



File: T&F18/0179
A849142

25 May 2018

Hon John Darley MLC
Parliament House
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Sent via email: john.darley@parliament.sa.gov.au

Dear Mr Darley

Freedom of Information – Documents relating to policies and KPI's for Land Services SA

I refer to your application under the *Freedom of Information Act 1991* (FOI Act), received by the Department of Treasury and Finance (DTF) on 22 March 2018.

Your application specifically requested:

'Policies set by the Valuer-General to guide private valuers undertaking valuations for rating and tax purposes to the standards required by the Valuation of Land Act following the commercialisation of the land services group;

- Agreed service KPI'S between the Valuer- General and the service provider;*
- Penalties for the service provider not complying with agreed service KPI's and policies.'*

Under the Act, an agency has 30 days to respond to a freedom of information request. As DTF did not respond to your request within the time frame required, the department is deemed to have refused you access to all documents relevant to your application. However, I have determined to process the request as if the statutory time frame had been met.

The purpose of this letter is to advise you of my determination.

A total of 7 documents were identified as answering the terms of your application and I have determined as follows:

- I grant you access in full to 4 documents, copies of which are enclosed, and
- I refuse you access to 3 documents.

Please refer to the attached schedule that describes each document and sets out my determination and reasons in summary form.

Documents released in full

Documents 1 - 4

Documents refused in full

Document 5 – 7

A clause within the Land Services agreement states that the terms of the agreement and the transactional documents including the contract and operations manual are considered

confidential information and under the terms of the agreement, the release of the documents would constitute a breach of the contract. I have therefore determined to exempt these documents pursuant to clause 13(1)(a) of Schedule 1 to the Act.

Further, under clause 10(1) of Schedule 1 to the Act, information is exempt from disclosure if it would be privileged from production in proceedings on the ground of legal professional privilege. Document 5 is the contract manual for the Land Services Commercialisation Project, prepared by the Crown Solicitors office, and document 6 is the operations manual prepared by HWL Ebsworth Lawyers, the State's external legal advisers for the Land Services Commercialisation Project. Both documents are subject to legal professional privilege and I have determined to exempt the documents pursuant to Clause 10(1).

The documents requested have been refused access as per the requirements of the FOI Act. However the department is aware that the Treasurer is considering administrative release of information contained within the agreement, subject to legal advice and consultation with the parties involved. If this information becomes available, DTF will undertake to provide a copy to yourself.

Exemptions

Clause 10 – Legal Professional Privilege

- (1) *A document is an exempt document if it contains matter that would be privileged from production in legal proceedings on the ground of legal professional privilege.*

Clause 13 – Documents containing confidential material

- (1) *A document is an exempt document –*
(a) *if it contains matter the disclosure of which would found an action for breach of confidence;*

Please note, in compliance with Premier and Cabinet Circular PC045 - *Disclosure Logs for Non-Personal Information Released through Freedom of Information* (PC045), DTF is now required to publish a log of all non-personal information released under the *Freedom of Information Act 1991*.

In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DTF website. A copy of PC045 can be found at the following address: <http://dpc.sa.gov.au/what-we-do/services-for-government/premier-and-cabinet-circulars> Please visit the website for further information.

Appeal Rights

If you are aggrieved with this determination, you have a right to apply for internal review under subsection 29(1) of the FOI Act. Pursuant to subsection 29(2), your application must:

- be in writing
- be addressed to the principal officer, and
- be lodged at an office of DTF, or emailed to freedomofinformation2@sa.gov.au within 30 days after the day on which you receive this letter or within such further time as the principal officer may allow.

If you require any further information please phone Natalie Haigh on (08) 8429 0839.

Yours sincerely



Paul Williams

ACCREDITED FREEDOM OF INFORMATION OFFICER

Schedule of Documents

T&F18/0179 - Hon John Darley MLC - "Policies set by the Valuer-General to guide private valuers undertaking valuations for rating and tax purposes to the standards required by the Valuation of Land Act following the commercialisation of the land services group. - Agreed service KPIs between the Valuer-General and the service provider - Penalties for the service provider not complying with agreed service KPIs and policies."

