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The Taxing and Rating of Land Values in Australia

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ADELAIDE, SOUTH AUSTRALIA

In the following pages will be found a summary of the practical application of the principle of Taxing and Rating Land Values within the Commonwealth and Six States of Australia. In the limited space available it has not been possible to give all the details regarding the machinery clauses of the various Taxation Acts adopted by Federal, State and Local Governments.

For the information of co-workers assembled at the New York International Conference, and for those in other parts of the world who I know are interested, I have prepared a concise statement giving the more important clauses and definitions contained in the various Acts, the taxes and rates declared by the different governing bodies, and the amount of revenue collected from the Unimproved Value of land.

I have endeavoured to secure the latest statistical information relating to the rates and taxes levied. This information was not always available in the Year Books and Statistical Registers, but a personal letter to the Ministers controlling the departments brought me the latest figures that could be obtained up to the time of sending this matter to London for publication.

Any reader who desires special information relating to any phase of the operation of the land value principle in Australia should communicate with the writer, who will be pleased to answer all enquiries.

THE FEDERAL LAND TAX

The Federal Land Tax Act was passed in 1910. Under this measure an exemption of £5,000 is granted. The rate of tax originally was one penny plus 1/30,000th part of a penny on the first pound of land value, increasing by 1/30,000th for each additional £1 up to £75,000, where the increment of tax was 6d. in the £, and the average rate 3½d. in the £. The

increment of 6d. operated only on the excess over £75,000. Absentees received no general exemption of £5,000, and the rate for an absentee is always 1d. more than for a resident. The first £5,000 of value for an absentee carried a flat rate of 1d. per £.

In 1914-15 the rate of tax was altered by making the tax one penny plus $1/18,750$ th of a penny on the first £ increasing each additional £1 by $1/18,750$ th, reaching an increment of 9d. at £75,000, with an average over the whole field of 5d. per £1. The increment of tax applies to the excess over £75,000. The rate for an absentee correspondingly became 1d. more than the rate for the resident landholder. Various amendments to the Act have been made from time to time. In 1918-19 the rate of tax was increased by 20 per cent. In 1922-23 the super-tax of 20 per cent was withdrawn. In 1927-28 there was a 10 per cent. reduction in the tax. In 1932-33 there was a $33 \frac{1}{3}$ rd reduction on the 1931-32 rate, and in 1933-34 a 50 per cent reduction on the 1931-32 rate. For 1937-38 the rate of tax remained as at 1933-34.

In the Federal Land Tax Act the definition of "Unimproved Value" is as follows: "Unimproved value," in relation to land, means the capital sum which the fee-simple of the land might be expected to realize if offered for sale on such reasonable terms and conditions as a bona-fide seller would require, assuming that the improvements (if any) thereon or appertaining thereto and made or acquired by the owner or his predecessor in title had not been made.

Value of improvements in relation to land means the added value which the improvements give to the land at the date of the valuation irrespective of the cost of the improvements:

Provided that the added value shall in no case exceed the amount that should reasonably be involved in bringing the unimproved value of the land to its improved value as at the date of assessment.

Valuation Boards are appointed by the Governor-General. Each Board consists of three members, one of whom is Chairman. Any taxpayer dissatisfied with his assessment may within thirty days lodge an appeal with the Commissioner of Taxes. If the taxpayer is dissatisfied with the decision of the Commissioner, he may within thirty days request the Commissioner to refer his decision to the Valuation Board for a review of the value assigned to his land, or request the Commissioner to treat his objection as an appeal and forward it to the High Court or to the Supreme Court of that State.

The Federal Land Tax is not based on sound principles. The exemption of £5,000 permits fraud and evasion, enables large estates to be nominally subdivided among members of a family, each member securing an exemption of £5,000; thus defrauding the revenue and defeating the purpose of the Act. The graduated rates of tax are unjust, making the Act a class measure by reason of the differential rates imposed upon taxpayers. The fact that land held in small parcels is exempt from tax, or is taxed at a low rate, tends to keep the price of all land high. The tax should

be on the all-round principle, each taxpayer contributing the same rate in the £, and the exemption of £5,000 should be abolished.

