

NATIONAL PARTNERSHIP AGREEMENT ON THE FIRST HOME OWNERS BOOST

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- the States and Territories, being:
 - ◆ The State of New South Wales
 - ◆ The State of Victoria
 - ◆ The State of Queensland
 - ◆ The State of Western Australia
 - ◆ The State of South Australia
 - ◆ The State of Tasmania
 - ◆ The Australian Capital Territory
 - ◆ The Northern Territory of Australia

This Agreement will deliver financial assistance to eligible first home buyers who purchase a home within a time-limited period.

National Partnership Agreement on the First Home Owners Boost

INTERGOVERNMENTAL AGREEMENT

PRELIMINARIES

1. This National Partnership Agreement has been established to implement the Commonwealth's commitment to provide temporary financial assistance to first home buyers to help stimulate housing activity and assist first home buyers to enter the housing market.
2. On 14 October 2008, the Commonwealth announced the First Home Owners Boost, which will provide one-off financial assistance to eligible first home buyers, and sought the assistance of State and Territories in administering the Boost, which will be fully funded by the Commonwealth. The First Home Owners Boost will operate in conjunction with the First Home Owners Scheme, which is administered by the State and Territory governments as provided in the Intergovernmental Agreement on Federal Financial Relations.
3. First home buyers must first meet the eligibility requirements for the First Home Owners Scheme grant in order to be eligible to receive the Boost payment.
4. This Agreement will formalise the in-principle agreement of State and Territory governments to assist the Commonwealth in delivering the First Home Owners Boost.

PART 1 – FORMALITIES

Parties to this Agreement

5. In entering this Agreement, the States and Territories recognise the Commonwealth's objective of delivering a short-term stimulus to the housing market by providing assistance to first home buyers through the First Home Owners Boost and the need to work together to achieve this outcome.

Term of the Agreement

6. This agreement will commence as soon as the Commonwealth and one other Party signs the agreement.

Delegation

7. The General Manager of the Commonwealth-State Relations Division in the Commonwealth Department of The Treasury is authorised to certify the payments to be made to the States and Territories.

Interpretation

8. The Parties to this Agreement (the Parties) are:
 - (a) the Commonwealth of Australia (the Commonwealth); and
 - (b) The States and Territories, being:
 - (i) the State of New South Wales;
 - (ii) the State of Victoria;
 - (iii) the State of Queensland;
 - (iv) the State of Western Australia;
 - (v) the State of South Australia;
 - (vi) the State of Tasmania;
 - (vii) the Australian Capital Territory; and
 - (viii) the Northern Territory of Australia
9. The Council of Australian Governments (COAG) comprises the Prime Minister of Australia, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association.
10. The Intergovernmental Agreement on Federal Financial Relations (Intergovernmental Agreement) refers to the signed agreement between the Commonwealth and State and Territories on financial relations. If this Intergovernmental Agreement is not in force, it will refer to the last version of this agreement or the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations.

PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

Objectives

11. The objectives of this Agreement are as follows:
 - (a) to provide the framework to the parties to work co-operatively to provide financial assistance to eligible first home buyers with the intention of stimulating the housing market; and
 - (b) to reduce administrative complexity for first home buyers, with the same State or Territory agency administering the First Home Owners Scheme also administering the First Home Owners Boost.

Outcomes

12. The Agreement will contribute to the following outcomes:
 - (a) assist first home buyers to enter the housing market; and

- (b) provide stimulus to the housing market.

Outputs

- 13. The objectives and outcomes of this Agreement will be achieved by all Parties complying with the terms of this Agreement.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

- 14. To realise the objectives and commitments in this Agreement, each Party has specific roles and responsibilities, as outlined below.

Role of the Commonwealth

- 15. The Commonwealth will have responsibility for providing funding to the States in accordance with this Agreement.

Role of the States and Territories

- 16. The States and Territories will have responsibility for administering the First Home Owners Boost. Each State and Territory will make any necessary arrangements to administer the First Home Owners Boost.
- 17. In administering the First Home Owners Boost, the States and Territories will comply with the requirements of Schedule A which sets out the terms and conditions of the First Home Owners Boost.
- 18. The States and Territories will acknowledge on all material related to the First Home Owners Boost that the Commonwealth is funding this assistance to first home buyers.

