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Port Hedland Voluntary Buy-Back Scheme (PHVBS) - Overview

What is the Port Hedland Voluntary Buy-Back Scheme (PHVBS)?

The purpose of the PHVBS is to provide a voluntary option for owners of residential dwellings within the area of land between Taplin Street and the port in the West End of Port Hedland to secure a guaranteed settlement price following the introduction of the Port Hedland West End Improvement Scheme No 1 (IS1).

I have a commercial / industrial property, why am I not eligible to participate in the Port Hedland Voluntary Buy-Back Scheme (PHVBS)?

The PHVBS was in response to zoning changes that make existing permanent residential uses non-conforming under Port Hedland West End Improvement Scheme No 1 (IS1). The zoning changes do not impact commercial or industrial property zonings.

What is the difference between the Port Hedland Voluntary Buy-Back Scheme (PHVBS) and Port Hedland West End Improvement Scheme No 1 (IS1)?

Port Hedland West End Improvement Scheme No 1 (IS1) is the planning response to the State Government's Dust Taskforce Recommendations. The PHVBS is the State Government facilitating a request from local community members to assist to address the potential impact on local residential property values caused by Port Hedland West End Improvement Scheme No 1 (IS1).

What are the objectives of the Port Hedland Voluntary Buy-Back Scheme (PHVBS)?

The State Government's objectives of the PHVBS are to:

- a. Support a cap on, and reduction of, the permanent residential population of the affected areas of the West End;
- b. Assist in the relocation of sensitive land uses that are proposed to be prohibited in the affected area of the West End; and
- c. Provide for the development of a Maritime Precinct and other consequential development.

Why is the Port Hedland Voluntary Buy-Back Scheme (PHVBS) required?

The PHVBS is proposed to provide options to eligible property owners in the West End whose land is subject to the Port Hedland West End Improvement Scheme No 1 (IS1) rezoning. Participation is voluntary.

How long will the Port Hedland Voluntary Buy-Back Scheme (PHVBS) operate for?

The PHVBS is expected to be open until 31 December 2023 (unless extended by Hedland Maritime Initiative, in consultation with the Minister).

How will the Port Hedland Voluntary Buy-Back Scheme (PHVBS) be funded?

The PHVBS will be funded by industry.

How will the Port Hedland Voluntary Buy-Back Scheme (PHVBS) be administered?

The PHVBS will be administered by Hedland Maritime Initiative Pty Ltd (HMI), a wholly owned subsidiary of Pilbara Ports Authority (PPA). HMI's governance is overseen by a Board of Directors.

What is the role of the Pilbara Ports Authority (PPA) in the Port Hedland Voluntary Buy-Back Scheme (PHVBS)?

Pilbara Ports Authority has established Hedland Maritime Initiative Pty Ltd (HMI), a wholly owned subsidiary company that will:

- Undertake the role of the PHVBS Administrator; and
- Facilitate the planning, development, and activation of land it purchases in the Maritime Precinct; and
- Facilitate the planning, development, and activation of other areas and developments outside of the West End, as deemed necessary. This will be in collaboration with DevelopmentWA, the Pilbara Development Commission, and other relevant agencies.

How does the Government's policy position align with the independent consultant's recommendation?

The Government's announcement of the Port Hedland Voluntary Buy-Back Scheme (PHVBS) was based on a number of factors, including feedback from the community and the recommendations of Mr Love, the Government's independent consultant who recommended the PHVBS.

Who initiated the Port Hedland Voluntary Buy-Back Scheme (PHVBS)?

The PHVBS was proposed by the Minister for Regional Development, in consideration of requests from local community members to assist to address the potential impact on local residential property values caused by Port Hedland West End Improvement Scheme No 1 (IS1).

Is the Port Hedland Voluntary Buy-Back Scheme (PHVBS) designed to provide compensation for changed property market values?

The PHVBS is designed to address the potential impact on local residential property values caused by Port Hedland West End Improvement Scheme No 1 (IS1). It is not designed to provide compensation for changes in market value that have occurred over time.

Is the Port Hedland Voluntary Buy-Back Scheme (PHVBS) voluntary or compulsory?

Participation in the PHVBS is voluntary.

