

intolerance. We are now able to make a legal case out of our intolerance. More than that, we may help prosecute those who have views different to "my" beliefs. That is, we can assist these boards to suppress a point of view. But, because actions tend to generate equal and opposite reactions, this sort of thing can be counter-productive.

Henry George was a life-long devotee of Jefferson's view that, given the rights which are needed by our nature, there was little need

for "government" intrusion. Australia is a society whose history has so far justified this view. It has dealt with crises such as the Conscription issue in 1917 and the rampant distrust in the Cold War c.1950 by preserving its most basic freedoms. On the other hand history elsewhere shows that dictatorships are universally founded upon the limitation of these freedoms. Sadly, there is no statesman in Australia to articulate that idea of democracy.

THE LAND TAX IS INNOCENT

by David Brooks

Gee! Newspapers make up those stories so easily. But getting to the real facts is not too hard if you're a diligent reader. Of course we agree with the headline. "Huge valuations anger second home owners" (SMH 16 Feb 2003) would cause ire in a saint, particularly if he owned a second "home". But that's what the headline was designed for.

The couple in the picture own three houses, not two. The house in Girraween, the "fibro they spruced up next door", and the house they live in. I know it's easy to get carried away, and to make errors. But really, second means "two" and most of us great unwashed know that, so what's the excuse? Oh, I know! I wasn't supposed to get the headline mixed up with the photograph. Sorry about that. But when one story is nested within the other aren't they meant to be together?

So we have two stories about the "Huge valuations". Or is it three? Yes! They got a bit in about the High Court decision that was really about disputed valuation practice rather than the tax itself. But then like many articles on the subject the two matters are hopelessly intertwined. Is this old fashioned sophistry raising its head?

The couple were "shocked" by their \$12,768.25 in land tax, part of which was land tax from the past five years. The land tax is only 1.7 per cent so they owe \$8466 for the current year and the remaining \$4302.25 is what their accountant failed to tell them they had to pay in the past five years. Not exactly a big tax is it? In fact one could say that it was pitifully small. Almost insignificant! It would be lovely if our income tax was on the same scale.

"The valuations increased from \$145,000 each to \$498,000 in three years." Maybe I've missed something. Of course! The house they live in is exempt! The article didn't say that. And to own more than one house puts you way above average. They try to get rid of these trifling contributions to the state's coffers whenever they can. And the rest of us can pay income tax or GST or some other form of state rip-off. So

the story was a beat-up. Valuations are notoriously low. The two "poor" pensioners were not really poor. The sale price of their properties would be far higher than their land valuation. They just don't like paying Land Tax; they hide their wealth in the form of "assets". Would it be that the poorest in the land had as much.

The other part of the story was about a real estate agent complaining about, among other things of similar ilk, ". . . an ordinary fibro that would fetch very little in rent rose from \$97,000 to \$500,000 between 1999 and 2002." Interesting argument. But it is not the "fibro" they are valuing. It is the land the "fibro" stands upon that is being valued. And that is a far cry from some old fibro. Hadn't he noticed the tremendous increase in the sale price of "property" of recent times? It wasn't the buildings that rose in value. They still cost about \$4500 to \$5000 a square to build. So a 20 square home costs about \$100,000. anything above that is land price.

The Land Tax is a direct tax. It impinges only upon those who own land that (a) they are not living on and has a value in excess of \$261,000 or (b) that they live in and has a value in excess of \$1.6 million. These categories put you well above the average man in the street. Many of our most hard working Australians will never be able to afford their own home. For many other "home owners" it is the mortgagee who in reality owns the property. There are many good things about the Land Tax. Primarily the land belongs to the people. The Land Tax is but a minor (1.7 per cent currently) contribution by those with exclusive use of a specific site or sites. In reality this contribution should be much higher. A tax equal to 10 per cent of the valuation would be realistic and should be levied on ALL land. The only exemptions being on humanitarian grounds. It is evident that it is a tax that cannot be evaded or passed on to others. You cannot hide either the land itself or its value. Indeed, where land value is disputed a few public auctions would soon settle the matter. And perhaps we could persuade Mr Carr to make Land Valuations public domain.