



**Government
of South Australia**

TRS20D1801

Treasurer

Level 8
State Administration Centre
200 Victoria Square
Adelaide SA 5000
GPO Box 2264
Adelaide SA 5001
DX 56203 Victoria Square
Tel 08 8226 1866
treasurer.dtf@sa.gov.au

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

lee@parliament.sa.gov.au

A handwritten signature in blue ink, appearing to read "Stephen", written over the printed name "Mr Mullighan".

Dear Mr Mullighan

APPLICATION UNDER THE *FREEDOM OF INFORMATION ACT 1991*

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

Your application seeks access to:

"All minutes, briefings and correspondence titled 'Bushfire Tax Relief – Other Policy Considerations' 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 release the document in full.

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

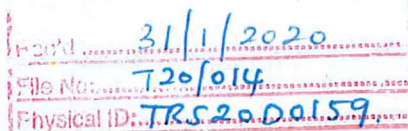


Hon Rob Lucas MLC
Principal Officer

26 September 2020

RELEASE

MINUTE



Government
of South Australia
Department of Treasury
and Finance

MINUTES forming ENCLOSURE

File T&F20/0042
Doc No A1352263

To The Treasurer

BUSHFIRE TAX RELIEF - OTHER POLICY CONSIDERATIONS

Timing: URGENT

Recommendations/Issues: It is recommended that you:

- Note the information on further bushfire response measures announced by Victoria on 27 January 2020, including relief for payroll tax and stamp duty.

Noted

- Note that as part of the finalisation of detailed guidelines for motor vehicle relief for people impacted by bushfires in South Australia it was identified that the Emergency Services Levy (ESL) component of motor vehicle registration fees is not included in the standard scope of refunds available on the cancellation of registration.
- Approve ex-gratia relief equivalent to a full refund of any ESL paid on the active registration period of a motor vehicle that was destroyed in the bushfires.

Approved / ~~Not Approved~~

- Note that, in the absence of any relief, Land Titles Office (LTO) fees will be payable on the purchase of replacement properties in South Australia by those affected by the bushfires (i.e. where a new property is purchased rather than rebuilding on existing properties). The LTO fee payable on a median valued house in South Australia is around \$4,000. The Registrar-General has the discretion to waive LTO fees under the *Real Property Act 1886*.
- Sign the attached minute to the Minister for Transport, Infrastructure and Local Government advising of your support for the Registrar-General to waive LTO fees on the purchase of replacement properties by owners who lost their homes in the bushfires.

Approved / ~~Not Approved~~

Hon Rob Lucas MLC
Treasurer

2 / 2 / 20



Victorian Announcement - Further Tax Relief

- On 27 January 2020, the Hon Daniel Andrews MP, Premier of Victoria, issued a media release on further bushfire response measures, including payroll tax and stamp duty relief.
- These are in addition to the stamp duty and land tax initiatives announced by the Victorian Government on 13 January 2020.

Payroll tax relief

- The media release (attached) indicates that regional payroll tax relief will be implemented such that employers in bushfire affected areas would be liable for a payroll tax rate equal to 25 per cent of the standard rate.
- Victoria already has a separate rate structure for taxable payrolls in regional areas. To be eligible for the lower rate structure, an employer must pay at least 85 per cent of its Victorian taxable wages to employees in defined regional areas.
- The regional payroll tax rate of 2.425 per cent in 2019-20 is currently 50 per cent of the standard rate (4.85 per cent). The regional rate is scheduled to incrementally decline each year until it reaches 25 per cent of the standard rate in 2022-23 (1.2125 per cent).
- Based on the limited information available, Victoria's proposed payroll tax measure appears to be a bring-forward of the existing 2022-23 regional rate for regional businesses in declared bushfire areas rather than a new payroll tax initiative.
- South Australia implements a uniform payroll tax rate across the state. DTF does not currently have data that distinguishes between regional and metropolitan employers or identifies the specific employers impacted by the bushfires.
- It is expected that similar relief, if implemented in South Australia, would have a limited impact. South Australia's payroll tax threshold of \$1.5 million would already exempt a range of regional businesses (based on the Victorian definition) potentially impacted by the bushfires (Victoria has a payroll threshold of \$650,000).
- There could also be significant administration costs for both Government and businesses if such a scheme was introduced given relevant data to confirm eligibility is not currently collected.

Stamp duty

- The stamp duty measure referred to in Victoria's recent announcement appears to be a 50 per cent concession on the stamp duty otherwise payable on the purchase of non-residential property in bushfire affected areas to incentivise business activity in these regions. Victoria has not released any further information on the measure at this time.
- South Australia has already fully abolished conveyance duty on non-residential (non-primary production) property transfers across the whole state from 1 July 2018.

