

We The People
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Good Day to you. Recently I spoke about the about the Tragic Trojan Tram on the Gold Coast thanks to local resident Jeff Robinson because it's old inflexible technology and horrendously expensive. It is a by any measure a white elephant bringing with it a 1.6 km wide corridor of high-rise high-density along its tracks to the shame and detriment of the Gold Coast. However as they say in the classics.....but wait there's more.....a lot more because the wretched thing also instigates the concept of **value capture**. What is **value capture** you ask, well I'm here to tell you but you would be advised to take a sedative before listening further.

Value capture works like this and we will use the tram as an example trigger. Value capture is a type of **public financing** that recovers some or all of the value that public infrastructure generates for private landowners. Public investments such as a transport system can increase the value of adjacent properties generating 'unearned' profit for the owners. Note the phrase "unearned profit" and I'll come back to that in a moment. The basic activity here is known as **ad velorum** which is the Latin term used for tax that is levied on goods or a transaction in proportion to its value. The momentum toward incorporating a **beneficiary pays** or a **value capture** funding mechanism in relation to the development of infrastructure projects continues to grow in Australia. With Governments confronted by self induced fiscal limitations in an environment where the need for public infrastructure underpins the economic prosperity of the country, **value capture** presents an alternative in the infrastructure funding equation. It is however immoral in my view.

So an example would be that a tram runs past your home and apart from ruining your quality of life your land value rises so you have, according to the socialist federal or state government, attracted 'unearned value' and should be taxed. Doesn't this sound like a tax on one's principal place of residence and by stealth. Governments have been itching to tax the family home and now it appears they have found a morally bankrupt way of doing just that. That term "**unearned profit**" is treacherous because there will be no tax paid back if the your property falls in value and in any case most of us earned our money and paid tax on it unless of course you inherited a hotel or the like from daddy. This is the way an incompetent government captures value and fails to appreciate that we the tax payer pay for everything anyway. So this concept is not double dipping its triple dipping and I claim cannot be grafted onto the existing tax system if fairness counts for anything. I might add that this again raises the spectre of population growth which requires more infrastructure and so more taxes and that again my friends highlights the need to urgently cap this nation's population by throttling back immigration.

Now it appears the prospect of **value capture** has been around a while but what I didn't know until recently, again thanks to Jeff the tram man, was that it is a central part of Malcolm Turnbull's so called **Smart Cities Plan** introduced in 2016. However you and I didn't hear anything about Malcolm's selfish idea which seeks to manage by penalising we the people. His dim-witted ideas are only outclassed by Bill Shorten's unfunded utopian promises and more national debt. How do we explain to all the Anzacs past and present, this alternate universe powered by governmentium, wrenching away our living standards.....we can't. We are already taxed by the Council for rates based on the unimproved value of our properties and then there's land tax, capital gains tax, payroll tax, income tax, GST, departure tax and even carpet tacks. So there you have it.....**value capture** or socialism by another name thanks to more useless and incompetent politicians who have their combined snouts firmly in the public trough.

Until next time this is Kent Bayley