

Editorial

By David Collyer

Treasury has found a tax that actually confers a benefit on Australian citizens. That is, using it actually leaves us better off.

It isn't a new tax. It is land tax.

Unbiased economists have always known a broad based nil exemption land tax has a marginal excess burden of zero. They have continually urged government to use it ahead of every other conceivable tax instrument available.

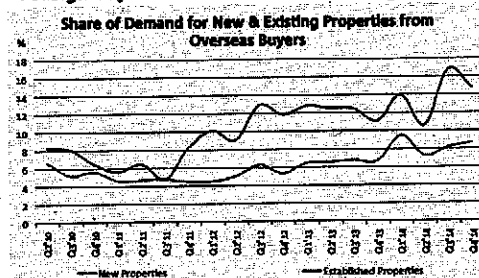
The net benefit comes about because foreign and domestic landowners must pay it yet it is spent solely on Australians.

There is much unrest at the high and growing level of foreign land ownership in Australia. We have abandoned the Settler compact that all political parties once held as sacred: that every Australian citizen, no matter how humble, should enjoy the freedom, independence and privacy of land ownership.

Now, the share going to first homebuyers is at historic lows, excluding the young from home ownership, yet there is no let to the foreign

investment in Australian property, according to a recent NAB survey:

Foreign buyers less active in new housing markets



I urge a debate on land tax, not because it takes from foreigners – although that is certainly a positive feature – but because we would be richer, more active and freer with it.

If a tax exists with a positive excess burden, we have an obligation to examine its features and shortcomings with a microscope.

The only genuine negative I have ever heard about land tax came from Nobel laureate Milton Friedman, who observed: "It's the only tax left on the books for which people have to write a big cheque."

I have no doubt that present political differences would be vastly reduced and the progress of the nation towards social harmony with prosperity in equity would be hastened if the basic truths of the Georgist philosophy could be understood, accepted and applied.

Hon. Sir Allan Fairhall Australian Liberal Party parliamentarian (1909 -2006)