Doc. No.	Date	Description of Document	# of pages	Determination	Exemption Clause
1	NA	Web Site Page - Department of Treasury and Finance - Land Services SA	2	Released in full	
2	10/08/2017	News Release - Hon Tom Koutstantonis - Land Services SA appointed as the exclusive service provider for land services	3	Released in full	
3	NA	Commercialisation of Land Services Functions - Questions and Answers	6	Released in full	
4	NA	Government Treatment of Stakeholder Concerns	3	Released in full	
5		Contract Manual	71	Refused in full	10(1) - Subject to legal professional privilege
					13(1)(a) - Disclosure would found an action for breach of confidence
6		Operations Manual	151	Refused in full	10(1) - Subject to legal professional privilege
					13(1)(a) - Disclosure would found an action for breach of confidence
7		Agreement	434	Refused in full	13(1)(a) - Disclosure would found an action for breach of confidence

Department of Treasury and Finance**Land Services SA****Land Services SA has been appointed to deliver transaction processing services on behalf of government with respect to land services.**

On 10 August 2017, the Treasurer announced the appointment of Land Services SA as the exclusive provider for South Australia's transactional land services.

Land Services SA will:

Deliver certain transaction processing and customer services, including the processing of Lands Titles documents, e.g. for property transfers and mortgages.

Deliver certain property valuation services; and

Commercialise Land Services' data, subject to rights for government use, existing contractual arrangements and future sub-licences, and to innovate new products and services, subject to Government approval.

The government will:

Continue to be responsible for legal, policy and regulatory functions;

Monitor the performance of Land Services SA against agreed contractual service standards; and

Maintain the statutory Valuation Roll for all properties in South Australia.

The Registrar-General and the Valuer-General will continue in their roles as statutory officers.

Further details are provided in the Treasurer's media release [PDF 200 KB] (http://www.treasury.sa.gov.au/__data/assets/pdf_file/0016/20626/Lands-services-commercialisation-media-release.pdf).

Key protections

Users and owners of land services will notice little difference.

The government recognises the significance of land services' functions and services to the community and has ensured announced key protections applying to the transaction are either enshrined in South Australian legislation or binding contracts with Land Services SA.

The protections include:

No change to the Government's existing legal protections or the Torrens title system

All current legal protections and integrity of the Torrens title system will be maintained;

The Government's guarantee of indefeasibility of title will continue, backed by the Assurance Fund;

No change to the quality of service delivery for users of land services

The Service Provider will be subject to strict service levels to ensure the quality of service is maintained or improved;

Conveyancing professionals and other stakeholders will continue to access services in the same way they do today and can expect to benefit from future innovations as the land registry market evolves;

No change to the setting of regulated fees and charges

Users of land services will continue to pay the same regulated fees and charges as today (other than the standard yearly increases at the Treasury Indexation Rate);

The Government will retain full control over the setting of future regulated fees and charges;

No change to the current level of data access, data security and privacy protection

The Government will retain ownership over Land Services' information, including the Lands Titles Register Book and the State Valuation Roll, and any existing intellectual property; and

The Service Provider will be subject to privacy laws as well as stringent contractual data integrity and security obligations.
Further information is available in the Commercialisation of land services functions list of Questions and Answers [PDF 175 KB]

(http://www.treasury.sa.gov.au/__data/assets/pdf_file/0014/20624/Questions-and-Answers-Tranche-1.pdf).

Public Engagement

The government has regularly engaged with the peak industry bodies whose members are the primary users of land services and also the employees of the affected State agencies, the Lands Titles Office and the State Valuation Office.

This consultation ensured stakeholder concerns were considered and addressed throughout the process to select the service provider.

Additional information is available regarding the government's treatment of stakeholder concerns [PDF 135 KB]
(http://www.treasury.sa.gov.au/__data/assets/pdf_file/0013/20623/Government-Treatment-of-Stakeholder-Concerns.pdf), including its approach to satisfying announced key protections and attaching a summary of the contracts.

NEWS RELEASE



Hon Tom Koutsantonis MP

Treasurer

Thursday, 10 August 2017

Land Services SA appointed as the exclusive service provider for land services

Land Services SA has been appointed as the exclusive service provider for South Australia's transactional land services.

The Government will receive \$1.605 billion in an upfront payment which includes certain optionality for the life of the contract. The commercial details of the contract are confidential.

The Government also will receive an ongoing royalty stream that can be invested in critical infrastructure and essential services benefitting all South Australians.

The contract includes a commitment by Land Services SA to establish an Innovation Hub in Adelaide, provide \$35 million in ICT investment in South Australia and to work with local digital start-ups. Land Services SA will accelerate innovation and investment in transactional land services and functions as it will be investing in major ICT systems and bringing new product offerings to market.

Land Services SA comprises globally recognised investors Macquarie Infrastructure and Real Assets and the Public Sector Pension Investment Board, which both enjoy distinguished track records of long term investing in the provision of essential services.

Land Services SA is a highly qualified provider with significant technology and change management experience. Land Services SA will adopt the existing Lands Titles Office information technology systems.

