

LAND TAX

Mr GRIFFITHS (Goyder) (15:33): While the topic of my contribution today relates to land tax, it would be remiss of me not to specifically mention the member for Frome and congratulate him on his service to South Australia, not only as the member for Frome, but as a minister, a deputy premier and a leader of the state. As someone who has had the great privilege of sitting next to him for the first year or so of my time in the house, I enjoyed enormously the fact that he would tell me what the true history would have recorded about comments that came from the other side. So, I am grateful for every bit of worldly advice that he has provided to me.

I am sure that all members of the house have probably had contact from constituents who are concerned about increases in land tax. The budget papers tell part of the story—from \$223 million to \$306 million this year, an \$83 million increase, or 37 percent. The contact that I have had from people has been very concerning. They are from all levels of society: people who are renting property; the mum and dad investors out there; and businesses, both big and small.

The Hon. R.J. McEwen interjecting:

Mr GRIFFITHS: If the member for Mount Gambier would like to make a contribution on this, he is most welcome to.

The Hon. M.J. Atkinson: No; he would prefer to make it during your time.

Mr GRIFFITHS: Okay. Well, he will not put me off, because I am quite happy—

The Hon. R.J. McEwen interjecting:

The SPEAKER: Order! The minister is interjecting out of his place.

Mr GRIFFITHS: Land tax is a revenue that exists in all states other than, I think, the Northern Territory. That is the only state or territory in which it does not happen. People are very concerned. I had a conversation only yesterday with a person who owns a holiday home in my area, on the north beach of Wallaroo. This gentleman owned a business in Kadina. He has since retired. His family built this property some 45 years ago, so for them it is not an investment opportunity, it is a lifestyle choice that he and his family have made.

They do not wish to sell this property, they do not wish to realise what the increase in the valuation has been: they just want to enjoy it. The problem is that, from last year to this year, land tax has increased from, I think, a level of \$615 to \$1,148 per three months.

The Hon. R.J. McEwen: It's called bracket creep.

Mr GRIFFITHS: That is the amount he is paying. The member for Mount Gambier refers to bracket creep, which is certainly affecting this chap. He does admit to me that it has a very high valuation, and he understands that, but it comes back to the basic premise that this chap owns his property.

The Hon. M.J. Atkinson interjecting:

Mr GRIFFITHS: I know it but I am not quoting it.

The Hon. M.J. Atkinson: Why? You need it to illustrate the point.

Mr GRIFFITHS: It is not important.

The Hon. M.J. Atkinson: The house needs to know.

The SPEAKER: The Attorney will come to order!

Mr GRIFFITHS: The value attached to the property is \$750,000, Attorney, if you want to know.

The Hon. R.J. McEwen: So, \$750,000 and he is complaining.

Mr GRIFFITHS: No.

Members interjecting:

The SPEAKER: The Minister for Agriculture will come to order!

Mr GRIFFITHS: This is ridiculous. These are good people who live in communities. He wants to retain this property, member for Mount Gambier. You might think it is smug and you might laugh at this and not be interested in what people in regional areas think, but this chap is very concerned.

The Hon. M.J. Atkinson interjecting:

Mr GRIFFITHS: Business is also very concerned about this, Attorney. Nathan Paine, who I believe is the Executive Director of the Property Council of Australia, is quoted as saying that the level of land tax applied affects everyone's superannuation returns, too, because many superannuation schemes invest in the larger business properties in CBD areas. If you look at South Australia's land tax rate in comparison to other states and the amount that we pay, it is vastly more than what people in other states pay. It is therefore reducing the returns those superannuation schemes will make. So, it affects all levels of society. I understand that states need a lot of dollars to operate, there is no doubt about that. But importantly there needs to be a spread of taxation revenues to try to create an equitable system which allows the services and infrastructure to be provided.

The Hon. M.J. Atkinson interjecting:

The SPEAKER: The Attorney will come to order!

Mr GRIFFITHS: But we must ensure that we do not bring in tax regimes that make it a disincentive for people to own property, because we want people to invest. We want people to risk their own capital and have the confidence that, yes, they will pay a fair level of taxation. There is no concern for this chap I spoke to. He recognises that he must pay a fair level of taxation, but his concern is such a dramatic jump in one year. It has gone above the threshold of the \$700,000 increment, which has created the outstanding change, but it still—

The Hon. M.J. Atkinson: You tried to cover that up, didn't you?

Mr GRIFFITHS: Not at all, Attorney. The government must realise the facts. When I asked the Treasurer questions on this during estimates to try to make him understand that all sections of society are affected by land tax rates, his remarks and his answers did not appear to recognise that it was an issue. He thinks, 'Well, they can afford to pay it or they can sell it. People with multiple properties, it does not matter, they can sell one.'

The Hon. M.J. Atkinson: What is your policy?

Mr GRIFFITHS: I am making the house aware of the issues, clearly that. I want the house to be aware of it. The intent of my contribution is to make the house aware of it so there can be accountability and so that people understand what is going on. I am sure that members on the Attorney's side of the house are getting complaints about this, too.

The Hon. M.J. Atkinson: What are you going to do?

Mr GRIFFITHS: I want to make sure that we recognise it, Attorney.

Time expired.