Eligibility and Port Hedland Voluntary Buy-Back Scheme (PHVBS) mechanics

Who is eligible to participate in the Port Hedland Voluntary Buy-Back Scheme (PHVBS)?

The PHVBS defines eligible properties as those with Town of Port Hedland approved single houses, grouped dwellings, and multi dwellings, on their own lot or zoned residential under a previous local planning scheme within the area between Taplin Street and the port in the area subject to Port Hedland West End Improvement Scheme 1.

The PHVBS does not apply to residential properties in the area owned by the State Government or industry contributing to the funding of the PHVBS.

What land area is included in the Port Hedland Voluntary Buy-Back Scheme (PHVBS)?

The PHVBS will apply to residential properties within the area of land between Taplin Street and the port in the West End of Port Hedland other than residential properties in the area owned by the State Government or industry contributing to the funding of the PHVBS.

Can other residential dwelling owners outside the Port Hedland Voluntary Buy-Back Scheme (PHVBS) area participate?

The PHVBS only applies to residential properties within the area of land between Taplin Street and the port in the West End of Port Hedland.

What are the options for residential dwelling owners in relation to the Port Hedland Voluntary Buy-Back Scheme (PHVBS)?

Options for residential property owners include:

- If you are an owner occupier, continue to own and reside in the dwelling;
- If you are an investor, continue to own and rent out as a residential dwelling;
- If you are an investor or owner occupier, retain the land, with a view to future non-permanent residential development options as part of a Maritime Precinct;
- Or accept the PHVBS offer and secure a guaranteed cash settlement price.

What will eligible property owners be offered if they elect to participate in the Port Hedland Voluntary Buy-Back Scheme (PHVBS)?

At the time the offer is made, eligible residential property owners will be offered a settlement price calculated as follows:

- the agreed market value of the property as at August 6, 2019 (indexed);
- a premium of 35 per cent of the agreed market value; and
- an amount of up to \$20,000 (inclusive of GST) for verifiable transaction costs.

The terms for calculating the offer price are set by Government.

How many residential dwelling owners are eligible?

The owners of 425 residential properties are estimated to be eligible for the Port Hedland Voluntary Buy-Back Scheme (PHVBS).

How many of the eligible residential property owners are owner-occupier's vs investors in residential dwellings?

Approximately two thirds of the eligible PHVBS properties are estimated to be owned by property investors and one third are estimated to be owned by owner occupiers.

What does indexed mean?

“Indexed” means the base valuation will be updated by reference to the percentage change in land valuations in other comparable areas, such as the East End of Port Hedland, up to a maximum of four per cent per year for the life of the Port Hedland Voluntary Buy-Back Scheme (PHVBS). Indexation will be applied pro-rated at up to 2% on the 6 February each year, and up to 4% on the 6 August each year for the duration of the PHVBS. The maximum indexation is capped at 4% in any full year.

What are verifiable transaction costs?

Verifiable transaction costs include settlement fees, selling fees, stamp duty, and other verifiable costs up to \$20,000 (inclusive of GST), associated with the sale of the PHVBS eligible property and the purchase of a new residential replacement property.

What is the process for claiming verifiable transaction costs?

Sellers may choose to:

- claim nominated agent fees at the time of settlement by completion and submitting section 3 on the Hedland Maritime Initiative verifiable transaction cost reimbursement form a minimum of 5 days prior the anticipated settlement date; or
- claim the verifiable transaction costs post settlement by completing and submitting section 4 on the Hedland Maritime Initiative verifiable transaction cost reimbursement form and the seller's personal details form.

All claims for reimbursement of verifiable transaction costs will need to be submitted with supporting evidence of the expenditure. Claims made post settlement are to be made within 60 days of the settlement of the PHVBS eligible property unless prior written agreement is provided by HMI.

Am I eligible for the 35 per cent premium if I purchased after 6 August 2019?

Yes, owners that purchased residential properties in the Port Hedland Voluntary Buy-Back Scheme (PHVBS) area after 6 August 2019 will be eligible for the premium of 35 per cent of the agreed market value for the property at August 6, 2019 (indexed).

What is the process for valuing properties?

The agreed market value will be determined by two licenced valuers - one selected by Hedland Maritime Initiative and one selected by the property owner.