PART 4 – REPORTING

Reporting

- 19. Each State and Territory will report on a monthly basis to the Commonwealth the number of recipients and value of grants paid in respect of the \$7,000 First Home Owners Boost and the \$14,000 First Home Owners Boost. Any repayments of the First Home Owners Boost by applicants later found to be ineligible are to be netted off the data provided by the States and Territories.
- 20. The monthly reports will be provided within 21 days of the end of the relevant month.

PART 5 – FINANCIAL ARRANGEMENTS

Funding

- 21. The funding available to the States and Territories will equal the value of the First Home Owners Boost payments made by the States and Territories to eligible first home buyers. Any

repayments to State and Territories by first home buyers later found to be ineligible will be returned to the Commonwealth.

22. The distribution of this funding between the States and Territories will be based on the value of First Home Owners Boost payments made by each State or Territory to eligible first home buyers.

Payment Schedule

23. The Commonwealth will make monthly payments to the States and Territories for the expected payments the States and Territories will make to eligible first home buyers during that month.
24. The monthly payments will be adjusted to reflect the actual payments made by States and Territories in previous periods.
25. The Commonwealth will make its monthly payment on the 7th of every month, or if the 7th of the month is a weekend or public holiday in Canberra, on the next business day.
26. States and Territories will repay any amount of Commonwealth funding paid which is in excess of actual payments to eligible first home buyers to the Commonwealth within seven days of a written request from the Commonwealth.

PART 6 – GOVERNANCE ARRANGEMENTS

Dispute Resolution

27. Any Party may give notice to other Parties of a dispute under this Agreement.
28. The relevant delegates will attempt to resolve any dispute in the first instance.
29. If a dispute is unable to be resolved between the relevant delegates, it may be escalated to the Ministerial Council for Federal Financial Relations for consideration.
30. If a dispute is unable to be resolved by the Ministerial Council for Federal Financial Relations, it may be referred by a Party to COAG for consideration.

Variation of the Agreement

31. The Agreement may be amended at any time by agreement in writing by all of the Parties and under terms and conditions as agreed by all Parties.
32. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all other Parties in writing.

Terms and Conditions

FIRST HOME OWNERS BOOST

- A1 The States and Territories will assist first home buyers through the administration of a uniform First Home Owners Boost grant, consistent with the following eligibility requirements:
- (a) Eligible applicants will be entitled to \$7,000 assistance (per application) on established homes or \$14,000 assistance (per application) on new homes. If consideration to purchase or build a home is less than the applicable total grant amount, including the First Home Owners Scheme grant, the applicant will only receive an amount equal to consideration.
 - (b) Assistance will be available directly as a one-off payment. If the recipient expressly consents, it may be available as an offset against statutory levies and charges or some combination of these.
 - (c) To qualify for assistance, applicants must meet the eligibility requirements for the First Home Owners Scheme, as set out in State and Territory legislation. Refer to Schedule A of the Intergovernmental Agreement on Federal Financial Relations for the principles of the First Home Owners Scheme.
 - (d) A home is considered a new home if it has never been sold before nor previously occupied by any person. All other homes are considered established. A residence constructed by substantial renovation or the replacement of a demolished premises may qualify as a new home, but only if the sale of the property is treated by the vendor as the taxable supply of new residential premises as defined in A New Tax System (Goods and Service Tax) Act 1999. The vendor of the property would have to provide evidence that the property falls within the definition.
 - (e) Applicants must also enter into a binding contract to purchase a home or build a new home between 14 October 2008 and 30 June 2009 (inclusive). For owner-builders, construction must have commenced within this period. Construction commencement occurs with the laying of foundation for the home.
 - (f) As one of the objectives of this assistance is to stimulate the housing market, there will be time limits applying to the commencement and completion of new homes.
 - (i) For the construction of a new home, building work must commence within 26 weeks of signing of the contract. Building commencement occurs with the laying of foundation for the home. The building contract must stipulate that the home will be completed within 18 months of the date of construction commencing. If the contract does not make this stipulation, then the actual completion of the home must be within 18 months.
 - (ii) For owner-builders, completion of the home must be within 18 months of construction commencement.

