



## Media Release



Friday, April 10, 2015

### **Land, road tax changes to unfairly target livestock industry**

Livestock SA is calling on the State Labor Government to reaffirm its commitment to livestock production in South Australia by abandoning any plans to remove land tax exemptions for primary production land or makes changes to road transport taxes.

In its submission to the State Tax Review Discussion Paper, Livestock SA says any changes to these would impact the sector's profitability and the flow-on benefits this has to the State's economy.

Livestock SA says placing a land tax on primary production land would:

- Reduce the industry's competitiveness in export markets.
- Reduce land values, which would destroy the equity many producers have in their properties.
- Cause financial lenders to reassess their lending criteria, which could lead to a decline in confidence levels in agriculture and among farmers and small business operators.
- Make it more difficult to attract capital to SA primary production.
- Create an uneven playing field between SA and other Australian states where the exemption still applies.

Livestock SA president Geoff Power says removing the land tax exemption – calculated in the government's discussion paper to be \$430 million per year – would place an unjust burden on the State's rural industries.

"This concession was initially introduced in 1976 by former Labor Premier Don Dunstan. When legislation was originally passed to abolish land tax for farmers, Premier Dunstan is recorded in Hansard as saying '*We regard this as a permanent feature of the situation in South Australia*'. Livestock SA wishes to remind the State Government of this commitment," Mr Power said.

#### **Livestock SA is also concerned about any proposal to move road transport taxes towards a user-pays system.**

"This would have a huge effect on rural and remote South Australia, stalling most small town economies and placing a considerable burden on livestock producers and small regional businesses," Mr Power said.

"If roads need to be funded by users, Livestock SA's preference would be for the use of tolls particularly with the development of any new roads and associated facilities.

"Like Primary Producers SA, we are extremely concerned about any possible shift of the tax burden from metropolitan to regional South Australia.



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“We support PPSA’s call that if the review process is to deliver a revenue-neutral outcome, as the government claims it will, then this should also be neutral between country and city and if there is to be increases, then they be shared equally.

“Livestock SA is aware of the need for consideration of efficiency, equity, simplicity and sustainability with the State’s tax system. We believe this would be better achieved by arguing at a national level for the removal of all of the existing exemptions to GST and, if necessary, considering increasing the rate from 10 percent.”

**ENDS**

For media interviews:

Please call Geoff Power, Livestock SA President, **before Monday**, on 0428 581 067.