THE FEDERAL CAPITAL TERRITORY (CANBERRA)

Under the provisions of the Seat of Government Administration Act (1910) no Crown lands in the territory can be sold or disposed of for any estate in freehold, except in pursuance of some contract entered into before the commencement of that Act. The policy has been to encourage the leasing of lands outside the City area, and such leases are governed by the Leases Ordinance 1918-25, which provides for leases not exceeding 25 years for agricultural and grazing purposes with rental at 5 per cent per annum.

During 1924 the Government decided to lease lands in the City area. The City Area Leases Ordinance provided that the terms of such leases should not exceed 99 years, the rental should be at the rate of 5 per cent per annum on the Unimproved Capital Value as ascertained by bids at public auction or assessed by the Government ; such rentals to be subject to reappraisal after a term of 20 years and thereafter 10 years. In 1936 this Ordinance was amended and reappraisements are now made every 20 years, and not every 10 years as formerly.

The first auction sale of leases was held on 12th December, 1924, when 289 residential and 104 business sites were offered at Eastlake, Manuka Centre, Blandfordia, Red Hill, Civic Centre and Ainslie. Of these, 146 blocks were sold at prices representing values from £6 to £58 per foot for business sites and 10s. to £3 4s. 0d. per foot for residential sites. Of the remainder, 149 blocks (including all the business sites offered) were subsequently disposed of. Sixty-four residential sites in the original subdivisions offered were withdrawn from lease and built upon by the Federal Capital Commission for the housing of public servants. The conditions under which the blocks were offered provided that the lessee should commence the erection of an approved building within two years from the date of the commencement of the lease, and complete it within three years. In view of the demand for business sites a further 18 business and 80 residential sites were offered for lease by public auction on the 29th May, 1926. At the auction the whole of the business sites offered were sold at prices per foot varying from £24 to £150. Of the residential sites offered 21 were sold on the day of the auction, and a further 20 were sold to 30th June, 1926, at prices varying from £2 15s. 0d. to £6 16s. 0d. per foot. The terms of the lease required the purchaser of all business sites sold on the 29th May, 1926, to commence the erection of a building on the site before the 31st December, 1926, and complete it before the 31st December, 1927. In the case of the residential sites the lessee was required to commence the erection of a building on the site within one year and complete it within two years from the commencement of the lease. The third sale of leases was held on the 9th April, 1927, when the sites offered included blocks suitable for shops, minor industries, accommodation houses and residences. The whole of the business sites offered were sold, realizing

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a capital value of £57,600, the retail trading sites averaging £120 per foot, the highest value being £175 per foot. Thirty-eight residential leases were sold, representing a capital value of £12,225, varying from 25s. 7d. to £7 2s. 10d. per foot.

The total number of leases granted in the several categories up to 30th June, 1938, is as follows :—

Commercial, including Shops, Offices, Flats ...	81
Minor industries	12
Residential	272
Special purposes, churches, schools, institutions	15
Total	<u>380</u>

Land for Ecclesiastical purposes, not to exceed five acres for one religious body, is granted in perpetuity, the rental to be one shilling per annum, if and when demanded. There is to be no future reappraisalment of land for church purposes. The definition of "Church purposes" means a site for a church, residence for clergy or a school where religious instruction is given.

Under the Real Property Ordinance, 1925, a scheme for the registration of land on the lines of the "Torrens" system was introduced, and leasehold certificates of title are issued. The title office provides for the usual record of mortgages, transfers, and the various incidents of land registration, with the object of rendering leases safely negotiable and facilitating commercial dealings in land according to the usage generally recognized throughout Australia.

AUSTRALIAN CAPITAL TERRITORY—RATES

The rates (local taxes) in the Territory are levied in pursuance of the provisions of the Rates Ordinance 1926-27. It will be noted that a rate in the £ is struck in respect to general rate and lighting rate, and is calculated on an assessed value based on the Unimproved Capital value of land. The usual system for the collection of rates and for the hearing of appeals against valuations is incorporated in the law ; and the valuations are made or adopted annually.

