

REVENUE CIRCULAR

RC-HI-003:

BUILDSTART – ARRANGEMENT FOR PAYMENT OF THE GRANT TO PURCHASER’S AGENTS PRIOR TO SETTLEMENT

Purpose

This Circular details a new arrangement to make the Buildstart grant available at settlement for the purchase of a new house or unit.

Introduction

Buildstart was announced by the Northern Territory Government on 27 October 2008 to stimulate the construction of new homes in the Territory. It provides a \$14 000 grant to persons other than first home owners that enter into a contract to purchase a house or unit or a contract to build a house between 27 October 2008 to 30 June 2009 inclusive. It also applies to owner builders that commence to build in this period.

For the purchase of a new house or unit, the grant is currently paid to the purchaser after the purchase has been completed.

New payment arrangement for the purchase of a new house or unit

Territory Revenue Office (TRO) has made available an optional arrangement to deposit the grant by electronic funds transfer (EFT) to the trust account of the purchaser’s conveyancer or solicitor (the purchaser’s agent) for the purpose of making the grant available to complete settlement of the property. The grant cannot be released for any other purpose.

In the event that settlement does not proceed within thirty days after the date specified by the purchaser’s agent, they must repay the grant to TRO within seven days of that date or such further date as may be approved by TRO.

In order for the payment to be made, the purchaser’s agent must complete the undertaking at section 6 of the Buildstart application form and provide their trust account details at section 4 of the form. In the absence of this undertaking, the grant will be paid directly to the purchaser after completion of the purchase.

Service standards

Providing the applicant meets the eligibility criteria, the grant will be paid by EFT to the trust account of the purchaser’s agent five business days before the specified settlement date or on receipt of the completed application form and relevant supporting evidence, whichever is the later.

To assist the purchaser’s agent identify the payment, a unique identifier will be transmitted with the payment. Furthermore, an email or facsimile will be sent confirming approval and payment of the grant.

Processing requirements

TRO will process all applications. To assist TRO to meet the above service standards, it is important that the completed application form and relevant supporting evidence is lodged with TRO as soon as possible.

The relevant supporting evidence is:

- the original or a certified copy of the contract of sale. For agents that are not approved under TRO's Conveyance by Return scheme, the original contract may be lodged for assessment with the Buildstart application and they will be processed together; and
- a declaration from the vendor confirming that it is a new house within the meaning of the scheme. Declaration forms are available from the Buildstart website or TRO's website.

Further information and forms

Further information on Buildstart and relevant forms, including vendor declarations, can be accessed on the Buildstart web site www.buildstart.nt.gov.au or TRO's website www.revenue.nt.gov.au.

Commissioner's Guideline CG-GEN-001, which sets out information on the revenue publication system, is incorporated into and is to be read as one with this Circular. All Circulars and Guidelines are available from TRO's website.



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A/COMMISSIONER OF TERRITORY REVENUE

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