



**Government  
of South Australia**

TRS20D1805

Hon Stephen Mullighan MP  
Member for Lee  
Unit 1, 62 Semaphore Road  
SEMAPHORE SA 5019

**Treasurer**

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Dear Mr Mullighan

**APPLICATION UNDER THE *FREEDOM OF INFORMATION ACT 1991***

I refer to your application made under the *Freedom of Information Act 1991* (FOI Act), dated 29 May 2020.

Your application seeks access to:

*"All minutes, briefings and correspondence titled 'Affordable Community Housing Land Tax Exemption pilot update' as described on the Objective document management system, between 14 November 2019 and 29 May 2020."*

The legislative prescribed timeframe to determine this application has expired and is now deemed to have refused you access to all documents relevant to your application. I refer to my letter dated 12 June 2020 where I sought additional time to make my determination.

The purpose of this letter is to advise you of my determination. An extensive search was conducted within this office. A total of 1 document was identified as answering the terms of your application.

I grant you access in part to 1 document; a copy of which is enclosed.

**Document Released in Part**

Document 1 is a briefing which was prepared by the Department of Treasury and Finance (DTF) for my information. I advise that the attachment to the briefing, providing the guidelines to the Affordable Community Housing Land Tax Exemption Pilot, is publicly available on the RevenueSA website and therefore has not been provided to you.

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

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: <https://dpc.sa.gov.au/resources-and-publications/premier-and-cabinet-circulars>. Please visit the website for further information.

As I am determining this application as Principal Officer, section 29(6) of the Act does not provide for an internal review. If you are dissatisfied with my determination you are entitled to exercise your rights of external review with the Ombudsman.

Alternatively, you can apply to the South Australian Civil and Administrative Tribunal. If you wish to seek a review, section 39(3) of the Act states you must do so within 30 calendar days of receiving the determination.

If you require any further information, please contact Vicky Cathro on 8226 9769.

Yours sincerely

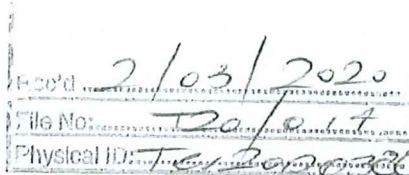


**Hon Rob Lucas MLC**  
*Principal Officer*

26 September 2020

RELEASE IN PART

MINUTE



Government  
of South Australia

Department of Treasury  
and Finance

MINUTES forming ENCLOSURE

File T&F18/0069

Doc No A1363174

To The Treasurer

**AFFORDABLE COMMUNITY HOUSING LAND TAX EXEMPTION PILOT UPDATE**

Timing: ROUTINE

**Recommendations/Issues:** It is recommended that you:

- note that the South Australian Housing Authority (SAHA) and the Department of Treasury and Finance (DTF) are working together to finalise details of the 5 year pilot for an Affordable Community Housing Land Tax Exemption, introduced as part of the Land Tax Reform Package;
- note that SAHA has put a general call out to Community Housing Providers (CHPs) to gauge interest and select participating providers and CHPs had until 26 February to register their interest.
- Five providers registered their interest. DTF and SAHA have already met with those interested to discuss the pilot and next steps in securing their involvement.
- note that the original commitment noted that taxpayers would be able to enter into the pilot from 1 March 2020. This date will not be met, with the implementation likely to be delayed by a couple weeks as the agreements are finalised;
- note that from 1 March 2020, property owners will still be able to register their interest in the pilot with RevenueSA via the website. The registered parties will be provided with the details of the CHP's registered for the scheme as soon as they are finalised; and
- note that draft guidelines for the pilot have been prepared, and the CHP(s) will be consulted on these guidelines prior to their release to tax payers.

Noted

Hon Rob Lucas MLC  
Treasurer

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## Key Points:

### Background

- As part of negotiations to secure support of the *Land Tax (Miscellaneous) Amendment Bill 2019*, the Government committed to a five year pilot of an Affordable Community Housing Land Tax Exemption. The pilot was also included as an action item in the South Australian Housing Authority's 10 year plan, *Our Housing Future 2020-2030*.
- The pilot is modelled on a similar scheme being piloted in the Australian Capital Territory (ACT). Eligible property owners will receive ex-gratia relief equivalent to a land tax exemption, where a property is rented through a registered community housing provider (CHP) to a tenant(s) with a low to moderate household income. The property needs to be rented at less than 75 per cent of the market rate to qualify.
- The pilot is limited to 100 properties.
- The announced start date was 1 March 2020. From this date, it was anticipated that property owners would be able to enter into agreements with CHPs in order to lease their properties. The ex-gratia relief would apply from the 2020-21 tax year.

### Progress to date

- Officers from Department of Treasury and Finance (DTF) and South Australian Housing Authority (SAHA) have been working together to finalise details of the pilot.
- The pilot in the ACT has the CHPs act in place of a private property manager. The property owners pay a management fee to the CHP. This fee covers standard property management services such as property inspections, but would also cover additional services to ensure the property owner is eligible for the land tax exemption. For example, confirming tenant income eligibility.
- It is intended the pilot in South Australia would mirror this. Without a management fee, there is little incentive for CHPs to participate. Not all CHPs currently operate this model in SA. CHPs typically own the property themselves, or manage government owned public housing and retain the rental income.
- A critical step is therefore to enlist interested CHPs, preferably those who are experienced, or are interested in becoming experienced, in providing fee-for-service property management.
- SAHA has put a general call out to Tier 1 and 2 CHPs to identify those interested and select the participating CHP(s). CHPs were given until the 26<sup>th</sup> February to register their interest.
- Accordingly, participating CHP(s) will not be finalised until after 26 February. Further consultation and preparation on behalf of the CHPs will be required before they are ready to enlist property owners. Property owners will therefore be unable to enter into agreements with CHPs from 1 March 2020 as announced, with the commencement delayed by a week or so.
- This delay should not have a material impact on property owners as the exemption does not apply until 2020-21 tax year.

- Five CHPs registered their interest. DTF and SAHA have already met with those interested and discussions are underway to further assess their level of interest, suitability and if appropriate, secure their involvement.
- The ACT pilot only has two participating CHPs. It is not proposed to prescribe or limit the number of participating CHPs in the SA pilot. This can be further assessed during consultation with the interested CHPs, given there are only 100 exemptions available. Based on initial discussions, it is not expected all five who expressed interest will seek to participate in the scheme.
- Draft guidelines of the pilot have been prepared. These are contained in attachment A for your information. To ensure efficacy and viability of the pilot, it is proposed to consult with the selected CHPs on the draft guidelines prior to releasing them on the RevenueSA website. It may be difficult to make changes or incorporate any improvements the CHPs may suggest if guidelines are released beforehand.
- It is proposed to allow interested property owners to register their interest online with RevenueSA from 1 March 2020. Once the participating CHP(s) are known, the property owners would be advised accordingly and provided with the guidelines. At this time, an online application form would also be made available. Property owners will choose the CHP they wish to register with.

#### Next steps

- DTF is continuing to work proactively with SAHA to progress selection of CHPs and administration of the pilot more generally.
- DTF will advise you on the outcome of CHP selection, and a better indication of when CHP(s) will be ready to enter into agreements with property owners.



Tammie Pribanic  
EXECUTIVE DIRECTOR  
BUDGET AND PERFORMANCE

29 February 2020

Contact Officer:	Elise Vincent
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#### Attachments

- A. Affordable community housing land tax exemption pilot – guidelines (to be made available as website content).