South Australian bushfire tax relief

Motor Vehicle Registration Refunds

- The general registration of a motor vehicle includes the following component charges:
 - Administration fee;
 - Standard registration fee;
 - Compulsory Third Party (CTP) premium;
 - Lifetime Support Scheme (LSS) Levy;
 - Emergency Services Levy (ESL); and
 - \$60 annual stamp duty on CTP renewal notices.
- Motor vehicle owners may apply for a refund of registration fees for a range of circumstances, including if the vehicle can no longer be used due to damage caused by bushfires.
- To support the announcement of the bushfire tax relief measures, information was provided by agencies on other fees that could be waived for people affected by the bushfires, including motor vehicle registration charges.
- Advice received at the time indicated that refunds are provided on the unused/unexpired portion of the following component charges:
 - Standard registration fee;
 - CTP premium;
 - LSS Levy; and
 - ESL.
- In addition standard administration fees are being waived.
- Similar information was included in the media release on stamp duty relief for people impacted by the bushfires.
- DPTI has now advised that the ESL component is not included in the scope of standard refunds available on cancelled registrations. The ESL payable on a standard passenger motor vehicle is \$32 per annum.
- While the ESL is not currently included in the scope of standard refunds issued by DPTI, relief could be provided through ex-gratia means.
- The Country Fire Service estimate around 600 vehicle were destroyed in the bushfire. An ex-gratia relief scheme that provides a full refund of any ESL amounts paid on the active registration period would have a limited cost (of up to around \$19,200), but this would be offset to the extent that people seek to register a replacement vehicle. As such the provision of relief is not expected to have any material budget impact.
- Should ESL relief be approved, it is recommended that a full refund on the ESL component on the registration being cancelled is provided. This is simpler to administer and removes the need for manual calculations (or system changes) under a pro-rated refund approach (eg based on number of days of registration remaining).
- Service SA would administer the ESL ex-gratia relief as part of the registration cancellation process.

- It is noted that the \$60 annual stamp duty charge on CTP renewal notices is also not included in the standard scope of refunds when a registration is cancelled. There has been no announcement that relief would be provided on this charge.

Land Titles Office Fees

- Land Titles Office (LTO) fees are also payable to Land Services SA on the purchase of real property, in addition to the conveyance duty collected by RevenueSA.
- For a median value property purchase of \$475,000 in Adelaide, the applicable conveyance duty and current LTO fee are as follows:

Indicative Transfer Charges

	Median House Price	Stamp Duty	Base LTO Fee
Adelaide	\$475,000	\$20,080	\$4,013

- While the bushfire tax relief measures include ex-gratia relief for the conveyance duty payable on a replacement home, they do not capture the separate LTO fees collected under the *Real Property Act 1886* which is committed to the Minister for Transport, Infrastructure and Local Government.
- In line with an objective of removing state taxes/charges from a bushfire affected person's decision on whether to stay and rebuild on their current land or move to a replacement property elsewhere, consideration could be given to providing relief on any applicable LTO fees in addition to conveyance duty.
- DPTI has confirmed that the Registrar-General has the discretion to effectively waive LTO fees under Section 22 (1) of the *Real Property Act 1886*. Relief from LTO fees could therefore be provided on the same basis as conveyance duty (i.e. full fee relief for a replacement property valued up to \$1 million and relief capped at the associated fee amount for any property valued above \$1 million with the balance of the applicable fee payable).
- Consistent with conveyance duty, the provision of relief on LTO fees on the purchase of a replacement property would not result in any budget impacts.

Minute to Minister for Transport, Infrastructure and Local Government

- A draft minute to the Minister for Transport, Infrastructure and Local Government seeking consideration of waiving LTO fees on replacement properties where an owner's home was destroyed by a bushfire is attached for your consideration. The minute also notes an intention to provide ex-gratia relief on the ESL paid on the active registration period of a motor vehicle that was destroyed in the bushfires given this refund would be administered by Service SA.



Greg Raymond
ACTING EXECUTIVE DIRECTOR
BUDGET AND PERFORMANCE

3 / January 2020

Contact Officer:	Danny Huynh
Telephone:	8429 3187
Email address:	danny.huynh@sa.gov.au

Media Release

The Hon Daniel Andrews MP
Premier



Monday, 27 January 2020

MORE TAX RELIEF FOR FIRE-AFFECTED COMMUNITIES

The Victorian Government will fast-track payroll tax relief, slash stamp duty, waive water rates and give local councils extra support as part of a major package to help fire-affected communities recover.