- (iii) For a new home purchased 'off the plan', the contract must stipulate that the home will be completed on or before 31 December 2010. If the contract does not make this stipulation, then the actual completion of the home must occur on or before 31 December 2010.
 - (iv) The States and Territories will have discretion to extend these deadlines in cases of exceptional circumstances.
- (g) All applications for the First Home Owners Boost must be made within a reasonable period (12 months) following completion of the transaction/building completion.
- (h) Assistance will not be means tested.
- (i) Applicants who have entered into a shared equity financing arrangement consistent with the eligibility requirements under the First Home Owners Scheme will also be eligible for the First Home Owners Boost.
- (j) States and Territories will ensure that there are adequate administrative review and appeal mechanisms, along with provisions to prevent abuse of the First Home Owners Boost. The States and Territories will cooperate in the exchange of information to identify eligible first home owners.
- A2 Eligible First Home Owners Boost applicants are to receive their assistance at the same time they receive their First Home Owners Scheme grant.
- A3 The Commonwealth may amend the eligibility criteria for the First Home Owners Boost, in consultation with the States and Territories.
- A4 The States and Territories will not introduce or vary any taxes or charges associated with home purchase with the intention of offsetting the benefits of the First Home Owners Boost for recipients.

33. The Parties have confirmed their commitment to this agreement as follows:

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Kevin Rudd MP
Prime Minister of the Commonwealth of Australia

January 2009

Signed for and on behalf of the State of New South Wales by

The Honourable Nathan Rees MP
Premier of the State of New South Wales

December 2008

Signed for and on behalf of the State of Queensland by

The Honourable Anna Bligh MP
Premier of the State of Queensland

December 2008

Signed for and on behalf of the State of South Australia by

The Honourable Mike Rann MP
Premier of the State of South Australia

December 2008

Signed for and on behalf of the Australian Capital Territory by

Mr Jon Stanhope MLA
Chief Minister of the Australian Capital Territory

December 2008

Signed for and on behalf of the State of Victoria by

The Honourable John Brumby MP
Premier of the State of Victoria

December 2008

Signed for and on behalf of the State of Western Australia by

The Honourable Colin Barnett MLA
Premier of the State of Western Australia

December 2008

Signed for and on behalf of the State of Tasmania by

The Honourable David Bartlett MP
Premier of the State of Tasmania

December 2008

Signed for and on behalf of the Northern Territory by

The Honourable Paul Henderson MLA
Chief Minister of the Northern Territory of Australia

December 2008

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December 2008

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The Honourable Nathan Rees MP
Premier of the State of New South Wales

18 December 2008

*Signed for and on behalf of the
State of Queensland by*

The Honourable Anna Bligh MP
Premier of the State of Queensland

December 2008

*Signed for and on behalf of the
State of South Australia by*

The Honourable Mike Rann MP
Premier of the State of South Australia

December 2008

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State of Victoria by*

The Honourable John Brumby MP
Premier of the State of Victoria

December 2008

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State of Western Australia by*

The Honourable Colin Barnett MLA
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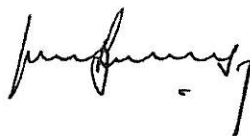
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Premier of the State of South Australia

December 2008

Signed for and on behalf of the State of Victoria by



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Premier of the State of Victoria

23 December 2008

Signed for and on behalf of the State of Western Australia by

The Honourable Colin Barnett MLA

Premier of the State of Western Australia

December 2008

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22 December 2008

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The Honourable Mike Rann MP
Premier of the State of South Australia
December 2008

Signed for and on behalf of the Australian Capital Territory by

Mr Jon Stanhope MLA
Chief Minister of the Australian Capital Territory
December 2008

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24 December 2008

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Premier of the State of South Australia

December 2008

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Premier of the State of Tasmania

December 2008

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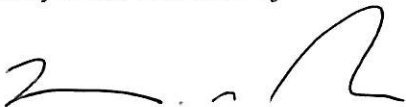
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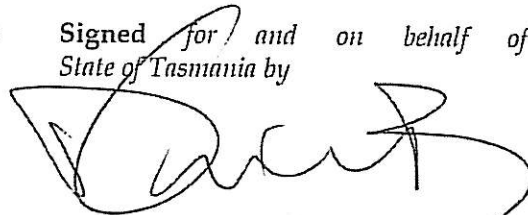
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Signed for and on behalf of the Northern Territory by



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Chief Minister of the Australian Capital Territory

The Honourable Paul Henderson MLA
Chief Minister of the Northern Territory of Australia


24 December 2008

December 2008

Signed for and on behalf of the *Australian
Capital Territory* by

Signed for and on behalf of the *Northern
Territory* by

Mr Jon Stanhope MLA
Chief Minister of the
Australian Capital Territory
December 2008



The Honourable Paul Henderson MLA
Chief Minister of the Northern Territory of
Australia
19 December 2008