Under the commercial contract, the government retains key legal, policy and regulatory functions and responsibilities while the private sector takes over processing of transactions for the next 40 years.

Government will continue to set prescribed fees and charges for land services.

The change will:

- Reduce future operating costs to government and drive innovation in customer service.
- Promote investment in systems and reduce risks to government in future ICT upgrades.

The new service provider is expected to make offers of employment to a significant number of staff currently perform transactional land services.

Media Contact: David Russell 0434 307 012

The majority of remaining staff will either assist with the transition to the new service provider or be placed in positions for functions retained by government following consultation which is underway. A small number may be placed in alternative positions in the SA Public Sector or managed in accordance with usual Government practice.

The appointment of Land Services SA is the result of an open, competitive, multi-stage selection process which included strong legal and probity oversight.

Land Services SA submitted a binding bid that compares favourably with other land registry transactions, including the recent commercialisation in NSW.

Background

The Treasurer announced the Government's intention to commercialise a range of transactional land services and functions in the 2016-17 State Budget.

At this time, the Government undertook that key protections for the public of South Australia would be put in place – these protections are either enshrined in South Australian legislation or the binding contracts with Land Services SA and include:

- The Government continuing to guarantee indefeasibility of property title, supported by the statutory assurance fund;
- There will be no change to Torrens Title or other legal status of land;
- The Government retaining key legal, policy and regulatory functions and responsibilities;
- The Registrar-General, Valuer-General and the Surveyor-General continuing as statutory officers;
- The Government will continue to set regulated fees and charges with no changes other than the standard annual increases applied;
- The Government retaining ownership of titling and valuation data and associated intellectual property;
- Stringent service delivery standards, data security and privacy protections –with penalties, up to termination of the contract, for breaches;
- Maintaining existing terrestrial and online access arrangements, including the Adelaide office of the LTO and over-the-counter services.

Land Services SA will progressively assume responsibility for land registry and property valuation services during the coming months, with exclusive rights to commercialise related data, subject to Government approvals.

About MIRA

Macquarie Infrastructure & Real Assets (MIRA) is part of the Macquarie Asset Management

Group, the asset management arm of Macquarie Group, a diversified financial group providing clients with asset management, banking, advisory and risk and capital solutions across debt, equity and commodities.

About the Public Sector Pension Investment Board

The Public Sector Pension Investment Board is one of Canada's largest pension investment managers with C\$135.6 billion of net assets under management. It manages a diversified global portfolio composed of investments in public financial markets, private equity, real estate, infrastructure, natural resources and private debt.

Quotes attributable to Treasurer Tom Koutsantonis

I am very pleased to announce the appointment of Land Services SA to provide the State with a range of land services for a 40 year concession period – these services cover both lands titling and land valuation activities.

The sale will deliver the State an upfront return of \$1.605 billion now plus a considerable on-going royalties stream over the concession period. This is an absolutely outstanding result for the State.

I am also very pleased to say that all protections for the people of South Australia, that I announced in last year's budget, will be achieved, including indefeasibility of title, continuation of the current fees and charges regime, strong protections for privacy and data security, and maintaining current service delivery standards.

South Australians will notice no change in the services they receive through these functions.

I welcome the fact that debt funding for the transaction has been provided by leading national and international banks.

Clearly, South Australia is a very attractive investment destination for financial institutions with this deal involving three of the five major banks which are subject to the South Australian Major Bank Levy.

Land Services SA plan to provide \$35 million in ICT investment in South Australia over 5 years and to work with local digital start-ups will contribute to this effort. This is a significant amount of investment and will contribute strongly to jobs growth in this State.

I'd like to thank the workers and the union for their patience throughout this process and am pleased that this announcement can provide some clarity and certainty about the future for employees of the Lands Titles Office and the State Valuation Office.



Government of
South Australia

Commercialisation of Land Services Functions

Questions and Answers

Who is the government appointing as the private operator for the Land Services Commercialisation (LSC) Project?

The Land Services SA consortium, comprising the Macquarie Infrastructure & Real Assets (MIRA) and its managed funds and the Public Sector Pension Investment Board (PSP Investments), (the new service provider) has been appointed as the private operator to deliver a range of land services functions on behalf of the government over a forty year period in return for an up-front payment of \$1.605 billion, which includes certain optionality for the life of the contract. The commercial details of the contract are confidential.

Why did the government decide to commercialise land services functions?

The government's intention in commercialising land services was to:

- reduce future operating costs to government and to drive innovation for customers
- promote greater investment in systems and reduce risks to government from future ICT upgrades
- create significant value to strengthen the State's financial position.

