

» land buyers subsidy scheme

Due to a Federal Government grant, Ballina Shire Council developed a scheme to assist low to moderate income earners to purchase land at a \$25,000 grant within the Ballina Heights and Cura A Estate and Wollongbar Urban Expansion Area.



The grant enabled Council to proceed with the construction of Ballina Heights Drive at Cumbalum and new sports fields at Wollongbar and to assist low to moderate income earners obtain the benefit of a \$25,000 grant on the purchase price of land in these areas. This has been achieved by way of reimbursement to developers of \$25,000 off their developer contributions.

The BBRC grant for Ballina Heights Drive requires Council to put in place a land buyers’ subsidy scheme for 120 lots over four years on Ballina Heights Estate and CURA A and 96 lots over four years on the Wollongbar Urban Release Area (“WUEA”).

The WUEA land buyers subsidy scheme is now complete, with all grants being issued. The Scheme is now only available for land in Ballina Heights Estate and CURA A.

It is a condition of the grant that the benefit pass to low to moderate income earners and therefore it is expected the full benefit of the \$25,000 grant will flow to the eligible purchasers. The agreement with the Federal Government therefore requires that each property to which the grant might apply must be valued before the grant is paid.

» Eligibility

This scheme is subject to provisions of the National Rental Affordability Scheme (“NRAS”). NRAS household income levels are indexed annually on 1 May. NRAS benchmark household income levels for the 2016/17 year to qualify for the scheme are as outlined in the table below:

HOUSEHOLD TYPE	MAXIMUM GROSS INCOME
One Adult	\$61,934
Two Adults	\$85,627
Three Adults	\$109,319
Four Adults	\$133,012
Sole Parent with 1 Child/student	\$85,685
Sole Parent with 2 Children/student	\$106,229
Sole Parent with 3 Children/student	\$126,773
Couple with 1 Child/student	\$106,170
Couple with 2 Children/student	\$126,714
Couple with 3 Children/student	\$147,258
Extra Child/student	\$16,435

Student means a person up to 25 years of age attending TAFE or another tertiary institution. The income of the student will be taken into account and their financial information must be provided, where applicable.

At least one of the applicants must be an Australian Citizen or Permanent Australian Resident. Persons who are living and working permanently in Australia may apply and such applications will be considered on a case by case basis.

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» Implementation

It is proposed that the \$25,000.00 will be contributed by Ballina Shire Council towards the purchase price on behalf of the purchaser upon settlement of their contract to purchase land in the Ballina Heights and Cura A Estates. Each applicant, either solely or with others, is only eligible for one grant and every applicant must be a natural person. At least one applicant must be gainfully employed or self employed.

Every adult (including students) in the household must be an applicant and their income taken into account.

As the contribution is part of the purchase price, the purchase price on the contract will not reflect any deduction. In the event the purchaser is not eligible for a full concession on stamp duty, the purchaser will therefore be required to pay stamp duty on the price shown on the contract. It is noted that it is likely many purchasers will be eligible for the current "First Home–New Home Scheme" and therefore not have to pay stamp duty. Many are also likely to be eligible for the \$15,000.00 First Home Owner Grant.

The scheme will run on a "first in" basis, that is, applications will be dealt with in the order they are received at the offices of Council's solicitor, CH Law, one of Council's panel solicitors. Once the final application has been approved and the last of the relevant time limits (below) has expired, any further applications that may have been received will be considered in order. In the event any grants still remain, the number of any grants remaining will be advised to the public, vendors and agents so that any remaining can be taken up on the same "first in" basis.

