

THE TAXATION OF LAND VALUES IN SOUTH AUSTRALIA

We are indebted to Mr. E. J. Craigie, Secretary of the Single Tax League of South Australia, Pirie Chambers, Adelaide, for the following information.

Land values taxation for national purposes was first imposed in South Australia under the Taxation Act of 1884. This Act provides that a tax of one halfpenny in the pound shall be levied upon all unimproved land values, excepting: (a) park lands, public roads, public cemeteries and other public reserves; (b) land used solely for religious or charitable purposes, or used by an Institute. The Taxation Act Amendment Act of 1890 imposed an additional halfpenny in the £ on land values above £5,000, and 20 per cent. on and added to the taxes paid by absentees. These rates have been in force during the past five years, and are still operating.

For local purposes the Land Values Assessment Act of 1893 applies only to municipalities. The Legislative Council, the proprietied chamber, has consistently refused to extend the principle of land values rating to District Councils. Up to the present 13 municipalities in this State raise their revenue solely from unimproved land values. The following are the names of these municipalities: Thebarton, Moonta, Port Adelaide, Hindmarsh, St. Peters, Mount Gambier, Glenelg, Port Pirie, Gawler, Petersburg, Quorn, Yorketown, Port Augusta.

The local rates from land values in the above municipal councils are for general, lighting, health, police and fire brigade purposes. The education expenses are defrayed from the general revenue of the State, and the State levies water rates, the assessment being upon the improvement values.

Land values rating is optional so far as municipalities are concerned. Under the Land Values Assessment Act of 1893, it is provided that before a poll of the ratepayers in any municipality can be taken, one month's notice of such intention must be given by advertisements inserted in the Government *Gazette* and in two papers circulating in the municipality, and a printed placard must be posted outside the Town Clerk's office. Furthermore, a tentative assessment must be prepared showing the amount of the rates paid by each citizen at the time of taking the poll, and also the amount each would be called upon to pay if land values assessment were in operation. This assessment must be open for public inspection for at least twenty-one days before the taking of the poll. At the poll, owners and tenants are entitled to vote, and before the poll can become effective, at least 25 per cent. of the actual number of ratepayers on the roll must record their votes in the affirmative. Should the citizens decide to adopt the principle of land value rating, the Council must then petition the Governor-in-Council asking that the town be proclaimed under the Land Values Assessment Act.

The Act of 1893 made it compulsory for local bodies to adopt the valuation of land made by the State government as the basis for local rating, and this was the cause of a great number of appeals, owing to the anomalies which existed in that valuation. By the Amending Acts of 1910 and 1914, councils have power to make their own assessments, such assessment to be altered and added to as required each year, but once every seven years it is compulsory to make a complete new assessment.

The Act of 1893 limited the amount of revenue which could be raised under land values assessment to the amount raised during the last year that the rating was on the rental value basis. This was a defect, as it made no provision for the extra revenue required as the town progressed. Amendments to the Act, made in 1910 and 1914, now grant power to raise 20 per cent. more revenue than could be obtained, supposing the old rental value basis was still in operation. These amendments have removed one of the most serious objections to the Act.

But the Act is still far from perfect. At present a hostile town council can block the will of the ratepayers by refusing to grant a poll. It should be amended in the direction of making it compulsory for a poll to be taken, on receipt by the council of a petition signed by 5 per cent. of the ratepayers. Furthermore, a simple majority of the ratepayers going to the poll should be entitled to decide the question, instead of as at present, 25 per cent. of the total number of ratepayers on the roll. While this restriction remains in the Act it plays into the hands of hostile councils by allowing them to fix polling day on an off day from that of the general elections for municipal offices, relying on the apathy of the electors to bring about the defeat of the principle.

Very little progress has been made during the past five years, owing to the fact that the Legislative Council refuses to pass any additional tax for State purposes, and they also block every effort made to simplify the working of the Land Values Assessment Act for local purposes. Since the outbreak of war it has been very difficult to get the local bodies to move in the direction of changing the principle of rating.

Valuations for national purposes are made by a valuation staff in the State Land Tax office.

For State or national purposes the valuation is made once every five years, the last valuation being in 1915. Whenever a block of land is sub-divided for building purposes or for closer settlement, it is customary for the taxation department to reassess the area and put on a higher value for the land, without waiting for the regular quinquennial assessment.

Valuations are usually below the market price of the land—that is so far as city and suburban land sites are concerned. The divergence is fairly constant during recent years, but previously there was cause for complaint owing to the lack of uniformity in assessment of sites adjacent one to the other.

Mention should be made of the fact that our local Act gives power to ratepayers to return to the old system of taxing improvements, if after two years' trial of land values rating they are not satisfied with the result. At any such poll to revert to the old system, landowners only are allowed to vote. Only two such polls have been taken. The first was at Thebarton in 1914, when a majority for continuance was secured, the majority being 335, as against 268 secured at the original poll in 1907. The second was at Gawler, the majority for continuance being 92 in 1918, as against a majority of six in 1912. Thus after seeing the operation of the principle, the landowners themselves gave a bigger majority than was obtained at the original polls when tenants were also allowed to vote.

REVENUE FROM THE STATE LAND TAX COLLECTED.

Year.	Ordinary Land Tax.	Additional Land Tax.	Absentee Land Tax.	Total Land Tax.	Average per Taxpayer.
	£	£	£	£	£ s. d.
1914	113,830	21,654	1,117	136,602	1 14 8
1915	109,989	28,842	1,065	131,896	1 12 2
1916*	126,046	27,037	1,399	154,483	1 17 3
1917**	122,017	17,092	262	139,371	1 12 6
1918***	135,234	28,390	1,845	165,469	1 18 0

* Year 1916 was first payment after new assessment in 1915.

** 1917 figures lower as payment on appeals still outstanding.

*** 1918 Appeals mostly settled.
Total assessed land values, South Australia—£64,912,320;
population of the State, 436,000.

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