (a) The length or remaining length of the term under the licence or right of occupancy agreement.
  - (b) The upfront costs of securing the property.
  - (c) Whether the licence or right of occupancy can be terminated at short notice, and by whom.
  - (d) The ability of the licensee to renew the licence, and the period of that renewal.
  - (e) The ability of the licensee to assign the licence or the right of occupancy (eg. can the home which is the subject of the licence

or right of occupancy be on-sold).

- (f) The consequences if the licence is relinquished (eg. will the licensee be entitled to compensation whether or not a new licence is reissued).
- (g) What ownership rights apply to the property the subject of the licence (eg. can the licensee make improvements to the property or other changes without having to get approval to do so).
- (h) Whether at the end of a period of licence, the licensee is entitled to any compensation for improvements made to the property or must they simply walk away.
- (i) Whether there are any known restrictions or prohibitions on the licence as a result of future development plans for that land. In such a case, an assessment is made as to whether this is reflected in the cost of the licence and/or the length of licence able to be granted.

In making such a determination, these factors will be considered on a case-by-case basis.

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