Rates as such are not levied in respect to water supply and sewerage, but charges are made under separate regulations, and these are based on the same assessed value as is utilized for the Rates Ordinance. The total payment in respect to rates and charges amounts to 1s. in the £ on the unimproved assessed value of the land, the allocation being as follows :—

General Rate	4d.
Lighting Rate	2d.
Water charge	3½d.
Sewerage charge	2½d.
Total	<u>12.0d.</u>

There is no restriction upon the amount of water used except in the case of certain commercial activities which are charged according to the meter. Rural landholders are required to pay a general rate of 2d. in the £ on the unimproved assessed value of their land.

According to official reports the amount received by way of rates in respect of the financial year ended 30th June, 1938, was £6,932. This figure, however, does not represent the true position, as the amount in respect to rates and charges in the case of Government-owned houses in Canberra is included in a consolidated rental, dissected figures of which are not available.

Similarly, the rents paid for rural leases also include a factor in respect to the general rate and a separate figure in this regard is not compiled. An estimate, however, of the total income derived from rates and charges, *i.e.*, at 1s. in the £ in respect of City leases and 2d. in the £ in respect of rural leases, may perhaps be taken as being in the region of £15,000.

The total revenue for the Territory for the financial year 1937-38 was £270,952.

The Canberra Leasing plan provides a valuable object lesson for Georgians and the world, notwithstanding the shortcomings of the plan. The 20 years reappraisal period is, in our opinion, too long. There should be a revaluation once every five years. Under the leasing system all improvements placed upon the land revert to the Commonwealth Government at the expiration of the lease. If, before the lease expires, the lessee desires to surrender it, he may do so by paying all the rent due to date and surrendering all improvements on the land without compensation. The Canberra system proves how erroneous is the assertion that no person would be willing to erect improvements if revenue were collected by taking the *rent of land* for public purposes. Banking and insurance companies, storekeepers and householders have erected fine buildings, despite the fact that the annual rent and rates are based on land values and the improvements are forfeited to the Commonwealth Government at the expiration of the lease. These companies and individuals are also called upon to pay the multiplicity of direct and indirect taxes now levied upon their industry: therefore, if those taxes were abolished and the payment for public purposes were confined to the rent of land, they would get considerable relief from a policy based on sound economic principles.

NEW SOUTH WALES

STATE LAND TAX

Land tax in New South Wales was originally levied under the Land Tax Act of 1895, but the Local Government Act of 1906 provided that the tax should cease to operate in any area where a local government rate of equal amount was levied on unimproved value, and the tax is now levied by the State Government only on the unincorporated districts of the Western Division, where no local government rates are imposed. The rate of tax is one penny in the £ on the unimproved value of the land. For

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the purpose of the assessment a statutory deduction of £240 is made from the assessed value of the land held by each individual. The amount of land tax revenue for the year 1937-38 was £2,237.

LAND RENT

The following land rents were collected during the year 1937-38:—

Rentals for leases, fees and other receipts	...	...	£561,793
Royalties for Minerals, Rents for Mining Leases, etc.			372,257
Forestry, royalties, rentals, etc.	...	...	108,679

LOCAL GOVERNMENT RATING ON LAND VALUES

Local Government in New South Wales is conducted under the provisions of the Local Government Act, 1919, and its amendments ; except in the City of Sydney, where it is regulated by the Sydney Corporation Act. Local Government areas are of two main kinds, viz., Municipalities and Shires. At the end of 1936 there were 139 shires. Since 1932 the number of municipalities declined from 181 by reason of the amalgamation of areas, and the number of shires increased by one. A new municipality cannot be constituted unless its proposed area contains a population of 3,000 people with a density of one person per acre, and has an unimproved capital land value which, when levied at the rate of three pence in the £, yields a sum of £3,000.

Section 117 of the Local Government Act, 1919, gives Councils power to levy four kinds of rates, namely : General, Special, Local and Loan rates.

In the shires the whole of the general rate must be levied on the unimproved value, but the municipalities are only obliged to levy a rate of 1*d.* in the £ on the unimproved value. The special, local, and loan rates (and, in the municipalities, the balance of the general rate over the produce of 1*d.* on unimproved value) may be levied either on the unimproved value or on the improved value. It is therefore a remarkable fact that no shire or municipality in the State levies any rate on improved values, although free to do so.

The only bodies in the State which rate improvements are certain water and sewerage boards.

Section 135 provides that a Valuation List shall be furnished at least every three years after a list is first furnished under the provisions of the Act.