Commercialising land services functions allows the government to exit non-core business processing activity that can be better undertaken by the private sector and receive an up-front payment and ongoing royalty stream that can be reinvested in critical infrastructure and essential services benefitting all South Australians.

What will be the new structure for land services in South Australia?

The new service provider will deliver land titling and property valuation services on behalf of the government.

The Registrar-General and the Valuer-General will continue in their roles as statutory officers and legal, policy and regulatory functions will remain with the Lands Titles Office (LTO) and the State Valuation Office (SVO). The Valuer-General will also have oversight of public sector valuations and the objections and grievances processes.

The new service provider will also acquire exclusive rights to commercialise certain land services data. The government will continue to own this data.

Enabling the new service provider to commercialise titling and valuation data is expected to introduce new and innovative product offerings into the market, subject to government approval. It is important to remember that the government, via the LTO, already makes property related data available for sale to the public.

Stringent privacy protections will apply to the use of this data and have been enshrined in the contracts with the new service provider.

Will my legal rights and protections change?

No. The integrity of the Torrens Title system will be maintained. The government will continue to guarantee indefeasibility of title, maintain the statutory compensation fund (the Assurance Fund), maintain regulated fees and charges and continue to own titling and valuation data.

Will fees and charges change?

The government will continue to regulate fees and charges prescribed under South Australian legislation (including the *Real Property Act 1886* and the *Valuation of Land Act 1971*). Regulated fees and charges will continue to be subject to the annual indexation factor.

This annual indexation factor is known as the Treasury Indexation Rate (TIR) and reflects the average increase in the cost to government of providing relevant services. In 2017-18, the indexation factor was set at 2.2 per cent.

What data access arrangements will apply?

Existing wholesale agreements with third party value added reselling (VARs) providing data access will be honoured by the new service provider.

Other than for commercialisation for gain, the State will continue to be able to use its LTO and SVO data, information and intellectual property for broad purposes including government use.

This includes continuing to provide data for integrated national datasets produced by PSMA Australia Pty Ltd, providing 'Mapland' products, making data available at Location SA (the State's integrated data repository administered by the Department of Planning, Transport and Infrastructure) and arrangements with government agencies, local councils and Australian universities.

Service delivery for government departments and agencies, including local government, will be co-ordinated and funneled through the Registrar-General and the Valuer-General.

How can the community be confident this is a good deal for South Australia?

The up-front return, including certain optionality for the life of the concession, is \$1.605 billion, which represents excellent value to the State and compares favourably with the return received for previous similar transactions in other jurisdictions.

The return materially exceeds the retention value, that is, the value of the operations in government's hands, on a discounted cash flow basis, and the reserve price range, which incorporates revenue and cost adjustments to the retention value.

A rigorous process was undertaken to determine the retention value and the reserve price range. This process was subject to independent verification to ensure the appropriateness of the valuation process.

When will the new service provider commence operations in South Australia?

The new service provider will assume responsibility for titling and valuation functions during the coming months. An extended transition period will occur to ensure a seamless transfer of functions from the government to the private operator, with the LTO and SVO providing transition services to the new service provider from the date of financial close.

Importantly, customers of the LTO and SVO will notice no change in access or processing arrangements, with over the counter and on-line presence of the LTO and SVO arrangements to remain.

Over time clients of the LTO and SVO are expected to benefit from improvement in service delivery and innovation in product offerings.

What will happen to employees of the Lands Titles Office and the State Valuation Office?

The State will retain legal, policy and regulatory functions.

Staff at the SVO and LTO are currently being consulted on the proposed organisational structures that reflect these retained functions, with feedback from staff and the Public Service Association expected shortly.

Staff will be transferred into these retained roles based on existing government processes that apply during agency restructuring by reference to applicable industrial instruments, policies and procedures.

A number of functions currently performed by the LTO and the SVO will transition to the new service provider.

The new service provider is expected to make offers of employment to a significant number of staff who currently perform these functions. The new service provider is legally obliged to make offers reflecting existing terms and conditions of employment including at least matching existing remuneration levels, guaranteeing a period of no forced redundancy for ongoing employees for 2 years and recognising continuity of public sector service for accrual of future leave entitlements.

Staff are not required to accept offers of employment. Staff that receive offers and decline these offers will remain within the SA Public Sector.

The majority of LTO and SVO staff that remain within the SA Public Sector (other than those within the retained function) will be seconded to the new service provider for a period of time to assist with transition.

The new service provider is only required to make an accumulation based superannuation scheme available to any staff that accept employment. The new service provider will be required to apply to become an 'Approved Employer' for the purposes of the *Southern State Superannuation Act 2009* to enable any staff that accept employment to continue as or become active members of the government's Triple S Scheme.