Premier Daniel Andrews and Bushfire Recovery Victoria Chair Ken Lay today announced the \$64 million package, which gives councils, businesses and local families hardest hit by bushfires the support they need.

The package includes:

- Immediate regional payroll tax relief in "State of Disaster" areas, so that regional employers only pay 25 per cent of the metropolitan rate
- A 50 per cent concession on stamp duty for eligible properties, allowing businesses to relocate, expand or move into the fire-affected areas – sending a clear signal that these destinations are open for business
- Waiving water rates for 12 months for all homes or businesses destroyed or significantly damaged by fire, and providing rebates for customers affected by interruptions to their water supply
- \$500,000 for grants to regional industry groups and chambers of commerce to facilitate vital networking events, tourism opportunities and pro-bono business partnerships.
- Small business advisers stationed at relief centres to give businesses the support and advice they need
- Support for the wine industry to access technical advice so it's best placed for this year's vintage.

The Government will also establish a \$10 million *Council Assistance Fund*, administered by Bushfire Recovery Victoria, for local governments in State of Disaster areas to access funding for people who have damaged or destroyed property, support businesses subject to annual charges or permits, or to waive other fees or charges.

Eligible councils will be able to determine how best to allocate their funding, which may include rate relief for residents and businesses if they choose.

As part of the package, the Labor Government will also waive administration fees associated with VicRoads registration refunds for vehicles that have been damaged or destroyed, saving owners up to \$60.

The Government will also waive associated costs and fast-track requests for birth and wedding certificates destroyed by the bushfires – a small gesture that will make a big difference.

The Government has now invested \$250 million towards support for bushfire-affected communities.

Quotes attributable to Premier Daniel Andrews

"This is immediate and practical support to families and businesses who have been through so much."

"We can't change what these communities have been through, but we're doing what we can make the recovery that little bit easier."

Quotes attributable to Bushfire Recovery Victoria Chair Ken Lay

"This package will go a long way towards helping these communities rebound after the fires."

"The feedback I've been getting on the ground is that this is the type of support bushfire-affected areas need as they start the difficult recovery process."



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200 Victoria Square
Adelaide SA 5000
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Adelaide SA 5001
DX 56203 Victoria Square
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MINUTES *forming* ENCLOSURE to:

TRS20D0159

**TO: HON STEPHAN KNOLL MP
MINISTER FOR TRANSPORT, INFRASTRUCTURE AND
LOCAL GOVERNMENT**

RE: BUSHFIRE RELIEF MEASURES

As you are aware, the government announced a number of bushfire tax relief measures on 20 January 2020, including relief on the stamp duty associated with the purchase of replacement motor vehicles and properties destroyed by the bushfires.

While relief has been announced on the stamp duty associated with the purchase of replacement homes destroyed by bushfires, Land Titles Office (LTO) fees would still be payable by those affected by the bushfires (i.e. where a new property is purchased rather than rebuilding on existing properties). I am advised the LTO fee on a median valued house in Adelaide is around \$4,000.

In line with the objective of removing state taxes/charges from a bushfire affected person's decision on whether to stay and rebuild on their current land or move to a replacement property, I support the provision of relief on any applicable LTO fees on the same basis as the relief structure in place for stamp duty (i.e. full relief for a replacement property valued up to \$1 million and relief capped at the associated fee amount for any property valued above \$1 million with the balance of the fee payable).

I am advised that the Registrar-General has authority under Section 22 (1) of the *Real Property Act 1886* to waive any applicable LTO fees. I would support the exercise of this discretion subject to your consideration and approval.

I understand that motor vehicle owners may apply for a refund of registration fees for a range of circumstances, including if the vehicle can no longer be used due to damage caused by bushfires. I am advised that refunds are provided on the unexpired portion of the base registration fee, the Compulsory Third Party (CTP) premium and the Lifetime Support Scheme (LSS) Levy.

In addition to the refund of these charges, I have approved ex-gratia relief equal to the full refund of any ESL paid on the active registration period of motor vehicles that were destroyed in the bushfires.

To make the ESL refund process as easy as possible for those that have been impacted by bushfires, it is proposed that the refunds will be administered by Service SA as part of the standard cancellation of registration process. Officers from the Department of Treasury and Finance will be in contact with relevant staff in your department to discuss the administration arrangements for this relief.



Hon Rob Lucas MLC
Treasurer

2 February 2020