

The worst tax we pay is a state charge – conveyancing Stamp Duty, which makes it hard, sometimes impossible, to move across town to a better job or around the corner to a bigger or smaller home.

Anyone living with modern teenagers, the elderly in a house of many steps or abundant weeds know exactly the trap they're in.

Australia's Future Tax System makes it clear this tax must go:

Recommendation 51: Ideally, there would be no role for any stamp duties, including conveyancing stamp duties, in a modern Australian tax system. Recognising the revenue needs of the States, the removal of stamp duty should be achieved through a switch to more efficient taxes, such as those levied on broad consumption or land bases. Increasing land tax at the same time as reducing stamp duty has the additional benefit of some offsetting impacts on asset prices.

The staggering thing is, federal Treasury has demonstrated the people of Australia can **MAKE A PROFIT** with land tax – the tax is paid by foreign landholders while the money it raises is spent only on Australians.

On December 14 the Australian Financial Review gave Stamp Duty both barrels.

Reporter Mark Ludlow hammered its volatility – when transactions rise, politicians spend the 'windfall' on pet projects; when they fall, fingers are pointed. We all lose.

He quotes Grattan Institute's Brenden Coates:

"There hasn't been a lot of progress on going from stamp duties to land taxes even though it's very well founded that you get a big productivity gain from switching one for the other and also you generate a much more stable revenue base for state governments if you use a land tax."

I want the gains Coates speaks of – incomes would be

higher if we ended the deadweight costs imposed by Stamp Duty.

The Housing Industry Association recently put the cost of Stamp Duty at \$91 a month per family. The government doesn't get this money, nor do you. This is our hard work evaporating to no purpose, like water on concrete in the mid-summer sun.

The AFR's editorial that day backs him, pointing out:

The surprisingly healthy state of some state budgets should paradoxically serve as a timely reminder of the inefficient foundation of state finances: the reliance on stamp duty on transactions.

They also should be a reminder of how the right of politics is losing the debate on tax reform. The Turnbull government has failed to defeat Labor's mantra that tightening the tax concession on negatively geared residential property investment will somehow make housing more affordable for ordinary Australians.

Genuine tax reform would abolish this economically damaging and pointless impost, replacing it with non-distorting land tax (as in the ACT), by a higher GST or by the state income tax idea Malcolm Turnbull ran up and then down the flag pole early this year.

Cameron Murray wrote recently about the progress of the ACT government's determined reform to rid the Territory of Stamp Duty. The re-election of the Barr government proves reform is possible – provided our elected leaders make the case and explain the benefits.

Politics has a higher calling than promoting class interests or scoring cheap political points off opponents. It is about advancing the national interest. Carefully reforming where we tax ourselves, based upon evidence, gives us real money to pursue genuine choices like lower taxes or better services.

We need leaders who can see the future and have the grit to argue for prosperity. That means reducing labour and business taxes and putting it on the land.