Staff who are not appointed to a role in the retained functions, do not receive or decline an offer of employment from the new service provider and are no longer required for transition services, may be placed in an alternative position within the Public Sector, or declared excess to requirements and managed in accordance with Commissioner's Determination 7.

What consultation occurred during the selection process?

Industry consultation

An industry stakeholder reference group was convened shortly after the government announced its intention to commercialise a range of transactional land services functions as part of the 2016-17 State Budget and met regularly during the LSC Project.

Representatives from legal, conveyancing, surveying, property and other professional bodies were invited to attend reference group meetings at their discretion.

These associations comprise the Law Society of South Australia, Australian Institute of Conveyancers (SA Div.), Real Estate Institute of SA, Property Council of Australia (SA Div.), Australian Property Institute (SA/NT Div.), Urban Development Institute of Australia (UDIA), Surveying and Spatial Sciences Institute (SA Div.) and the Local Government Association.

Employee consultation

Early engagement with staff at the LTO and SVO occurred about the eventual impacts from the LSC Project.

From June 2017, staff were advised:

- The processes that would apply to the placement of staff whose functions will be retained within government (i.e. government processes that apply during agency restructuring).
- In relation to staff whose functions will not be retained within government (In Scope Staff), the new service provider may make offers of employment to In-scope Staff
- Any offers of employment to In-scope Staff must reflect existing terms and conditions of employment, including at least matching existing remuneration levels, guaranteeing a period of no-forced redundancy for ongoing employees for 2 years and recognising continuity of public sector service for accrual of future leave entitlements
- The new service provider will only be required to make an accumulation based superannuation scheme available to In-scope Staff
- That some LTO and SVO staff that remain within the SA Public Sector (other than those within the retained function) may be seconded to the new service provider for a period of time to assist with transition.
- In-Scope Staff that do not receive or do not accept offers of employment from the new service provider will only be declared excess to requirements once transition of their functions have been completed or any secondment term is completed.

- Any declaration of being excess to requirements will occur in accordance with usual government processes, including *Determination 7: Management of Excess Employees – Redeployment, Retraining and Redundancy*.

How was the new service provider selected?

A competitive process was undertaken to select the new service provider as the private operator for the Land Services Commercialisation (LSC) Project.

All aspects of the LSC Project, including the process to select the new service provider as the private operator, was observed by an independent probity adviser (BDO Australia).

Who is responsible for delivering the LSC Project?

A dedicated project team within the Commercial Projects Group of the Department of Treasury and Finance is responsible for day to day project management of the LSC Project, with oversight from a cross-agency steering committee and support from the Crown Solicitor's Office (CSO) and external advisers. The team, CSO and external advisers will continue to work closely with the Registrar-General and Lands Titles Office and the Valuer-General and the State Valuation Office to ensure a smooth transition of titling and valuation functions to the new service provider.

External advisers are:

- Investec Australia as the lead transaction adviser
- HWL Ebsworth Lawyers to support the CSO
- BIS Oxford Economics as the specialist economic adviser
- KPMG as the tax, accounting and ICT systems adviser
- BDO Australia as the independent probity adviser.