Additional details on the valuation panels and scope of services are included in the Expression of Interest package that is issued to eligible PHVBS property owners.

Where these valuations are within 10 per cent of one another, the higher value will apply to the offer prices as the base market value at 6 August 2019. Where the difference is greater than 10 per cent, the final market value will be determined by an independent valuer appointed by Hedland Maritime Initiative.

What date will be used for valuations?

Property values will be determined as at 6 August 2019.

Can I use my own valuer?

Residential property owners have two options. They can either select a valuer from a panel of valuers that has been established by Hedland Maritime Initiative or they can obtain a valuation from another valuer (not on the established panels), subject to Hedland Maritime Initiative's prior consent, which will be given if that valuer:

- has current Certified Practising Valuer (CPV) accreditation with the Australian Property Institute (or the equivalent membership with a recognised industry body);
- is licensed to practice as a valuer in Western Australia under the Land Valuers Licensing Act;
- declares that they have no actual or perceived conflict of interest in performing an impartial and unbiased property valuation on the property; and
- undertakes the valuation in accordance with the scope set by Hedland Maritime Initiative.

In both cases, Hedland Maritime Initiative will pay for the valuation fee.

How was the valuation day selected?

The 6 August 2019 was when the Minister for Regional Development first publicly indicated that the State Government would consider how an industry funded Port Hedland Voluntary Buy-Back Scheme (PHVBS) could operate. The 6 August 2019 date for valuation was accepted after investigations found that there was no other date that would distinguish the West End from other local areas (i.e. East End of Port Hedland and other Pilbara locations).

I have already had my property/properties valued in 2019. Would that valuation be acceptable?

Hedland Maritime Initiative will need to have valuations conducted on all properties being acquired under the PHVBS. This is to ensure that the valuation instructions are the same for all PHVBS-acquired properties and that any property improvements since August 2019 are taken into consideration.

How do I access a copy of the scope set by the Port Hedland Voluntary Buy-Back Scheme (PHVBS) administrator which outlines the valuation process an independent valuer must undertake should we choose this option?

An outline of the valuation scope and process is contained in the PHVBS Expression of Interest package that will be issued to owners following receipt of their contact details and interest in progressing to this stage of the PHVBS process.

The instructions provided to the valuers are consistent with the PHVBS terms set by Government.

What / who are the three separate Valuation Panels and how will they run?

This is outlined in the Port Hedland Voluntary Buy-Back Scheme (PHVBS) Expression of Interest package.

How do valuers arrange access?

The property owner and / or managing agent details and access arrangements advice is provided to the valuers, who will then make contact to arrange access.

Consultation

When did consultation on the Port Hedland Voluntary Buy-Back Scheme (PHVBS) occur?

Consultation occurred between October and December 2019.

How was consultation undertaken?

The Port Hedland Voluntary Buy-Back Scheme (PHVBS) consultation included five public engagement sessions, three in Port Hedland and two in Perth. Each session was accompanied by offers for one-to-one consultation appointments.

Who undertook the public consultation?

Independent consultant, Ross Love, was appointed to lead public consultation and advise on options for a proposed industry-funded voluntary buy-back scheme in the West End of Port Hedland.

Where can I get a copy of the resulting report produced after the public consultation?

The report is the cabinet minute for the Port Hedland Voluntary Buy-Back Scheme (PHVBS) and is therefore subject to cabinet confidentiality and not available.

Rental properties / leasing / lease-back

What does the Port Hedland Voluntary Buy-Back Scheme (PHVBS) mean for us if we currently rent out our property?

Any bona-fide lease agreements will be honoured by Hedland Maritime Initiative if you want to sell the property before the lease comes to an end. Should you wish to enter a new lease before deciding to sell to HMI, that is a matter for you to decide.

What does the rezoning mean for us if we wish to continue to rent out our property?

The gazettal of Port Hedland West End Improvement Scheme No.1 (IS1) does not impact on the ability of a landowner to continue to rent out their property. If a landowner requires more detail on matters relating to Port Hedland West End Improvement Scheme No 1 (IS1), they should contact the Department of Planning Lands and Heritage.

Who will tenants pay rent to after the sale of the property?

