

# NATIONAL PARTNERSHIP AGREEMENT ON EXTENDING THE FIRST HOME OWNERS BOOST

Council of  
Australian  
Governments

An agreement between

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

This Agreement extends the operation of the First Home Owners Boost, providing continued support for the housing market and for first home buyers, and simplifies reporting and payment arrangements between the Commonwealth and the States and Territories.



# National Partnership Agreement on Extending the First Home Owners Boost

## INTERGOVERNMENTAL AGREEMENT

### PRELIMINARIES

1. This National Partnership Agreement has been established to extend the First Home Owners Boost in order to continue to provide support for the housing market and first home buyers.
2. Commencing 14 October 2008, the Commonwealth introduced the First Home Owners Boost to provide temporary financial assistance to first home buyers to help stimulate housing activity and assist first home buyers to enter the housing market.
3. Commencing 1 July 2009, this Agreement will govern the arrangements for the First Home Owners Boost, including the First Home Owners Boost reporting schedule and payment arrangements between the Commonwealth and the States and Territories.

### PART 1 – FORMALITIES

#### Parties to this Agreement

4. In entering this Agreement, the States and Territories recognise the continuation of 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

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

#### Delegations

6. The General Manager of 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

7. 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
8. 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.
9. The Intergovernmental Agreement on Federal Financial Relations (Intergovernmental Agreement) refers to the signed agreement between the Commonwealth and State and Territories on financial relations.

## PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

### Objectives

10. The objectives of this Agreement are as follows:
- (a) to extend the arrangements in place for the First Home Owners Boost; and
  - (b) to simplify the reporting and payment arrangements for the First Home Owners Boost.

### Outcomes

11. This Agreement will contribute to the following outcomes:
- (a) assist first home buyers to enter the housing market;
  - (b) provide stimulus to the housing market; and
  - (c) improve clarity and transparency in the reporting of, and payment for, grants made under the First Home Owners Boost.

### Outputs

12. 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

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

### Role of the Commonwealth

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

### Role of the States and Territories

15. 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.
16. 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.
17. 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

18. Each State and Territory will report to the Commonwealth on a monthly basis:
  - (a) the number of recipients and value of grants paid in respect of the First Home Owners Boost for new homes and for established homes; and
  - (b) the number and value of grants reclaimed in respect of the First Home Owners Boost for new homes and for established homes.
19. The monthly reports will be provided within 21 days of the end of the relevant month.

## PART 5 – FINANCIAL ARRANGEMENTS

### Funding

20. The funding available to each State and Territory will equal the value of the First Home Owners Boost payments made to eligible first home buyers, less repayments from first home buyers later found to be ineligible, in each State and Territory.

### Payment schedule

21. The Commonwealth will make monthly payments in arrears to the States and Territories. Payments will equal the value of First Home Owners Boost grants paid by each state in the last reported month.

22. Where necessary, monthly payments will be adjusted to reflect the actual payments made by States and Territories in previous periods.
23. The Commonwealth will make its monthly payment on the 7<sup>th</sup> of every month, or if the 7<sup>th</sup> of the month is a weekend or public holiday in Canberra, then the next business day.
24. The 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 7 days of a written request from the Commonwealth.

#### Transitional payment arrangements

25. The payment arrangements under the previous National Partnership Agreement on the First Home Owners Boost will continue until the June 2009 payment.
26. No payment will be made in July 2009 or in August 2009.
27. The payment arrangements under this Agreement will commence from the September 2009 payment.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Dispute resolution

28. Any Party may give notice to other Parties of a dispute under this Agreement.
29. The relevant delegates will attempt to resolve any dispute in the first instance.
30. If a dispute cannot be resolved between the relevant delegates, it may be escalated to the Ministerial Council for Federal Financial Relations for consideration.
31. If a dispute cannot 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

32. 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 of the Parties.
33. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

34. 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

2009

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

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

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

2009

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Premier of the State of Victoria

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Premier of the State of Queensland

