

Revenue discussion paper

- Thank you for this discussion including the community events, which is opening up the role of government to the people so we can understand and participate in our community. I really appreciated being able to speak to the people involved in the decisions.

General

- Government needs to advocate for popular support for strong and effective government, providing services funded by adequate revenue. The idea that no one likes tax is equivalent to the idea that no one likes health services. We need both and we need to support and advocate for both. People will be attracted to NT for great environment, including services, not for a low tax regime.
- The evidence presented that NT is the lowest taxing jurisdiction by many measures demonstrates how tax alone is not what will attract people here – on the contrary, a better serviced economy, through higher taxes and greater equity may be more inviting.
- As noted in the section under Gambling, revenue and expenditure should be considered together. Revenue earnings – such as from gambling – may lead to costs and increases in expenditure, and other social costs. While it is important to consider streams of revenue, policy frameworks and goals should be considered holistically.
- Public consultations both online and in person, and both during and outside of office hours will enhance understanding of and support for strong government.

Payroll tax – Chapter 6

- Payroll tax is an appropriate major source of income, as it is progressive, evenly spread, stable over time, and relatively easy to regulate.
- A small increase in payroll tax would lead to significant increases in revenue but is unlikely to affect large businesses individually to an important extent. This is my priority suggestion.
- 6.1, 6.2 Maintaining the high tax-free threshold is also appropriate to reduce the burden on new companies. I would be interested to know whether there is any undermining of this by companies establishing small outreach branches that are not genuinely small.
- 6.3 I believe that disincentives for FIFO arrangements are a subject of significant academic research which should be reviewed in addition to this community consultation. Also the advantages of residence to the NT should also be considered, and how these could be achieved even with FIFO arrangements. For example, companies employing FIFO staff could fund community services such as recreation grounds, libraries and museums. Perhaps these would encourage employees to live here.
- The discussion paper mentions new employee incentives, meaning incentives for attracting additional employees, rather than a turnover of employees as a possible reform. I suggest consideration of retention incentives may contribute to more stable workforce and reduction in employee churn. This could take the form of lower

payroll taxes for employees over 10 years with the same employer. Ideally the savings would be paid to the employee themselves as a form of retention bonus.

Property tax – Chapter 7

- Property tax is also equitable and progressive, irrespective of NT's slightly higher level than other states, particularly in the price range where most properties are exchanged.
- Property tax could be made progressive so that more valuable properties attract higher tax rates. Its relative amount in the overall cost of real estate is small, but I would be interested to see modelling of how this would affect the property market.
- Property tax based on stamp duty alone could be complemented by annual property tax as incentive for people to use their properties. Vacant properties are a cost to the community, and the vacant Melanka site in the middle of Alice Springs is a striking example of this.

Gambling taxes – Chapter 8

- Gambling is expensive for the community emotionally, legally and medically, so gambling taxes are highly regressive. Governments should reduce dependence on gambling tax which likely costs more than it generates. Tasmania's lead in banning poker machines should be noted. Rather than consider revenue in isolation, revenue from gambling should be considered in the overall costs and increasing inequity from gambling. Rather than considering what alternative taxes could replace gambling taxes we should consider the benefits achieved by reducing gambling in the community.

Motor vehicle tax – Chapter 9

- NT Motor vehicle registration should be enforced for all vehicle registrations after their owners have been resident in NT for 3 months. We have no data but anecdotal evidence is that significant revenue is lost through people not registering their vehicles in NT. This could be enforced by ensuring that vehicle registrations match drivers licenses at renewal, breath testing and other contact points. I notice that some hire car companies register all their vehicles interstate and this may be a considerable cost to NT.
- Motor vehicle registration should be increased in line with other states, although maintaining slightly lower rates will encourage people to register in NT rather than maintain interstate registration. Advertising the use of revenue for road building and maintenance, and promoting other transport options – public transport, walking and cycling - will overcome the negative feelings that drivers may derive.

Insurance duty – Chapter 10

- Current system seems adequate although we need to be aware of escalating costs of insurance with climate change contributing to extreme weather events. Paying for insurance is one of the costs of climate change adaptation as it enables us to share the costs. If individuals are not paying insurance then government may eventually bear the costs.

- For example, after a review of flooding history, companies have ceased to offer flood insurance where I live in Alice Springs. I changed my insurance to a Queensland based company which was the only affordable option.

Banking taxes – Chapter 11

- Advocacy at a national level for uniform State/ Territory Banking taxes may enable bank taxes to be increased Australia-wide, as part of national banking reform. Advocacy could include a bank levy but it seems counter-productive for NT to attempt to introduce this alone.

Mining royalties – Chapter 12

- Mining extracts resources from the community by a company. From a moral perspective, a royalty on value seems appropriate, and is likely to have community support. This additional royalty could be balanced by a reduction in the profit based royalty currently operating, which enables the Territory to benefit from booms. Issues of rehabilitation of legacy mines and require attention, in addition to the lack of community trust in the mining industry that has been noted in the Fracking Inquiry.

Petroleum royalties –Chapter 13

- Some proportion of petroleum royalties should be paid on profits, in line with other minerals for consistency and fairness to the industry.

Other own-source revenue – Chapter 14

- Pastoralism is currently conducted in ways that are not sustainable in the long term, particularly due to the lack of profitability leading to over-stocking since pastoralists know that they will not bear the long-term costs of rehabilitation. A taxation regime to encourage sustainable pastoralism based on contemporary knowledge of NT ecosystems would ensure the long term future of this industry. The proposed assessment based on estimated carrying capacity of the land would support this. Likewise allowing pastoralists to diversify their income streams, as under changes of the Pastoral Act will facilitate more sustainable industry.

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