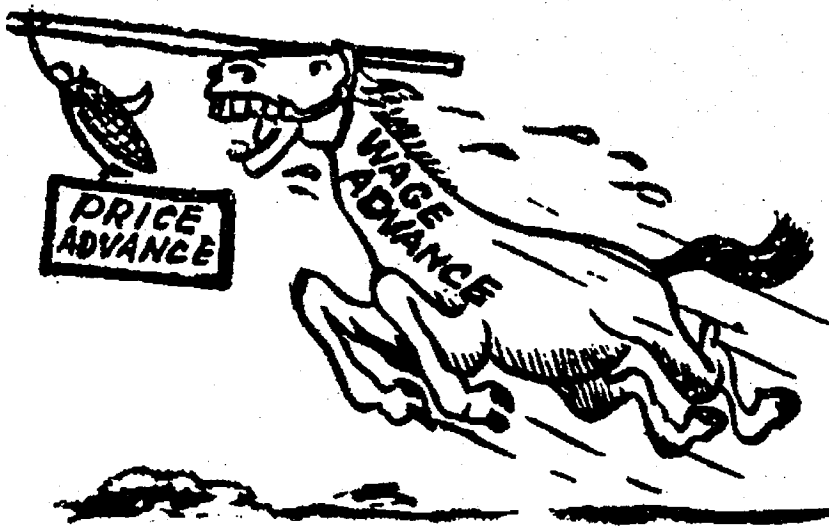


Bonus insert:
The 3rd way – a new
economy

THE JOURNAL OF TAX REFORM A U S T R A L I A PROGRESS

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Mission

The mission of Tax Reform Australia is to create prosperity and full employment by eliminating all taxes except those on land and natural resources.

Editorial

Mark Hassed

Two fascinating pieces of news came to my attention recently. The first and most startling was that Australia's richest man, Kerry Packer, would pay no income tax for the years 1989-1993. The second was that News Corporation has had an average tax rate of 5.7% during the 1990s. The influential US magazine, Fortune, described Australia's tax laws as "lax" and said how News Corporation used more than 60 Caribbean companies to shelter income.

To the average person struggling to raise a family on a normal income and who loses thousands of dollars to PAYE tax these news items must be nauseating.

Put quite simply, we, as a nation, are trying to tax the wrong things. Our system is based on identifying income and exchanges and then applying taxes to them. As Messrs. Packer and Murdoch have demonstrated, when one

has access to expensive tax lawyers and foreign tax havens payment of such taxes becomes optional.

Further, taxes on income and exchanges push prices up, which we shall soon see with the GST. Such taxes leave people feeling rather like the horse in the cartoon above.

How much better is Government raising its revenue by rentals on natural resources – the main of which is land.

Think of the advantages:

- Natural resources can't be carried off to the Caribbean. You can no more avoid or minimise resource rentals than you can avoid the rates.
- Resource rentals do not push up the prices of goods and services. Wages could catch up with prices.
- Resource rentals are fair. Your payment to the community is in exact proportion to the benefits you enjoy – no more, no less.
- The wealthy who control over 80% of our nation's resources would finally have to pay their share. This would leave the other 95% of us with much more money in our pockets.

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New to tax reform? See "Site revenue explained" on page 3 >>>