



PRINCIPLES

The Australian Greens Victoria believe that:

1. The taxation and transfer system should operate on a progressive, not regressive, basis.
2. The tax regime can be a tool to transform the economy using appropriate incentives and penalties that reward socially and ecologically responsible effort. Taxes should be used, alongside efficient regulation, to set a framework for market activity in which capital is most profitably deployed for environmentally sustainable, productive, and socially progressive purposes.
3. State financial reporting should provide a transparent account of state finances on an accrual basis, including income and expenses, assets and liabilities, and inward and outward cash flows. It should also include indicators of ecological sustainability and social wellbeing.
4. Social services such as health, education and social care, should be available through universal access to high quality public and community services. Due to their desirability, Victoria will enhance its competitive advantage and therefore its tax base through investment in public goods, such as by providing:
 - a. high quality health and education systems
 - b. efficient transport infrastructure
 - c. a highly 'liveable' built environment and a vibrant cultural life
 - d. a healthy natural environment
 - e. excellent community services and facilities
5. Social and environmental goals should be prioritised in any reform of public service delivery. Where market-based mechanisms are used in the delivery of public services or goods, such mechanisms should not undermine the achievement of social equity and ecological sustainability.
6. Natural capital is equally important as produced capital and the value of services provided by ecosystems should be given equal consideration as those with equal value provided by humans.

AIMS

The Australian Greens Victoria will work towards:

1. A fairer, freer, more productive and environmentally sustainable Victorian economy.
2. Taxation arrangements which ensure that necessary revenues are collected in a manner that is fair, efficient, progressive and sustainable. This will include the implementation of recommendations in the Henry Tax Review that are relevant to state taxation and are consistent with these principles, such as:
 - a. Gambling taxes to be shifted so that they capture the economic rent provided to gambling venues by the restrictions placed on gaming licences. Taxation and regulation of gambling to be clearly independent of each other in order to avoid conflict of interest in policy making.
 - b. The abolition of insurance taxes and duties as they artificially raise the cost of insurance and result in underinsurance, particularly among low income earners.
 - c. Replacing stamp duties with land value tax. This change could be implemented incrementally over 10 or more years.
3. A reduction in inefficient state taxes on production and employment, and an increase in charges on pollution, monopoly, rent seeking and degradation or extraction of Victoria's shared resources.
4. The creation of a state taxation system which will:
 - a. Provide better funding for the highest priority areas of State expenditure, such as health, education, environmental protection, public transport, and responding to the threat of climate change.
 - b. Allow investment in infrastructure that can bring high rates of return and public benefits, and that can be most cost effectively provided by government.
 - c. Preferential taxation, finance arrangements, infrastructure priorities and community services that provide decentralisation incentives for businesses, government offices and families to relocate to and expand regional centres, rather than to further expand Greater Melbourne.



- d. Enable the principles of sustainability to be given effect to in all government spending decisions, to give simultaneous improvements in social, economic, and environmental outcomes.
 - e. Enable an end to State government “cost-shifting” to local government (see local government policy).
 - f. Reduce the need for states’ attempts to outbid each other to attract private investment, with tax, regulatory and services concessions, as this leads to an economically destructive “race to the bottom”.
 - g. Remove tax breaks and incentives for polluting and environmentally destructive industries. Instead, they should be provided to aid the development of alternative industries and training to assist in re-employment.
5. Establishing an independent inquiry to determine how benefits from State Government activity (for example, from land rezoning and infrastructure provision) should be shared across the community. In the interim, we will maintain support for the application of infrastructure charges in growth areas.
 6. Taxation which encourages desirable social and environmental outcomes (for example, restructured property and land taxes that encourage the development of affordable, energy efficient housing for current and future generations).
 7. Ensuring transparent financial reporting that removes perverse incentives to hide state debt in inefficient structures such as Private Public Partnerships, and encourages the efficient use of state finances.
 8. Reducing payroll tax, and other inefficient and unproductive business taxes.
 9. The introduction of broad measures of genuine state progress including the production of a comprehensive state balance sheet that reflects this.
 10. To provide direct industry assistance towards the energy efficiency and renewable energy industries, in order to spur research and development, overcome market inertia, create new long-term employment and rapidly decarbonise the economy.
 11. Transparent and accountable public utilities and government business enterprises. Where public subsidies are provided, information on the full environmental, social and fiscal costs should be publicly available.
 12. Ensuring economic benefits of projects are not overstated due to the omission of negative impacts on environmental assets by requiring all Environmental Effects Statements to include a statement of impacts on Environmental-Economic Accounts