Each grant will provide that:

1. The applicant has three months from the date of approval of the grant to accept the grant by submitting to CH Law the front page of an exchanged contract for sale or sales advice of the nominated land.
2. It is subject to Council's valuer certifying that the proposed purchase price of the land the applicant wishes to buy is in line with current market sale price.
3. If the purchase price is approved by Council's valuer, the applicant has a further 21 days from the date of notification of approval to provide the front page and special conditions of an exchanged contract for sale to Council's solicitor, CH Law.
4. The grant is available for a period of six months from the date of approval for purchase of existing land (ie where the plan for the land is registered) or six months from the date of registration of the plan if the contract is for the purchase of land where the plan is not yet registered. That is, if a sales advice is not received in this time, the grant expires. The maximum period for a sales advice to be provided is 12 months from the date of approval.
5. The land cannot be sold for more than the contract price for a period of 12 months from the date of settlement, unless with Council's written consent.
6. The land can only be used for construction of a principal place of residence within which the applicant or where more than one, the applicants, must reside for a period of at least six months.
7. Council will not accept an application for a grant where there is an outstanding application in respect of the same land.
8. Council will only grant an extension to an application, if at the same time it receives the application for an extension, it also receives evidence that the vendor of the land has agreed to an extension to at least the same date.

» Process

As the contribution is part of the purchase price, the purchaser's financier will require evidence of its availability. The following process will therefore be implemented:

1. An information package with this Information Sheet, Form 1A, 1B and 1C (see A below) will be available from vendor's agents and Council.
2. The applicant/s sends by post his/her/their application to Council's solicitor for approval (see A. below) with the \$150.00 non-refundable application fee.
3. Council's solicitor assesses the application and makes a recommendation to the General Manager either for or against approval. If all required documentation is not received the application will be returned to the applicant and the application will not be processed until all required documentation is received.
4. Council notifies its solicitor as to whether or not the application has been approved.
5. Council's solicitor notifies the applicant as to whether or not the application has been approved and if approved, provides the applicant with an offer of the \$25,000.00 grant that is conditional upon Council's valuer certifying that the purchase price of the land to which it is to apply is in line with the current market.
6. If the applicant desires, the applicant can apply for pre-approval of finance from their financier for purchase of the land.
7. The applicant/s negotiates a sale price with any one of the developers, and the applicant completes Form 2A and provides accompanying documentation to Council's solicitor, together with the \$250.00 non-refundable valuation fee.
8. Council's solicitor refers the sales advice to one of Council's panel valuers to undertake a market valuation of the land proposed to be purchased (at Council's expense).
9. Within four business days from receipt by Council's solicitor of the sales advice, Council's solicitor notifies the applicant and their solicitor or conveyancer whether or not the proposed purchase price has been certified, and if so, issues at the same time an unconditional offer of the grant.
10. The applicant then completes Form 3A and provides necessary documentation within three weeks from the date of notification of the certification of value and advise a proposed settlement date together with the \$150.00 non-refundable settlement fee.
11. At settlement of the purchase contract, the applicant pays to the vendor the purchase price less \$25,000.00 and Ballina Shire Council provides \$25,000.00 to the vendor by way of refund of developer contributions. The applicant/s solicitor/conveyancer will provide directions to Council's solicitor who will attend settlement.





»» **Information to Accompany Initial Application** (documents will be provided by Ballina Shire Council to the vendor's agents.)

1. Forms 1A, 1B and 1C duly completed.
2. Copies of taxation returns and copies of Income Tax Assessment Notices for all applicants for the last two years showing an average income equal to or less than thresholds (set out above).
3. A statutory declaration from all applicants providing:
 - a. Information as to their status as set out in the criteria (eg single, couple with child) and brief details of same.
 - b. A statement that their financial circumstances have not changed since the last taxation return or if they have, as to the details of current income with supporting documentation;
4. A binding agreement providing that:
 - a. The applicant/s will not sell the unimproved land for more than the purchase price within twelve months from the date of completion of the contract.
 - b. The property will be used only for construction of a principal place of residence within which the applicant/s will reside for a period of at least six months.
 - c. Council has relied on the representations set out in the documentation provided by the applicant/s and that should there be any incorrect information in it, or the agreement be breached, Council can recover the \$25,000 grant from the applicant.
5. Payment of \$150.00 non-refundable application fee.

NOTE: This document is intended as an outline only. It is not intended to bind Ballina Shire Council in any way and Ballina Shire Council reserves the absolute right to amend, alter, terminate or in any other way deal with the Scheme as set out in this or any other document relating to the Scheme. The WUEA scheme commenced on 14 January 2013 and is now complete. The Ballina Heights and CURA A scheme commenced on 17 June 2013.



If you have any questions or concerns please contact:

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