Government Treatment of Stakeholder Concerns

Transaction	Government commitment / LSC Fact Sheet	Mechanisms	Effect / Outcome	Compliance / Reporting Regime
Structure (legal architecture)	<ul style="list-style-type: none"> Private sector to provide a range of land services functions currently provided by the Land Services Group. The Registrar-General and the Valuer-General will remain within government. Legal, policy and regulatory functions will remain within government. All of the (current) legal protections and regulatory roles will remain within the Government. 	<ul style="list-style-type: none"> Binding contracts between the State and the Service Provider with the Service Provider appointed as the exclusive provider of transactional land services in South Australia. The <i>Real Property Act 1886</i>, <i>Survey Act 1992</i> and <i>Valuation of Land Act 1971</i> will remain in place and unchanged. 	<ul style="list-style-type: none"> Government commitment achieved. Service Provider will be responsible for lands titling and valuation services. The Registrar-General and the Valuer-General will remain as statutory officers. The Lands Titles Office (LTO) and the State Valuation Office (SVO) will continue with revised responsibilities (legal, policy, regulatory, compliance and contract administration). 	NA
Value, Value Adds and Economic Development	<ul style="list-style-type: none"> Create significant value – an opportunity for the State to receive an upfront payment and / or ongoing royalties which will strengthen the State's financial position. 	<ul style="list-style-type: none"> Up-front return of \$1.605 billion. Ongoing royalty stream of 12.5 per cent on new data product revenue Service Provider to establish an Innovation Hub, provide \$35 million in ICT investment and working with local digital start-ups. 	<ul style="list-style-type: none"> Government commitment achieved. Significant up-front and ongoing value to the State. Additional economic development which contribute strongly to jobs growth in this State. 	<ul style="list-style-type: none"> Media release and Ministerial statement. Reporting obligations are contained in the relevant contract.
Governance arrangements	<ul style="list-style-type: none"> Strong oversight. 	<ul style="list-style-type: none"> Ongoing oversight by a Governance Committee comprising representatives from the Government and the Service Provider. Ongoing Stakeholder Reference Group for stakeholders to provide feedback and input to the government representatives on the Governance Committee about performance of the Service Provider. 	<ul style="list-style-type: none"> Government commitment achieved. These arrangements will enable a co-operative and adaptive management approach to the appointment and establish a strong working relationship between the Government and the Service Provider. These arrangements will ensure a seamless connection between functions retained in Government and functions delivered by the Service Provider. 	NA
Issue / Concern	Government commitment / LSC Fact Sheet	Mechanisms	Effect / Outcome	Compliance / Reporting Regime
Service levels	<ul style="list-style-type: none"> The Service Provider will be subject to strict KPI's to ensure the quality of service is maintained or improved over time. Contractual arrangements with the Service Provider will clearly define the functions and services (on behalf of the Generals) to be performed by the Service Provider. In addition, the transaction documents will include strong oversight and enforcement of agreed service KPIs such as: <ul style="list-style-type: none"> Procedures and processes for monitoring compliance; Service level standards; and Contractual remedies for failure to meet KPIs. 	<ul style="list-style-type: none"> Stringent service levels are included in the relevant contract. The Service Provider will incur escalating financial sanctions for failing to meet these service levels. Persistent or significant failures to meet service levels may lead to "step-in" by the Government or termination. 	<ul style="list-style-type: none"> Government commitment achieved. No change to end users' experience. Clients are expected to benefit from innovation and productivity improvement, leading to enhanced service provision over time. 	<ul style="list-style-type: none"> Comprehensive compliance and reporting obligations are contained in the relevant contract and contractual remedies apply in the event of breach.
Indefeasibility of Title	<ul style="list-style-type: none"> Existing consumer protections will be maintained to ensure no reduction in the rights of property owners. All of the (current) legal protections and regulatory roles will remain with the Government. The integrity of the Torrens Title system will be maintained. The Government's guarantee of title for all South Australian land owners will remain unchanged and will continue to be backed by the Assurance Fund. 	<ul style="list-style-type: none"> Real Property Act, which remains unchanged. 	<ul style="list-style-type: none"> Government commitment achieved. No change to the Government's guarantee of indefeasibility of title. Integrity of the Torrens titling system will be maintained. Continued operation of the Assurance Fund. 	<ul style="list-style-type: none"> Registrar-General will be subject to continued scrutiny by Parliament, Auditor-General, etc.
Title insurance	NA	<ul style="list-style-type: none"> The Government's guarantee of title for all South Australian land owners, which remains unchanged and this guarantee continuing to be backed by the Assurance Fund. The Real Property Act, which remains unchanged. 	<ul style="list-style-type: none"> No greater need for title insurance. The integrity of the Torrens Title system being maintained. 	NA
Assurance Fund	<ul style="list-style-type: none"> The Government will continue to hold the Assurance Fund. 	<ul style="list-style-type: none"> Real Property Act, which remains unchanged. 	<ul style="list-style-type: none"> Government commitment achieved. No change to the Assurance Fund. 	<ul style="list-style-type: none"> Registrar-General will be subject to continued scrutiny by Parliament, Auditor-General, etc.