Prior to the enactment of the Valuation of Lands Act in 1916, valuations were made by valuers appointed by the Councils. This system had remained in operation for many years without any centralized control to secure uniformity ; but the Act of 1916 made provision for the valuation of the lands of the State by the Valuer-General. The Act prescribed that rates and taxes based on land values must be levied on the values determined by the Valuer-General, and that the power of a Council to assess values ceased when the Valuer-General delivered a Valuation List. A

council may, however, ask the Valuer-General to re-value any land which it considers has not been correctly valued, and pending action by the Valuer-General the valuations are made by the Council's assessors as formerly. Valuations either by the Valuer-General or the Council's valuers are subject to review on appeal to the Land and Valuation Court.

This system was modified by the Local Government Act, 1924, to provide that a council or shire, other than the Blue Mountain Shire or any other shire wholly or partly within the County of Cumberland, may decide whether the valuation should be made by the Valuer-General or by a Valuer appointed by the council.

In municipalities the valuation must show the unimproved capital value, the improved capital value and the assessed annual value of the rateable property. In the shires the law requires the valuation of the unimproved capital value only, the determination of the other values being optional, except in urban areas, in which the assessed annual value has also to be determined.

THE CITY OF SYDNEY

It was not until 1916 that the Council of the City of Sydney adopted the principle, embodied in the Local Government Act of 1906, of levying rates for general expenditure upon the unimproved value of land. Up to the year 1908 revenue was obtained on the annual rental basis, but after an amendment of the Act in that year, the council was compelled to levy a rate of not less than one penny in the £ on unimproved capital values ; in addition to any rate imposed on the annual value basis. The rate levied in 1915, the last year affected by the 1908 Act, was 1½*d.* in the £ on unimproved capital value, and under the 1902 Act, 21*d.* in the £ on assessed annual value. The Act of 1916 repealed the former rating provisions, and rates are now levied on unimproved land values.

The following table shows the rate struck, the unimproved capital value, and the total rate revenue of the city during the past five years :—

Year	Unimproved Capital Value	Rate in £	Total City Rates	Main Road Rates	Harbour Bridge Rates	Total Rates Levied
	£		£	£	£	£
1934	45,979,000	4½ <i>d.</i>	880,885	41,640	63,387	985,912
1935	45,891,000	4½ <i>d.</i>	878,500	41,593	63,358	983,451
1936	45,799,000	4½ <i>d.</i>	874,415	41,636	42,278	958,329
1937	47,819,000	4½ <i>d.</i>	896,615	41,108	44,277	982,000
1938	47,706,000	4 27/32 <i>d.</i>	962,000	—	—	962,000

Rates were first levied in respect of the Sydney Harbour Bridge in 1923, and on account of contributions to the funds of the Main Roads Department in 1925. A Harbours Bridge rate of ½*d.* in the £ of unimproved capital value, struck in the years 1923 to 1932 inclusive, was reduced to one-third of a penny in the year 1933 to 1935, thence to 2/9*th d.* in 1936 and 1937 ; and was finally abolished at the end of 1937. The

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Main Roads levy was at the rate of $\frac{1}{4}$ d. in the £ from 1925 to 1932, and thenceforth 7/32d. until discontinued in the City of Sydney on 31st December, 1937.

The following tables, which are of interest, show details for the first year of Rating on Unimproved Land Values, and the last five years period, giving the Unimproved Capital value, rates levied, the amount of rate revenue collected, and the average rate per £ of Unimproved Capital value :—

Year	Unimproved Capital Value of Land	Rates Levied	
		Amount	Average per £ of U.C.V.
METROPOLITAN MUNICIPALITIES (EXCLUDING SYDNEY)			
	£	£	d.
1908	25,210,000	350,324	3.34
1933	94,174,000	2,016,141	5.14
1934	91,681,000	1,970,006	5.16
1935	90,946,000	1,963,988	5.18
1936	90,367,000	1,994,540	5.30
1937	91,731,130	1,999,866	5.23
COUNTRY MUNICIPALITIES			
1908	18,695,000	268,736	3.45
1933	32,213,000	1,094,224	8.15
1934	30,699,000	1,088,795	8.51
1935	30,216,000	1,081,321	8.59
1936	31,037,000	1,124,673	8.70
1937	32,117,399	1,168,620	8.73
SHIRE COUNCILS			
1907	81,527,000	287,635	0.85
1933	143,700,000	1,264,824	2.11
1934	141,789,000	1,281,434	2.17
1935	139,018,000	1,294,426	2.23
1936	139,213,000	1,330,420	2.29
1937	7,401,122 (metropolitan)	153,293	4.97
	131,985,760 (outside metropolitan area)	1,229,280	2.23

