

## SOUND AND UNSOUND REVENUE

Selling off public assets like Telecom, Australian Airlines, etc., in order to help balance the budget is like selling your house to pay the grocer's bills.

Raising government revenue by income tax, sales taxes, etc., should be questioned. The widespread incidence of tax avoidance and tax evasion which disadvantages the complying taxpayers and is of serious concern to the government, does occur, I believe, because at the back of his mind the defaulting taxpayer realizes that the government itself is not honest in its method of revenue gathering. The government has no natural equity in your income or mine; it just imposes its will backed up by a formidable bureaucracy.

Rather than face this real issue, Big Brother proposes to employ an all-pervading tagging system, dubbed the Australia Card, able to check on our every activity so as to force us to be "honest" and pay up. Its scope would be so vast as to destroy all privacy. We could find ourselves living in a totalitarian society.

If the government desired to be really honest about its side of the revenue bargain, rather than demand this laudable virtue from all its taxpayers, it will need only one already existing register to stop cheats and avoiders, namely the register of land titles in all States and Territories.

The commercial value of any piece of land is determined by its position in relation to the activities of the community and the provision of the many government services and infrastructure. Regardless of its construction costs, a house or shop situated close to a busy suburban railway station is worth many times the same building on a same-sized block of land located on a back road in the Mallee.

The proper and natural form of government revenue for all its main purposes is thereby indicated, and if used, is unavoidable. The owner of every piece of land is morally obliged to reimburse the community for the value he, as owner, derives from the community.

If the Government went back to earlier Labor Party policy it would reintroduce Federal Land Tax and drastically reduce or abolish income, payroll and sales taxes. This would lower the cost of living, lift the social burden of land speculation off our backs and spur the economy while stabilizing the purchase power of our hard-earned dollars. This is no pipe-dream as an experience of this kind occurred in Denmark some years ago.

Let us be thankful that at least a partial application of this system exists at the local government level in most municipalities in Victoria. I refer to the site value (SV) rating system.

This system is now under threat by a misguided State Labor Government which has introduced a new Local Government Bill which proposes a reversion to Capital Improved Value (C.I.V.) rating. This has the same practical effect as Net Annual Value (N.A.V.) rating favoured by such unprogressive municipalities as Fitzroy and Collingwood, where every improvement provided by the land owner himself is taxed year after year. The difference in physical appearance between the said N.A.V.-rating municipalities and the S.V. rating suburbs from Kew eastwards is striking. It is largely attributable to the two rating methods employed.

Unless amended, the local Government Bill 1987, due to be debated soon, will remove local Council power to adopt site value rating (a form of land tax), and also remove the citizens' right to a petition of demand for a poll to choose the rating system.

There is a petition circulating in the community requesting Parliament to retain the poll provisions of the existing 1958 Act. Your readers may well wish to sign it and otherwise support the retention of their existing rights by protesting to the local M.P.—Roland Staub. Submitted to *Progress Press*, Sept., 1987.