

Property Council welcomes land tax reform package

The Property Council has today welcomed Treasurer Kevin Foley's statement today that, if re-elected, the Government will reform the State's land tax regime.

The Government has promised that it will raise the base land tax threshold from \$110,000 to \$300,000, with increases in the other thresholds to provide minor savings at the higher end. The Property Council also strongly supports the initiative to index thresholds to average land value inflation, providing more certainty to investors.

However, according to Property Council of Australia (SA Division) Executive Director Nathan Paine, the proposed cuts provide limited relief to the commercial property sector, a critical generator of investment and employment.

"There's no doubt that the Government's announcement is good news for private South Australian investors who will be saving on their investment properties and the like," Paine said.

"Unfortunately we still have a way to go in reducing the burden on commercial property, which invariably falls into the highest thresholds.

"It must be remembered that this sector is critical to investment, employment and the overall development of our state.

"That said, this is a great first step toward meaningful land tax reform, and it leaves the debate open for further reform that will generate further economic benefits."

"This announcement indicates that the Government has heard the Property Council's calls for land tax reform and accepts what a significant economic and budgetary issue it is," Paine says.

"Increasing the base threshold for land tax and indexing thresholds in years to come is a good start.

"Everyone must remember that land tax is paid by every South Australia either through increased prices for new homes, increased rents or through increased costs of goods and services.

"We are very pleased to report the Government has listened and provided some relief, however we will continue to lobby both the Government and the Opposition for greater relief to the upper thresholds as we head into the election," Paine says.

For more information contact

Nathan Paine
Executive Director, Property Council of Australia (SA Division)
0448 445 177
npaine@propertyvoz.com.au
<http://twitter.com/PropertyOzSA>

or

Justin Hazell
President, Property Council of Australia (SA Division)
0414 232 022



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142 GAWLER PLACE ADELAIDE SA -GPO BOX 2190 ADELAIDE SA 5001

PH 08 8236 0900- FAX 08 8223 6451

Email ginglis@propertyvoz.com.au - www.propertyvoz.com.au


**PROPERTY
COUNCIL**
of Australia