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

2009

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

**The Honourable David Bartlett MP**  
Premier of the State of Tasmania

2009

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

**Jon Stanhope MLA**  
Chief Minister of the Australian Capital Territory

2009

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

2009

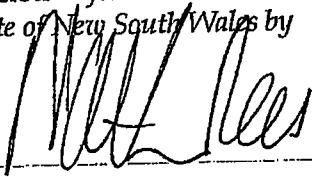
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State of Western Australia by*

**The Honourable Anna Bligh MP**  
Premier of the State of Queensland

*17. Sept. 2009*

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

**The Honourable Colin Barnett MP**  
Premier of the State of Western Australia

2009

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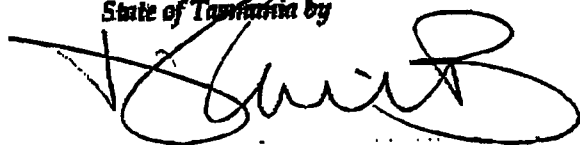
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30/9/2009

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



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**The Honourable Mike Rann MP**  
Premier of the State of South Australia  
*November 18* 2009

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**The Honourable David Bartlett MP**  
Premier of the State of Tasmania  
2009

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

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

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**Jon Stanhope MLA**  
Chief Minister of the Australian Capital Territory  
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Chief Minister of the Northern Territory of Australia  
2009

## Schedule A

# 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) To qualify for assistance, applicants must meet the eligibility requirements for the First Home Owners Scheme, as set out in State legislation. Refer to Schedule A of the Intergovernmental Agreement on Federal Financial Relations for the principles of the First Home Owners Scheme.
  - (b) 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.
  - (c) To qualify for assistance, applicants must also enter into a binding contract to purchase a home or build a new home between 14 October 2008 and 31 December 2009 (inclusive). For owner-builders, construction must have commenced within this period. Construction commencement occurs with the laying of the foundation for the home.
    - (i) For contracts entered into, or construction commenced, between 14 October 2008 and 30 September 2009 (inclusive), eligible applicants will be entitled to \$7,000 assistance (per application) on established homes or \$14,000 assistance (per application) on new homes.
    - (ii) For contracts entered into, or construction commenced, between 1 October 2009 and 31 December 2009 (inclusive), eligible applicants will be entitled to \$3,500 assistance (per application) on established homes or \$7,000 assistance (per application) on new homes.
    - (iii) If the 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.
  - (d) 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.
- A2 As one of the objectives of this assistance is to stimulate the housing market, to be eligible for assistance under the First Home Owners Boost there will be time limits applying to the commencement and completion of new homes, as follows:
- (a) 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.

(b) Owner-builders must lay foundations by 30 September 2009 in order to be eligible for the \$14,000 grant for new homes, and thereafter by 31 December 2009 for the \$7,000 grant for new homes. They must complete the home must be within 18 months of construction commencement.

(c) For new units purchased 'off the plan':

(i) to be eligible for the \$14,000 grant for new homes:

(1) the contract must be entered into between 14 October 2008 and 30 June 2009 (inclusive) and 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; or

(2) the contract must be entered into between 1 July 2009 and 30 September 2009 (inclusive) and must stipulate that the home will be completed on or before 31 March 2011. If the contract does not make this stipulation, then the actual completion of the home must occur on or before 31 March 2011.

(ii) to be eligible for the \$7,000 grant for new homes, the contract must be entered into between 1 October 2009 and 31 December 2009 (inclusive) and must stipulate that the home will be completed on or before 30 June 2011. If the contract does not make this stipulation, then the actual completion of the home must occur on or before 30 June 2011.

(d) The States and Territories will have discretion to extend these deadlines in cases of exceptional circumstances.

A3 All applications for the First Home Owners Boost must be made within a reasonable period (12 months) following completion of the transaction/building completion.

A4 Eligible first home owners are to receive assistance under the First Home Owners Boost at the same time they receive their First Home Owners Scheme grant.

(a) 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.

A5 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.

A6 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.

A7 Assistance will not be means tested.

A8 The Commonwealth may amend the eligibility criteria for the First Home Owners Boost, in consultation with the States and Territories.