The rent will be payable to Hedland Maritime Initiative following the settlement of the sale of the property. HMI will follow all the processes required by law to ensure the tenant is notified of ongoing arrangements.

Who decides the rental costs after the sale of the property?

Hedland Maritime Initiative will honour any bona-fide lease that has been entered, including the rent payable and any provisions in the lease for the variation of the rent. HMI will follow all the processes required by law to ensure the tenant is notified of ongoing arrangements.

How long can tenants rent the properties after the sale of the property?

This will be an individual arrangement, as everyone's circumstances are different. However, Hedland Maritime Initiative will honour any bona-fide lease that has been entered into and is in force with a bona-fide tenant at the time of the offer.

If the property receiving an offer is tenanted, do I have to wait until the lease is finished before settlement can occur or can the lease continue with the government being the new owner?

No, Hedland Maritime Initiative will honour any bona-fide lease that has been entered into and is in force with a bona-fide tenant at the time of the offer.

Will HMI purchase furnishings where the property has an existing fully furnished lease?
Should an existing bona-fide lease be in place at the time of sale, and that lease includes a lessor obligation to provide a furnished property, then the property owner has the following options:

- The seller may choose to sell Hedland Maritime Initiative the furniture at the written down value; or
- Leave the furniture in place and transfer ownership to Hedland Maritime Initiative at a minimal cost,

In both instances, the cost of Hedland Maritime Initiative acquiring the furniture will be reimbursed to the seller as part of the up to \$20,000 (inclusive of GST) verifiable transaction costs.

What if I want to remain in the property after selling it to HMI?

Any such request will be discussed with owners on a case-by-case basis. If you need time to relocate to another location in Port Hedland, Hedland Maritime Initiative could accommodate an extended stay in the property being sold by one of the following means:

- A delayed settlement; or
- A lease back arrangement.

What will the terms of any lease back be?

This will be discussed with each owner who is considering participation in the Port Hedland Voluntary Buy-Back Scheme (PHVBS) and wanting to enter a lease back of the property.

Other questions by PHVBS eligible owners

What is the best option for me?

Every owner's situation is different, and owners should fully inform themselves and seek independent advice as to what their best option is, given their individual circumstances.

What happens if we choose not to sell?

Residential uses may continue in the precinct. If you are an owner-occupier, you can continue to own and reside in the dwelling. If you are an investor, you can continue to own and rent out the property as a residential dwelling. You should review the information released by the WA Planning Commission regarding the changes to the land use under the [Port Hedland West End Improvement Scheme No. 1 \(IS1\)](#).

How will I be able to participate when the Port Hedland Voluntary Buy-Back Scheme (PHVBS) calculated amount is insufficient to discharge my mortgage?

Eligible owners are encouraged to seek their own financial advice (including banks and financiers) before deciding whether to participate or not participate in the PHVBS.

Will there be compulsory acquisition at the end of the three years?

The Government's policy position is that participation in the Port Hedland Voluntary Buy-Back Scheme (PHVBS) is voluntary.

Will owners be permitted to sell their properties in three years?

At the end of the PHVBS owners may sell their property, subject to factors such as rezoning under the Port Hedland West End Improvement Scheme No 1. (IS1).

What negative impacts will we experience if we choose to stay?

Participation in the PHVBS is voluntary and owners should inform themselves of the opportunities and risks in participating. The Hedland Maritime Initiative will provide eligible residential property owners with information to assist them in making an informed choice about whether to participate in the PHVBS or not. This will include information regarding the proposed development of the Maritime Precinct, that will continue to be updated as our plans for the precinct progress.

The objective of the PHVBS is to provide residential property owners with the opportunity to be compensated for the potential impact on property values caused by changes in the land use zoning. Property owners should form their own view of that.

If I'm not happy with an aspect of the Port Hedland Voluntary Buy-Back Scheme (PHVBS), can I have my views presented to Government?

While it should be noted that the key features of the offer to be made under the PHVBS have been decided on by Government, if you are concerned about an aspect of the PHVBS please advise us accordingly via phvbs@hedlandmaritime.com.au.

What is the timeframe of settlement likely to be?

Timeframes will depend on individual circumstances and will be discussed with individual owners.

When will offers be made?