Summary of Rates levied during the year ended 31st December, 1937, by Local Governing Bodies in New South Wales, and the Unimproved Capital value of the areas :—

Municipalities and Shires	Unimproved Capital Value	Total Rates Levied
	£	£
City of Sydney... ..	47,822,749	1,000,609
Metropolitan Municipalities	91,731,130	1,999,866
Metropolitan Shires	7,401,122	153,293
OUTSIDE METROPOLITAN AREA—		
Municipalities	32,117,399	1,168,620
Shires	131,985,760	1,229,280
Grand Total	311,058,160	5,551,666

QUEENSLAND

STATE LAND TAX

Land values taxation for State Governmental purposes was first collected in Queensland under the Land Tax Act, 1915. A number of amendments have been made since that date, but they have not very materially affected the principle outlined in the original measure. The Act requires returns of the value of the freehold land where the value exceeds £300. The exemption varies from £300 according to the class of land, and the use made of it ; but an exemption is not granted to absentees or companies. The rate of tax levied is progressive, as indicated in the following schedule :—

From £1	to £499	...	...	1d. in the £
„ £500	„ £999	...	...	1½d. „
„ £1,000	„ £1,999	...	...	1¾d. „
„ £2,000	„ £2,499	...	...	2d. „
„ £2,500	„ £2,999	...	...	2¼d. „
„ £3,000	„ £3,999	...	...	2½d. „
„ £4,000	„ £4,999	...	...	2¾d. „
„ £5,000	„ £9,999	...	...	3d. „
„ £10,000	„ £19,999	...	...	3½d. „
„ £20,000	„ £29,999	...	...	4d. „
„ £30,000	„ £49,999	...	...	4½d. „
„ £50,000	„ £59,999	...	...	5d. „
„ £60,000	„ £74,999	...	...	5½d. „
„ £75,000 and over		...	...	6d. „

Under the Amending Act of 1935, on all land from £2,500 in value there is also a super-tax, and the total tax is then 3¼d. in the £, ranging thereafter to 8d. in the £ where the value exceeds £75,000.

An additional tax of 2d. in the £ is payable on undeveloped land. “Undeveloped land” means not merely agricultural land, but every kind of land that “has not upon it improvements of the value of at least one-fourth the unimproved value of the land.”

Mutual Life Assurance societies do not get the benefit of the exemption, but are taxed at 2d. in the £ to £2,500, and at 3d. in the £ when the value exceeds that sum.

Under the Amended Land Tax Act, 1922, a special exemption was granted to farmers and graziers. This amendment provided that “when land is being used for agricultural, dairying, or grazing purposes by the owner of the land personally (not being an absentee or a company) the following exemption shall be allowed in lieu of the exemption of £300 provided in the principal Act.

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If the unimproved value does not exceed £1,500, the exemption shall be the value of the land.

If the Unimproved value is	£1,501	the exemption shall be	£1,499
" "	£1,502	" "	£1,498
" "	£1,503	" "	£1,497
" "	£1,504	" "	£1,496
" "	£1,505	" "	£1,495

and the exemption shall decrease in the same ratio, so that for each £5 by which the unimproved value exceeds £1,500 the exemption shall be reduced by £6, until the exemption is reduced to £300 at an unimproved value of £2,500.

If the unimproved value is over £2,500 the exemption shall be £300. Because of this exemption the tax was reduced during the year ended 30th June, 1937, to the extent of £32,341, and 12,653 persons benefited by this special exemption, of whom 9,698 were totally exempt from tax.

This concession meant that out of a total unimproved value of land used for agriculture of £10,540,861 the special exemptions were £9,157,129 leaving only £1,383,732 for taxable purposes. The taxable value, if the ordinary £300 exemption applied would have been £6,744,961.