Transaction	Government commitment / LSC Fact Sheet	Mechanisms	Effect / Outcome	Compliance / Reporting Regime
Fees & Charges	<ul style="list-style-type: none"> The Government (through the Generals) will retain full control over the setting of regulated fees and charges with no proposed changes other than the standard yearly increases (i.e. at the Treasury Indexation Rate) applied: <ul style="list-style-type: none"> Users of land services will continue to pay LSG the same regulated fees and charges as today (with appropriate indexation over time); and The Government will retain full control over future regulated fees and charges. 	<ul style="list-style-type: none"> Regulated fees and charges will continue to be prescribed under the Real Property Regulations 2009 and the Valuation of Land Regulations 2005 with standard yearly increases at the Treasury Indexation Rate. 	<ul style="list-style-type: none"> Government commitment achieved. Regulated fees and charges will continue to be set in the same way that occurred when government delivered transactional land services. 	<ul style="list-style-type: none"> Schedule 1 of the Real Property Regulations and Schedule 2 of the Valuation of Land Regulations 2005 and other relevant legislation. Registrar-General and Valuer-General will be subject to continued scrutiny by Parliament, Auditor-General, etc.
Privacy	<ul style="list-style-type: none"> The Government will retain ownership over LSG's data and information. Any information accessed or collected by the new Service Provider will be subject to the relevant privacy laws and regulations, in addition to strict contractual obligations (including stringent data integrity and security KPIs) overseen by the Registrar-General and the Valuer-General. Contractual remedies will apply for any material breach. 	<ul style="list-style-type: none"> The Service Provider will be required to comply with the Privacy Act 1988 (Cth). Stringent data security and privacy protections are included in the relevant contract. Government approval is required before the Service Provider can introduce new data products to the market. 	<ul style="list-style-type: none"> Government commitment achieved. More stringent arrangements apply to the Service Provider via Commonwealth legislation and contractual obligations than applied with the government commercialised land services data. 	<ul style="list-style-type: none"> Comprehensive compliance and reporting obligations are contained in the relevant contract and contractual remedies apply in the event of breach.
Service access	<ul style="list-style-type: none"> Conveyancing professionals will continue to access LSG's services in the same way they do today: <ul style="list-style-type: none"> Adelaide office counter services will remain; and Online services will continue. 	<ul style="list-style-type: none"> The State will either lease or licence certain of the LTO and SVO premises to the Service Provider, including the Ground Floor of 101 Grenfell Street for at least 5 years. Current settlement services will remain unchanged, access arrangements for month end and quarter end settlements will remain unchanged and the LTO Helpline will continue to operate. The LTO will remain in the Adelaide CBD as per the requirements of the Real Property Act. The Service Provider will use existing LTO systems. 	<ul style="list-style-type: none"> Government commitment achieved. The Service Provider will maintain the Adelaide office counter service at its current location and continue to operate the SAILUS system. 	<ul style="list-style-type: none"> Stakeholder Reference Group to provide input and feedback to Government representatives of the Governance Committee.
Information (Data) Access	<ul style="list-style-type: none"> Ownership of LSG data and associated intellectual property is retained by Government and licenced to the Service Provider. Land registry and valuation information now available to South Australians will continue to be available: <ul style="list-style-type: none"> Wholesale data sold to third parties – existing contracts with Value Added Resellers will be novated to the Service Provider and honoured; and New data opportunities – new data products may be developed by the Service Provider but will be subject to Government approval. Contractual obligations for a new Data Access Regime designed to address concerns raised by the ACCC regarding access to wholesale sales data by existing and future Value Added Resellers of data will be established. 	<ul style="list-style-type: none"> The State licensing data and associated intellectual property to the Service Provider - data that was available to the public for a fee will be continue to be made available by the Service Provider for a fee. Existing contracts with Value Added Resellers will be novated. Contractual obligations set out an access regime for the Service Provider to continue to provide Value Added Resellers with access to wholesale sales data, the details of which will be publicly available. Government approval is required before the Service Provider can introduce new products to the market. 	<ul style="list-style-type: none"> Government commitment achieved. Existing contracts with Value Added Resellers have been honoured. Access regime has been established ensuring Value Added Resellers are able to access wholesales sales data. The State will continue to be able to use LTO and SVO data and intellectual property for government purposes. The State will continue to provide data for integrated national datasets produced by PSMA Australia, provide Mapland products, make data available at Location SA and continue with arrangements for government agencies, local government and Australian universities. 	<ul style="list-style-type: none"> Comprehensive compliance and reporting obligations are contained in the relevant contract. The Service Provider must make details of the Data Access Regime for Value Added Resellers publicly available. Contractual obligations requiring the Service Provider to engage with stakeholders every 5 years to review the Data Access Regime.
LTO and SVO Staff	<ul style="list-style-type: none"> The proposed outsourcing will impact certain employees of the offices of the Registrar-General and the Valuer-General. There will be no impact on employees in the office of the Surveyor-General. Some employees within the offices of the Registrar-General and Valuer-General will be retained to perform the policy and regulatory oversight roles that will remain within Government. It is expected that a good number of employees may be offered an opportunity to transition to the new Service Provider. Current industrial protections that exist for all employees remaining within the public sector will continue. 	<ul style="list-style-type: none"> Industrial instruments, policies and procedures applying to agency restructuring for those employees remaining in the Public Sector. Contractual obligations with the Service Provider regarding the terms and conditions of any offer of employment which include at least matching existing remuneration levels, guaranteeing a period of no forced redundancy for ongoing employees for 2 years and recognising continuity of public sector service for accrual of future leave entitlements. 	<ul style="list-style-type: none"> Government commitment achieved. Some staff will fill positions within the retained functions within Government. The Service Provider will make offers of employment to a significant number (58 FTEs) staff and is contractually obliged to reflect existing terms and conditions on an overall basis. The majority of staff (58 FTEs) that remain within the SA Public Sector (other than those for retained functions) will be seconded to the Service Provider. Staff who are not appointed to a role in the retained functions, do not receive or decline an offer of employment from the Service Provider and are no longer required for transition services may be placed in an alternative position within the Public Sector or declared excess to requirements (the initial impact is expected to be negligible). 	<ul style="list-style-type: none"> Media Release, Ministerial Statement and detailed employee Q&A. Internal working group will oversight the offers of employment process.
Transition and change requests	<ul style="list-style-type: none"> As outlined to the Stakeholder Reference Group: <ul style="list-style-type: none"> Extended transition arrangements; and Mechanism to ensure services meeting the needs of clients. 	<ul style="list-style-type: none"> Relevant contracts. An extended transition period has been agreed, with staff at the LTO and SVO providing transition services to the Service Provider. Day-to-day, the Registrar-General and Valuer-General will continue to engage with stakeholders as part of their policy setting responsibilities. Ongoing Stakeholder Reference Group for stakeholders to provide feedback and input to the Government representatives on the Governance Committee about performance etc of the Service Provider. 	<ul style="list-style-type: none"> Government commitment achieved. An orderly transition to the Service Provider that ensures continuity of service is maintained for users of land services. A seamless connection between functions retained in Government and functions delivered by the Service Provider. Stakeholders concerns are addressed. 	<ul style="list-style-type: none"> Oversight by the Registrar-General and Valuer-General to ensure ongoing compliance by the Service Provider. Contractual obligations requiring the Service Provider to engage with stakeholders every 5 years to review the governance arrangements.