Offers will be made to owners, subject to:

1. The eligible owners having completed the Expression of Interest (Eoi) process; and
2. The valuation process being completed and the Hedland Maritime Initiative receiving the final valuation reports.

Can we use an agent to represent us in the Port Hedland Voluntary Buy-Back Scheme (PHVBS)?

This is your option, however, is not necessary, as the PHVBS offer will be made on the terms set by the Government, and therefore is not subject to negotiation.

If an eligible residential landowner accepts the offer and conditions, when could they expect settlement?

Settlement of properties will usually occur 28 days from the date the offer and acceptance contract is signed. Longer settlement dates can be negotiated.

Are the numbers / statistics of people participating in the Port Hedland Voluntary Buy-Back Scheme (PHVBS) publicly available?

Hedland Maritime Initiative provides general updates on the level of interest in the PHVBS publicly and more specific information to affected residential property owners surrounding HMI acquired properties and / or potential developments of the Maritime Precinct as the PHVBS progresses.

HMI e-newsletters provide regular updates on the Port Hedland Voluntary Buy-Back Scheme – subscribe on the website www.hedlandmaritime.com.au

What if the market price is higher than the market valuation determined at 6 August 2019?

The terms of the Port Hedland Voluntary Buy-Back Scheme (PHVBS) offer were set by Government, this includes the date of valuation, indexation and the 35 per cent premium. Participation in the PHVBS is voluntary and eligible residential property owners will need to consider their own circumstances and seek any advice they consider necessary when considering whether to participate in the PHVBS.

Why would I sell a home I own, when the Port Hedland Voluntary Buy-Back Scheme (PHVBS) offer would not cover buying another home. I am all for developing the maritime end town, but I am not interested in going into debt to buy another home.

Participation in the PHVBS is voluntary and eligible residential property owners will need to consider their own circumstances and seek any advice they consider necessary when considering whether to participate in the PHVBS. The terms of the PHVBS offer were set by Government, this includes the date of valuation, indexation and the 35 per cent premium.

When did first settlements occur?

Hedland Maritime Initiative acquired the first properties that elected to participate in the PHVBS from June 2021.

I would like to know more about the property swap choices and how it will work.

The eligible owners will have the option to use the Port Hedland Voluntary Buy-Back Scheme (PHVBS) offer towards the purchase of another property. Hedland Maritime Initiative is working with DevelopmentWA to identify land options outside of the West End. When details of these options are available, they will be shared with the interested eligible landowners. The PHVBS offer can also be used to offset the price of another existing property outside of the West End.

What will the area zoning be, industrial, commercial?

The area has been zoned "West End" under the Port Hedland West End Improvement Scheme No.1 (IS1).

When do you expect property sales to commence?

Property sales commenced in 2021, with the first properties settling in June 2021.

Could we receive the minutes for each Hedland Maritime Initiative update meetings held, and be informed of the number of interested residents attending each meeting?

The update meetings are not being recorded, and no minutes are taken. For privacy reasons, the details of meeting attendees will not be shared.

Eligible property owners who have responded to the EOI will receive regular updates on the PHVBS process. Regular updates are also available on the HMI website: <https://hedlandmaritime.com.au>

Questions submitted prior to the meeting will be answered during the meeting and may also be de-identified and added to these Frequently Asked Questions.

Property managers and banks can express an interest in attending the update meetings. You are welcome to advise them that they can direct their requests to phvbs@hedlandmaritime.com.au

How do I know whether to finish renovations on a property which I have commenced?

The property valuation will be determined at the 6 August 2019 date, but include consideration for any improvements made to the property since 6 August 2019 as identified at the date of inspection. Property owners will need to make their own decision and seek advice necessary to determine the best option in their particular circumstance.

If I sell my house as part of the PHVBS, who becomes the legal owner of the property?

Hedland Maritime Initiative Pty Ltd will become the legal owner of the property.

If I sell my house, what will the house be used for in the future?

Any future use of residential properties acquired by Hedland Maritime Initiative will be in accordance with the Port Hedland West End Improvement Scheme No 1 (IS1). The intention is to redevelop the Port Hedland West End Improvement Scheme No 1 (IS1) area into a Maritime Precinct.