

weakening of the land clauses of the Budget," was carried with great enthusiasm.

F. SKIRROW.

### SOUTH AUSTRALIA.

THE TAXATION OF UNIMPROVED LAND VALUES FOR STATE PURPOSES—A REVIEW OF LEGISLATION—TAXATION OF LAND VALUES TOO LOW TO BE EFFECTIVE.

To South Australia belongs the honor of being the pioneer State to adopt the principle of unimproved land values in the Southern Hemisphere, the first Taxation Act dealing with these values being passed in 1884. Although but a small tax was imposed, it was a uniform one of a half-penny in the £ on all unimproved land values in the State, the only exceptions being:

I. Land of the crown which for the time being is not subject to any agreement of sale or right of purchase.

II. Park lands, public roads, cemeteries and reserves.

III. Land used solely for religious or charitable purposes, or by any institute under the provision of the institute act.

"Unimproved Value" as applied to any land was defined as "the actual value of any land less the value of all improvements, if any, on such land; or, to put it shortly, the amount for which such land would sell without visible improvements."

The tax was at the rate of  $\frac{1}{2}$ d. for every £ sterling; the unimproved value was the taxable value thereof, and the taxpayers in respect to the land tax were the owners of the land taxed.

In initiating this method of taxation both private and official estimates of all alienated lands were forwarded to the Taxation Office where they were duly compared and checked. The comparison revealed that many of the former estimates were below their true value, while others (mainly dealing with country lands, whose owners had practically subdued the wilds) being uncertain of the real value and unwilling to risk the penalty attached to a false return, decided to err on the safe side and sent in excessively high estimates. These

and other anomalies inseparable from the installation of an entirely new method of taxation were however, finally adjusted, and the Commissioner of Taxation in a report sent to Lord Elgin in 1906 dealing with the "Working of Taxation of the Unimproved Land Values in S. A." stated "that the early difficulties connected with the administration of the Land Tax have gradually disappeared, and it is now thoroughly engrafted on the State system of revenue, being well understood by the bulk of the public and working with little or no friction, the tax paid freely and well at due date, both direct to the Taxation Office and at local post offices where payments are received for one month only; a system of collection, which judging by the number of people who avail themselves of it, is popular." This simple method of remitting enables the tax to be collected at a minimum cost and a minimum of evasion, (comparing very favorably in these respects with other forms of getting revenue.) thus adding to the many advantages accruing from raising the public fund from its natural source, the land values.

In 1894 another taxation measure, the Additional and Absentee Taxation Act, was passed, which imposed an extra  $\frac{1}{2}$ d. in the £ on all values over £5,000 and 20 per cent. on, and added to the taxes payable by absentees. The following table shows how this impost has varied:—

1885 to 1894—one half-penny in the £ on unimproved value.

1895 to 1902—one half-penny in the £ on the unimproved value, and a further tax of half-penny in £ on values above £5,000, with Absentee Tax 20 per cent. extra.

1903—Three farthings in the £ on unimproved value, and a further half-penny additional from £5,000, with Absentee as formerly.

1904—One half-penny in £ on unimproved value, and one half-penny extra above £5,000 (the extra tax of 1903 not re-imposed). Absentee as formerly.

1905—Three farthings in £ on unimproved value, and three farthings extra above £5,000, the Absentee 20 per cent. on total.

1906—One half-penny in £ on unim-

proved value, and half penny extra above £5,000. Absentee 20 per cent. on total and these are at present in force.

Still another Act dealing with unimproved land values has been before the S. A. Legislature the last few years, viz., The Progressive Land Tax, framed on the lines of that of New Zealand. In lieu of the former additional tax this sought to impose an extra ½d in the £ from £5,000 to £10,000 (inclusive), 1d from £10,000 to £15,000, 1½d up to £25,000, 2d to £50,000, 2½d to £100,000 and 3d over that amount. The Absentee Tax was also proportionately increased. The avowed purpose of this measure was to break up the big estates, but as readers of Mr. P. J. O'Regan's article on "The Real Truth regarding Land Taxation in New Zealand," published some time ago in the SINGLE TAX REVIEW, well know, it provokes fraud and evasion with their consequent loss of revenue in the Dominion and would produce like results in the Commonwealth. That the present taxes on land values are not heavy enough to deter land speculation is proved by the prevalent gamble in many parts of the State. By the introduction of fertilisers, thereby rendering it profitable to work land hitherto considered valueless, the opening up of large tracts in the back country, and also the recent prosperous cycle of seasons experienced here—these have combined to force up the price of land to such an extent that selections which a few years ago were offered for a few shillings are now sold for pounds per acre. Owing to the small instalment of the all-round tax on Georgian lines little or no appreciable change is traceable to it, but Single Taxers hail it with satisfaction as an acknowledgement of the principle of the true basis of taxation. The tax, however, is too small to be seriously felt, and does not compel the vacant holder to utilize his land as a larger impost would do. It is, nevertheless, viewed with satisfaction by Single Taxers as the first instalment of the Georgian principle on the Statute Book and is unmarred by the exemptions or gradations which nullify the more recent Acts dealing with land values taxation in South Australia.

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## NEW SOUTH WALES.

J. W. BENGOUGH LECTURING HERE—LAND OWNERS VOTE TO EXEMPT IMPROVEMENTS—THE LABOR PARTY FOR A GRADUATED LAND TAX—SHOULD BE WARNED BY THE EXAMPLE OF NEW ZEALAND.

A notable Single Taxer, who is well known to your readers, is now in this State. Mr. J. W. Bengough is at present touring New South Wales, and entertaining audiences in his professional capacity. He is to visit the other States later on. He arrived quietly and we did not know anything about it until he was here. Arrangements were made by circular for Single Taxers to meet Mr. and Mrs. Bengough. About 100 were present and had the pleasure of listening to an excellent address. But we were not satisfied with that. We squared the manager and got the company for a night. The musical parts were reduced to a minimum, so that Mr. Bengough would have as much time as possible to expound the "George Philosophy." We gathered about 600 people, and it was a success in every way, including the financial side of it.

Our system of government is tripartite. We have municipal and shire councils, for towns and rural districts respectively, a State Government in each of the six States and a Federal Government for the whole Commonwealth. Our great success has been achieved in the sphere of local government. In both States and Commonwealth there is much to do. The outlook is by no means promising but for one thing. The land question is attracting an increasing amount of attention. But before I make a brief reference to State and Federal matters I wish to say a little about an interesting and important matter.

When we were agitating for power for the local authorities to rate land values some of us held that raising revenue in that way should be compulsory. Others thought that it should be made optional, as that would be a more effective way of educating people as to the meaning of land value taxation. I belonged to the former section. I wanted it fixed up once for all. Sir Joseph Carruthers agreed with this view