Attachment A – Legal Architecture

Transaction Document	Purpose
Implementation Deed	The Implementation Deed is an umbrella agreement between the State and the Service Provider which provides for the payment of the upfront consideration and sets out how the State and the Service Provider will implement the Transaction. The other transaction documents will be annexed to, and executed contemporaneously with, the Implementation Deed.
RG Delegation	This is a formal instrument of delegation from the Registrar-General to the Service Provider's personnel under which those personnel are delegated all of the legislative powers, duties and functions necessary to enable the Service Provider to provide the commercialised services on behalf of the State.
VG Authorisations	The VG Authorisations authorise relevant personnel of the Service Provider to exercise certain rights and powers under the <i>Valuation of Land Act 1971</i> (SA), including the power to enter on to land for the purposes of undertaking valuations.
State Records Agency Instruments	Under these instruments the Registrar-General and the Valuer-General appoint the Service Provider as their agent for the purposes of the <i>State Records Act 1997</i> (SA).
Land Services Agreement	The Land Services Agreement is the key operational document for the Transaction. Under this document, the State appoints the Service Provider as the exclusive provider of the relevant lands titling and valuation services for the 40-year term. This document sets out the scope of the services to be delivered, the service levels that must be met and the service fees payable by the State.
IP Licence Deed	Under the IP Licence Deed, the State provides the Service Provider with a right to access and use relevant intellectual property, data and software of the State for the purposes of performing the services under the Land Services Agreement. The Service Provider is also granted the exclusive right to commercialise for gain particular intellectual property and data.
Ancillary Asset Sale and Purchase Deed	This document provides for the sale of those assets required by the Service Provider to provide the commercialised services, including plant and equipment located at the Grenfell Street premises as well as business and domain names relevant to the commercialised services, from the State to the Service Provider.
Grenfell Street Sub-Lease	This document provides for the sub-lease of that portion of the 101 Grenfell Street premises currently occupied by the LTO and SVO from the State to the Service Provider.
Netley Premises Licence	This document provides for the licence of that portion of the Netley premises currently occupied by the LTO and SVO from the State to the Service Provider.
Transitional Services Agreement	The Transitional Services Agreement requires the State to provide certain services to the Service Provider on an interim basis, including the secondment of employees and the provision of access to certain ICT systems, to assist with the transition of the commercialised services from the State to the Service Provider.
Tripartite Deed	This document is between the State, the Service Provider and the security trustee under the Service Provider's debt financing arrangements. The Tripartite Deed regulates the manner in which the parties can exercise their respective rights under the transaction documents and the Service Provider's financing documents, including with respect to step in and termination.