

# Land Rent (Total income of lessee—post-1 October 2013 leases) Determination 2013 (No 1)

## Disallowable Instrument DI2013-246

made under the

*Land Rent Act 2008*, section 9A (Total income of lessee)

## **EXPLANATORY STATEMENT**

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1. The *Land Rent Act 2008* (the Act) allows a lessee the option of renting land through a land rent lease rather than purchasing the land to build a home.
2. As part of the Government's affordable housing measures, and as announced in the 2013-14 Budget, amendments are being made to the Act, effective 1 October 2013. These amendments will retarget the Land Rent Scheme to assist those most in need, by restricting entrance to the Scheme to only those applicants who are eligible for the discount land rent rate of 2 per cent, for land rent leases entered on or after 1 October 2013.
3. For land rent leases entered into prior to 1 October 2013, the income threshold amount for discount rate eligibility is determined by lessee income only. This income threshold amount is determined in a separate disallowable instrument.
4. New section 9A of the Act authorises the Minister to determine, in writing by disallowable instrument, how the total income of a lessee is worked out.
5. From 1 October 2013, the income threshold amount is being increased (as determined by the separate disallowable instrument) and will include the total income of a lessee and their domestic partner (a household income approach). This will be more reflective of applicant income and ensure the Land Rent Scheme is retargeted to appropriate households. It will also provide a consistent approach to income assessment for both the Land Rent Scheme and the Home Buyer Concession Scheme.
6. This instrument therefore determines what constitutes 'total income', and provides a definition of 'domestic partner'. This instrument commences on 1 October 2013, and only applies to a land rent lease entered into on or after 1 October 2013.
7. In this instrument, total income is the income of all persons named in the land rent lease, and includes the combined total income of a person and their domestic partner. It includes income from all sources such as benefits from a salary packaging arrangement and income classified as exempt income under the *Income Tax Assessment Act 1997* (Cth). For a self-employed person, total income includes the net trading profit or gain made in the ordinary course of carrying on business, rather than the business' turnover.

Authorised by Treasurer  
Andrew Barr MLA