



Crown Lands (Miscellaneous) Amendment Bill 17 July 2002

Mrs PENFOLD (Flinders): My staff and I have been inundated with calls about the way in which this impost will make many farmers unviable. Nobody has yet learnt how to live on fresh air, so the increased rentals will see many leases surrendered. At least one of my constituents has already investigated this action, only to be told that he would have to pay all the expenses of surrendering a title. Surrender of a title would bring no return to the owner, only debt. I wonder how many of those on the government benches would pay to give away their home, their livelihood and all their assets to accommodate a debt that someone else placed on them.

It is patently obvious that the Labor government does not realise that, if there are fewer farmers producing less product, the state's income will be less, and the spin-off from that is a downward spiral into state debt, higher unemployment and fewer services all round. I quote from letters received in my office that are typical of the comments I am hearing. The first one reads:

My reason for writing is the situation regarding the issue of perpetual leases. This new money grab by the Labor government from these leases comes as a big financial blow to us. We have three sons in their late twenties and early thirties who have made farming at Colton their life. Having three sons established in farming without any assistance has come at a huge personal sacrifice for the five of us. A lot of debt is still to be paid. For John Hill MP to suggest that we have been privileged people and a burden on the SA taxpayer can only be described as an insult to us who pay our fair share of tax. We have 15 of these leases—some on properties we have bought, others are original and have been held by the family for 126 years. We considered them as good as freehold for the purpose of farming, and the nominal rents were only there to fulfil a legal requirement, and there was no need to pay the large cost to convert them to freehold. This type of money was required elsewhere. To give us no warning of the huge indexed rent rise and virtually block the conversion to freehold is most unjust and a victimisation of a number of farmers with a suggestion we have debt to pay.

This new fee, which I fear will be in excess of \$5 000 a year, coupled to our council rates of \$8 500, becomes a very large tax burden on our land. Our area is only marginal and we now struggle to make a reasonable return for our effort. This country originally was offered to settlers in 1876. My great-grandfather was the first to take up a block. The properties were small and it was considered that a square mile (640 acres) was enough for a family. That was a mistake then, and from the very beginning people

could not survive on that much land and began to leave and have been leaving ever since because of cost pressures. Subsequently, these holdings are now made up of many small leases, which the new government is going to target for state revenue.

I am sure they are not fully aware of what they are doing, and the logics of it are very misguided. I would be pleased if you, in your capacity as a member of parliament, could oppose this proposed tax and do what you can to prevent it from happening.

One of the families who cleared land at Ungarra described their weekly work. They loaded the cart with bags of chaff for the horse, along with food for themselves for a week, then travelled by horse and cart to the work site. There the bags of chaff were stacked to make a shelter, which gradually disappeared as it was fed to the horse during the week. The men plied axes by hand to fell the trees. At the end of the week they returned home to provision for the next week of back-breaking, hand-searing toil. There were no hot showers or warm baths to ease their muscle pain.

The rent rise for one of the many constituents who have contacted my office is 50 000 per cent. The International Monetary Fund, Scrooge and every usurer in the world could scarcely have conceived of a greater financial swindle—and on those often least able the pay it. Another farmer writes:

Each situation is different. We farm with three sons who will take over this land. Do you want young farmers?

Further on, he writes:

We have three blocks on leases. . . that have money owing on them to the Department of Lands, taken out as far back as the 1940s. We had no idea this money was owing as we have only bought these in the last 10 years or so. We have been told by the department that this has to be paid out when the block is made freehold. These debts are \$1 700, \$1 200 and \$400. Could this lead to litigation against the department?

Another writes:

There appears to be little thought given to the impact on farmers in the transition. For example, we feel that there should be an amnesty period whereby the leaseholder has the opportunity to freehold before the 400 per cent price increase. After consulting with professionals and the Department for Environment and Heritage, [we] concluded there was no commercial advantage in freeholding the land. You hold three perpetual leases for which in the past you have paid \$30 per annum and without warning this has increased to \$900 indexed overnight, as well as the opportunity to freehold at \$1 500 per lease to \$6 000. Then the minister's news release on 11 July 2002 would lead the general public to believe that we have only ever paid \$30 per annum for this land and not the \$255 000 to the vendor, along with \$10 460 of government fees. Minister Hill's press release is misleading and demeaning to the farmers of this state.

The following came from another, on the issue of public risk:

. . . and if all of a sudden crown leaseholders are treated like tenants, then I guess the landlord (the state government) is responsible for the public risk. I contacted the Department of Lands and I was told that I couldn't freehold without surveying the coastline, and it may cost as much as \$10 000. I was advised not to worry about it as it was only necessary to freehold if you wish to subdivide.

These titles made it possible for ordinary men and women to settle South Australia. It was done with blood, sweat, tears and lives but, as these pioneers endured heartbreak, loneliness, illness, isolation and every fickleness that weather could contrive, the state prospered. There are those who have inherited the character of their forebears to work the land despite all personal and other hardships they may encounter. The members who sit in this parliament today enjoy the fruits of their deprivation, their struggles and their hardship, but what is galling in the extreme is that many have no comprehension of our state's history and the ordinary people who made it great. That is demonstrated nowhere more clearly than in the proposal to arbitrarily lift rentals on leased properties to what in some circles could be called a scam. If this is an example of what we can expect to see from a Labor Government of Premier Mike Rann, then God help us.