Mr PEDERICK (Hammond) (17:12): After that interesting tirade from—

Mr Hamilton-Smith: Intellectual contribution.

Mr PEDERICK: Yes, an intellectual contribution from the Minister for Industry and Trade. It is very interesting that he is making comments that the Labor Party cares about the mum and dad investors. Perhaps some of those mum and dad investors would like to check previous *Hansard* comments from the Treasurer in this place in which he made statements that you were wealthy if you owned investment properties. You could sell them and get the wealth. That is not the point.

The Hon. A. Koutsantonis interjecting:

Mr PEDERICK: It is on the *Hansard*, Google it. Do a *Hansard* search. The staff would be on it straight away.

An honourable member interjecting:

Mr PEDERICK: It is in there. Do the *Hansard* search. The Treasurer made comments that, if people had these properties they were wealthy. It is like anyone owning property, whether it is investment property, farming property or any property like this, it is people trying to make a go of life and get on with life, and you just cannot say they are wealthy because they have some property to their name. Most of this property is mortgaged to the hilt. It is people trying to make a go for themselves. It is people who have come to this country over many years, a lot of immigrants through the 50s and 60s, who have made this a better place. Immigrants of all nationalities have done so well in this state and in this country in forging ahead, yet they get told by the Treasurer of this state that they are wealthy because they might own investment property.

The Minister for Industry and Trade talked about the good job the Labor Party has done in bringing forward this policy. Well, how did this policy of increasing the threshold come about? The Labor policy of increasing the threshold of land tax came about only because of what the Liberal Party did as a first step in raising the threshold from $110,000 to $250,000.

An honourable member interjecting:

Mr PEDERICK: Exactly. The government said that it could not be afforded. Then they said they would bring it up to $300,000, because obviously polling at the time was killing them, and they knew that they needed to get back the votes of the mums and dads, especially in the suburbs around Adelaide.

We support these amendments, because we immediately matched the $300,000 threshold. The beauty of this bill will mean that 74,500 ownerships will no longer be liable for land tax in 2010-11. From 2011-12 all land tax thresholds will be indexed. The average land value increase will encompass residential, commercial and industrial properties and be weighted to take into account factors such as, amongst other things, the percentage of residential properties subject to land tax (which is around 25 per cent).

There is also the issue that when land values go down the tax threshold will remain the same, which means that people will be protected during times of economic downturn, when land values traditionally decrease. The new index value will be applied to the land tax threshold only when the new index value is higher than all the preceding index values, and there will not be any reductions in thresholds.

We must remember that the Labor Party would not have introduced this bill if it had not been for pressure from the public, from the thousand-strong meeting in Norwood and from the whole community of South Australia and if it had not been fearful of not winning the last election. Liberal Party policy made what is happening here today happen—and that is a fact. This bill would not have happened if we had not taken that step. The Labor Party said it was too expensive to implement it, but it was all about votes.

I would also like to comment on what happens with land tax when someone in a partnership dies. Obviously, this happens with a lot of older couples in society. The surviving

partner receives the land tax bill. Constituents would be going into offices, whether they be Labor, Liberal or crossbench offices, with complaints—

Mr Gardner: Regularly.

Mr PEDERICK: Regularly, as the member for Morialta interjects. Why all of a sudden do we have people aged 85 in their own residence, which is supposedly exempt from land tax, automatically getting a bill for land tax? It is absolutely ridiculous, and it could probably be changed through regulation. They come into the offices and they are confused. All of a sudden they have a bill for land tax. It just should not happen. The problem is that it is a sneaky way to gain more revenue for a government, because people see an account and think they have to pay it.

Once thing I will say in the department's favour is that when you get onto them it is usually turned around, but it should not happen in the first instance, because it upsets surviving partners if there is a change of ownership in a property. Most of these people are in the twilight of their life and do not need the grief. We on this side of the house support the bill. If it were not for the Liberal Party we would not be passing this legislation today.

Honourable members: Hear, hear!

*** The following exchange occurred shortly after during the same debate.*

The Hon. K.O. FOLEY: I said, 'The last six years.' The member for Hammond talked about the tax office sending land tax bills to widowers. That is unfortunate. It is not deliberate. Any suggestion that we do it on purpose or we do it—

Mr Pederick: It's wrong.

The SPEAKER: Order!

The Hon. K.O. FOLEY: The reality is that errors occur when you are sending out—

Mr Pederick: It happens all the time.

The Hon. K.O. FOLEY: Why don't you have a talk to the tax commissioner quietly and privately about it?

The Hon. A. Koutsantonis: I will say a few things, too.

The Hon. K.O. FOLEY: Have you been getting some? Our state taxation office handles large volumes of transactions—

Mr Pederick: It is standard practice. Ask other members, it is standard practice.

The Hon. K.O. FOLEY: I think you are embellishing it.

Mr Pederick interjecting:

The SPEAKER: Order!