

**Hon Iain Evans MP**

Shadow Treasurer

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**‘Extremely High’ Land Tax hits land supply**

Despite South Australia recording lower population growth than other parts of Australia, extremely high Land Tax combined with cautious lending has tightened land supply in South Australia according to the Urban Development Institute of Australia (UDIA).

The UDIA ‘State of the Land’ Report, released today, highlights how the Weatherill Labor Government’s high taxes are hurting land supply which drives up housing costs.

The UDIA is quoted as saying:

*‘South Australia’s Land Tax, the highest in the country, encouraged developers to hold minimum stock levels to avoid paying the tax.’*

South Australia charges Land Tax 40 per cent more severely than the national average.

The report found that a median price for a lot in the greater Adelaide region doubled from \$90,513 in 2002/03 to \$182,613 in 2010/11, while lots size reduced from 540 square metres in 2001/02 to 371 square metres in 2010/11.

In other words the price of land has increased from around \$167.62 per square metre to \$492.21 per square metre – this clearly has an impact on housing affordability.

The Liberal Opposition moved that the Parliaments Economics and Finance Committee review the Land Tax system in South Australia but Labor used its numbers to defeat the inquiry.