All valuations are to be entered in an assessment register. Any taxpayer has the right of appeal to the Land Court—a judicial body—against the assessment by the Commissioner. The Court has power to either reduce or increase the assessment, and its decision is final on all parties. If the value of the land as finally fixed by the Court is the value as entered by the taxpayer when furnishing his return, or in any objection lodged by him, or is nearer to that value than to the value placed upon it by the Commissioner, the Court is to award costs against the Commissioner, otherwise costs are awarded against the taxpayer.

If the Commissioner is of the opinion that the owner of the land has, in the return furnished, understated the unimproved value of the land to the extent of 25 per cent or more, he may apply to the Supreme Court for a declaration that the Crown is entitled to acquire the land under the Act. The application must be heard by a Judge of the Supreme Court, from whose decision an appeal shall lie to the Full Court; and the owner of the land is entitled to be heard. If the Judge of the Full Court is satisfied the owner has understated the value to the extent of 25 per cent or more, and is not satisfied that the undervaluation was not made with a view to evading taxation, he shall make the declaration applied for, and make such order for costs as he deems proper. Thereupon the Governor-in-Council may acquire the land on behalf of the Crown.

The balance of the unimproved value on which tax was assessed on

City and Town Lands and Country Lands, owned at 30th June, 1937, was as under :

	City and Town Lands		Country Lands	
	Unimproved Land Value	Tax Assessed	Unimproved Land Value	Tax Assessed
	£	£	£	£
Primary Tax ...	17,882,150	170,038	12,155,574	96,471
Super Tax... ..	8,856,852	64,474	5,555,920	40,071
Undeveloped Tax	1,471,522	12,263	260,526	2,171
		249,775		138,713

ASSESSMENT FOR THE YEAR 1937-38

Number of Taxpayers	...	...	...	...	20,415
					£
Primary tax	...	...	...	...	266,509
Super tax	...	...	...	...	107,545
Undeveloped tax	...	...	...	...	14,434
				Total Tax	£388,488

TYPES OF LAND TENURE IN QUEENSLAND

December 31, 1937	...	...	...	...	1,000 acres
<i>Alienated :</i>					
By Purchase	...	...	...	...	20,013
Without payment	...	...	...	...	92
In process of alienation	...	...	...	...	7,800
			Total alienated :		27,905
Pastoral leases	...	...	...	...	239,606
Occupation licences	...	...	...	...	7,274
Grazing farms and homesteads	...	...	...	...	81,361
Perpetual leases	...	...	...	...	6,091
Prickly pear leases...	...	...	...	...	194
Forest grazing leases	...	...	...	...	1,181
Under Mining Acts	...	...	...	...	425
Leases for special purposes	...	...	...	...	1,185
			Total occupied :		365,212
Roads and Stock routes	...	...	...	...	2,999
Reserved for public purposes	18,422
Unoccupied and unreserved	42,487
			Total area :		429,120

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The following amount of Revenue was received during the year 1937-38 as Land Rents :—

Pastoral rents	...	...	...	...	£380,339
Grazing rents	...	...	...	...	£474,377
Perpetual leases	...	...	...	...	£68,109
Special leases	...	...	...	...	£17,871

Total £940,696

LOCAL GOVERNMENT RATING ON LAND VALUES

The rates of all local authorities in Queensland are levied on unimproved values. Rating on unimproved land values for Local Government purposes was first initiated in Queensland under the Valuation and Rating Act, 1890. Many amendments were passed, and in 1936 a Consolidated Local Government Act was placed upon the Statute Book. This classified Local Government bodies as Cities, Towns and Shires. There are now 12 cities, 11 towns and 121 shires. The Greater Brisbane area was created in 1925, under the "City of Brisbane Act, 1924"; and where its own Act is silent, or where an Ordinance has not been issued under that Act, the City of Brisbane is governed by the Local Government Act, 1936. Under the City of Brisbane Act, nineteen councils and their respective areas were abolished, and in their place was created the Brisbane City Council. The area under its control is, if not the largest, one of the largest under municipal control within the British Empire. It embraces an area of 385 square miles.

