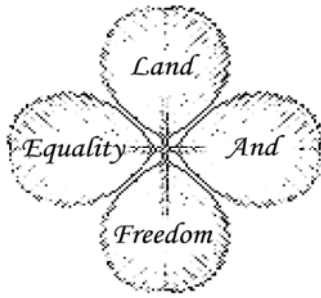


SITE REVENUE SOCIETY (QUEENSLAND) INC.

President: Dr. Helen Stowasser

Secretary: David Spain



Standing Committee on Infrastructure, Transport & Cities
PO Box 6021
Parliament House
CANBERRA ACT 2600

09 February 2016

Dear Sirs & Mesdames:

Capture of Site Value Uplift Due to Infrastructure Improvement

Any public expenditure on transport connectivity is bound to increase the value of private property, and where that property is a home the uplift is tax free. This entire situation is unfair to the general taxpaying population, many of whom do not benefit from the uplift or can even afford to own property. The result is a wealth transfer from impoverished labourers to a propertied rentier class, which is already subsidized in many ways e.g. by negative gearing, and prices young generations out of home-owning.

Many other forms of public expenditure (e.g. on civil facilities such as parks & libraries, schools, police, and general good governance) also increase the value of private cadastral sites. It is difficult if not impossible to comb out precisely which factor caused how much of the uplift.

This need not matter. From next 30 June the entire value of sites (as distinct from improvements upon them) should be collected as the sole source of public revenue, replacing all forms of tax & imposts at all levels of government. Studies by Dwyer & others indicate the Site Revenue [SR] fund would be ample for the purposes of a modern economy. Incidentally, government expenditure must be limited to that fund and not engage in deficit financing, as this is a fraud on future generations save perhaps where long-term infrastructure is constructed.

Independent valuers (with appeal to a Land Court) would assess the SR for each site; in practice there is a high degree of coherence across swathes of sites as the affecting factors are similar. Politicians would not set any rate. Collecting full SR would cause sites to transfer for value of improvements only. This is the test that the proper applicable SR has been set to capture same in full, and morally proper as the sites were not made by humanity; their value is a public not private construct. Any form of taxation is actually theft (e.g. of labour) and constrains or warps the object or activity taxed. Financial institutions, whose mortgage securities may be weakened by evaporation of land price, will have to work through it or enter liquidation (to be replaced by local credit unions). Citizens who 'lose' the price currently attaching to 'their' land will not really lose as, under SR, they can on-purchase elsewhere for value of the improvements only.

SR would be a charge upon each cadastral lot (and this would extend to privatized sites in water e.g. yacht moorings, flight paths, wavelengths, licenses to extract renewable & non-renewable resources), but in 'unfair' cases e.g. the 'old widow' SR collection could be defrayed against the deceased proprietor's estate. Land is immobile so collection of SR could not be avoided by offshoring or transfer pricing. Great savings & efficiencies would be made in accounting & legal areas from this drastic simplification of the tax system.

In short, SR is the only proper source of public revenue and it should be collected in full, without attempting to comb out which particular public input or influence caused or contributed to the uplift in value of any specific private site. The SR initiative would involve whole-of-government co-operation.

Yours Faithfully,

David Spain
Secretary