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**Title:**

Statement: Succession duties

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(FOR MIKE QUIRK OF "THE NEWS")



# STATEMENT

from the Premier

Date.....August 19, 1976...

Embargo.....

State Administration Centre,  
Victoria Square, Adelaide,  
South Australia 5001  
228 4811

## SUCCESSION DUTIES

The Government's decision to abolish succession duties on estates passing between husbands and wives or between de facto partners is a major reform of death duties in South Australia.

Combined with the amendments the Government made to the Succession Duties Act in October last year, the incidence of death duties has been very greatly eased.

Spouses may now inherit an estate of any size completely free of duty, and the provisions for dependents and other inheritors are generous.

The abolition of succession duties between spouses means an estimated revenue loss of between \$4 million and \$5 million this year.

Even before that reform, South Australia collected much less per capita in death duties than either N.S.W. or Victoria. In 1974-75 actual per capita receipts were -

N.S.W. : \$17.18	Victoria : \$15.83	S.A. : \$12.71
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Estimated per capita receipts for the 1975-76 financial year were -

N.S.W. : \$18.22	Victoria : \$15.80	S.A. : \$13.27
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The method of assessing death duties in South Australia is also less onerous than the other States. In this State duty is assessed on individual inheritances from an estate, rather than on the total estate. This means less duty is paid in total.

Succession duties are still a necessary part of State revenue. South Australia cannot afford to do without this traditional area of State revenue. To do without it would mean that we would have to reduce services markedly.

There is no reason for us to do without the revenue from this particular area. Taxes on successions are a form of redistributive tax. The canons of taxation are that the people who can most afford to pay do, and provisions under the Successions Duties Act now allow anybody who is in fact an effective contributor to an estate to get a concession in relation to that contribution.

As an example, if you are part of a business, it should be put into joint names.

Some people have made great play of the fact that Queensland is totally abolishing succession duties, but they ignore the fact that Queensland is appallingly run. Queensland runs the lowest level of State services in education, health, welfare and other services generally of any State in Australia - even the Liberal Treasurer of Queensland, Sir Gordon Chalk, was horrified at the idea of abolishing succession duty because he said that even with the existing low level of Government services they could not afford it. The decision of Mr. Bjelke Petersen to completely remove succession duty was a gamble that they would increase other means of taxation returns by people flocking to Queensland. It won't pick up \$37.5 million a year.

At the last Premier's Conference the Prime Minister bitterly berated Mr. Bjelke Petersen about leaving this area of taxation in view of the present economic climate in Australia.