

# Parliamentary Support for "Site Value Tax"

ALP Shadow Treasurer Ian Baker

## Extracts from the Victorian Legislative Assembly, Hansard, Thursday October 28, 1993. Discussion of further amendments to the Land Tax Bill :

**Mr Baker:** *Henry George's Progress and Poverty was a well leafed tome in our house. Henry George, of course, was much concerned with the artificial scarcity of land and as a consequence he was strongly opposed to any suggestion of applying improved valuations as a form of tax gathering. He believed that a tax on land should be the primary form of taxation. He was a curious fellow, because people on both sides of politics can look to Henry George and find things appealing in his philosophy. For example, he did not approve of taxes on production or productive activity. Many conservatives would embrace that dictum with great glee.*

*Henry George narrowly escaped being elected Mayor of New York during the 1860's and 1870's and was running again for the mayoralty of New York at the time of his unfortunate death. Purely theoretical prescriptions rarely find their absolute application. I make the point that I support a site value tax, probably because of my Georgist background. The position of the Honourable member for Swan Hill is that the family farm should not be taxed! Henry George was not concerned with that issue. A site value tax would follow some progressivity into the tax structure, which is very difficult to achieve with the limited taxing options that are available to State governments.*

*There is some considerable confusion about the range of taxation measures applied and available within the broader Australian context. I am informed there are approximately 70 different taxes across the three levels of government.*

*The period leading up to the centenary of Federation would be an appropriate time for members of Federal and State Parliaments and the community to seriously examine how those taxes are levied and ascertain whether governments can reduce the opportunities politicians have for obfuscation in the way that they give with the one hand and take away with the other.*

*In the interests of debate I refer the house to some extraordinary examples of that in the recent Federal Budget where at the end of the day taxpayers would find it difficult to assess whether they are better or worse because they have to hunt through a series of add-ons and take-offs that are presented in the form of a sophisticated political presentation. The ordinary taxpayer finds that extremely difficult.*

*That was one of Henry George's main points. He said that if the major form of tax gathering related to land, it was therefore directed largely towards productivity and, more importantly, it was up-front. People would know what the level of tax was and be able to argue for or against it if they had any grievance.....*

### **Liberal Parliamentary Secretary to Treasurer.**

**Mr Clark:** *The Honourable member for Sunshine says that he would not mind that I wonder whether his colleagues would agree. There is no merit in the honourable member for Sunshine's criticisms of this aspect of the Bill.*

*I listened with interest, as always, to his remarks about Henry George and his philosophical approach to land tax. The Georgist approach can be summed up by saying that of all taxation, land tax is perhaps the least unpleasant of all. If there is a sustainable and predictable level of land tax, it is a reasonable tax which even has some positive benefits. That is a fair representation of the Georgist position, and there is a lot of merit in it.*

### **Treasurer, Mr Stockdale:**

*The government is proud that it is introducing greater equity. In doing so, it is meeting the aspiration of the honourable member for Sunshine to broaden the base of land tax. It is not a large broadening, but at least it is a start, and that is consistent with his philosophical position. The government has extended the base to include Mr Halfpenny and his mates. That is not only justified on all the grounds to which I have referred, it is also inherently desirable and equitable.*

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