

Proposal on Rudd Taxation Reform

Prime Minister Kevin Rudd announced on 21 April 2008 that he is keen to undertake a major reform of Australia's taxation system but not for another two years. Despite much talk about providing relief at realistic levels no Review has been forthcoming in 23 years. Taxation reform goes to the heart of what Georgism is about and the Perth branch encourages government reforms, though there is great concern about how long it will actually take. Three immediate actions can take place as indicated below.

(1) Minor taxation reform can and should begin immediately before the review starts.

Henry George's idea that all taxation could be entirely abolished in favour of just one tax upon land would be an unrealistic goal in this era. But we believe that with around 202 taxes in Australia there are far too many impositions. Many State taxes are unnecessary and unfair, for example the pay roll tax. Primarily the States want ongoing tax revenue because from other sources it is inadequate. Steps to abolish some taxes years ago with the introduction of the 10% Goods and Services Tax (GST) should have proceeded as expected, but it was neglected because of ongoing State commitments.

The States have the responsibility of providing capital for many of the human services (excepting age care) and those concerned with the environment and they provide grants to support funding by private organisations. These industries unfortunately make little or no money for their large capital outlays consequently there is difficulty in securing finance. Some states - particularly Tasmania - are ill placed to meet growing demands.

In some eras there has been uncertainty over the Commonwealth's willingness to assist, making state efficiency reforms a priority but there is a limit to this. A delay in making more beds available in hospitals is unacceptable in this wealthy country and it has often fallen to election times to make promises to fulfil the requirements.

(2) We propose taking these sorts of issues right out of the domestic political arena by avoiding partisan approaches and having improved long-term Contracts between Federal and State governments that provide greater flexibility based on public needs.

In Commonwealth taxation we support reforms needed in personal, company, and capital gains taxes, but the greater burden is with the States.

(3) Legislate for a ban on taxation rate hikes and prohibit further introduction of taxation unless federal-state consultations have taken place first. Mr Rudd, we urge the momentum of taxation reform to begin immediately.

Yours faithfully,

Georgist Education Association (Inc.)

Stuart Dunstan (Committeeman)

EXECUTIVE ELECTED AT THE A.G.M. on 18 Aug 2008:

President John Massam 08 9343 9532, 0408 054 319, john.massam@multiline.com.au, Vice-President Stan Hart, Secretary Keith Massam 08 9343 9532, Assistant Secretary Mrs Joan Massam, Treasurer Richard Hart 08 9387 3378, Committee members: Ethel Birt, Stuart Dunstan, Joan Massam, and Elaine Reid.

Incorporated 18 May 1988 (in succession to previous names)

Affiliates: Henry George Foundation (Australia), Association for Good Government (NSW and ACT); Prosper Australia (formerly Tax Reform Australia, Vic., SA and Tas), Henry George League (Kimba, SA), Site Revenue

Society (Qld), Resource Rentals for Revenue Assoc. (Auckland, NZ). International Union for Land Value Taxation (Britain), Council of Georgist Organisations (USA), Henry George Foundation (America), Robert Schalkenbach Foundation (USA).