Clause 24 of the Local Government Act, 1936, provides for a valuation of all the rateable land and stipulates that a fresh valuation of the land in every area shall be made within five years from the date of the adoption of the last fresh assessment before the commencement of the Act. The Council has power to alter valuations where land has been subdivided.

On the adoption of the valuation the Council must give notice to the owner, who has the right of appeal within 28 days after receipt of the notice. The appeal is to be made to the Valuation Court for the area. The Valuation Court consists of any two or more Justices of the Peace exercising ordinary jurisdiction within the area, or any Police Magistrate may, by himself, constitute the Valuation Court. Appeal from the Valuation Court to the Supreme Court is allowed. The Local Authority is required to notify by advertisement in a newspaper the place and day of sitting of the Valuation Court, and must also serve a notice on the appellant.

The value of any rateable land "shall be estimated at the fair average value of unimproved land of the same quality held for fee-simple in the same neighbourhood. The value of Crown and mining leases shall be deemed to be a sum equal to 20 times the amount of the annual rent payable under the lease or licence at the time when the valuation is made.

In regard to the valuation of tramways, in lieu of the rating provision a payment of £1 10s. 0d. per centum of the gross earnings of the company running on lines shall be made each year.

In relation to gas mains and electric lines there shall be paid every year, according to the actual length of such pipes and the internal diameter thereof, sums at the rate per mile of :—

	£	s.	d.
If the diameter does not exceed 3 inches ...	1	0	0
If the diameter exceeds 3 inches, but does not exceed 6 inches	2	0	0
If it exceeds 6 inches but not 9 inches ...	4	0	0
If diameter exceeds 9 inches	8	0	0

Power to levy rates is given under Clause 21, which provides that the local authority shall in each year make and levy a general rate upon the rateable value of land within the area. It is provided that no general rate in one year shall exceed the amount of one shilling in the £ of rateable value of land : Provided this limitation shall not apply to any town which comprises a mineral field or goldfield or part of a mineral field or goldfield.

Power is also granted to local authorities to make and levy special rates for particular functions, and special loan rates may be levied upon the value of the land. Rates on the unimproved value of land are levied for sewerage and cleansing purposes, and also for water supply purposes. The revenue from these rates is used for operating and maintenance expenses, as well as for Interest and Redemption Funds.

Under the City of Brisbane Act that Council has power to make and levy a rate on the unimproved value of land within the City. The Council has the right to make Ordinances defining what are rateable lands, prescribing all matters relating to valuation, including appeals from valuation, and the time and manner of payment of the rate and methods of recovery of the rate.

Further Ordinances prescribing that rates, less in amount than the rate levied on other lands, shall be levied in regard to rural land which is not in demand for building sites or residential area, and which, in the opinion of the Council, is being reasonably used for the purpose of primary production, can be issued under the Act.

The following figures give details of the rates and charges in connection with the City of Brisbane for the year 1937-38 :—

GENERAL RATES LEVIED	£
Unimproved Capital valuation	783,638
Electricity and Gas Mains	2,191
Tramway tracks	7,903
Total General rates	793,732
Water rates	517,366
Sewerage rates	187,122
Cleansing dues	156,686
Total rates and dues	£1,654,906
Water meter charges	81,476

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The amount in the £ of unimproved land values levied was : Urban 8½d. ; Rural 4¾d. The water rate was 5d. in the £ for occupied land, with a minimum payment of £3 10s. 0d. ; and 3d. in the £ for vacant land, with a minimum of £2 6s. 8d. The Sewerage rate was 3d. in the £ for occupied land, with a minimum of £2 2s. 0d. ; and 2d. in the £, with a minimum of 28s. for vacant land. The Cleansing dues imposed vary from 25s. to £2 per annum, and in the case of universities and schools there is a minimum payment of £3 10s. 0d. per annum.

The following table shows the revenue collected from Unimproved Land Values by all Local Government Authorities in the State of Queensland during the year 1937-38 :—

Authorities	Unimproved Capital Value of Land	Total Rates Levied	Average Rate in £
	£	£	d
City of Brisbane	21,079,584	1,488,124	16.9
Other Cities	6,263,960	348,781	13.4
Towns	1,325,248	71,594	13.0
Shires	43,695,556	1,090,817	6.0
Total	£72,364,348	£2,999,316	9.9d.

VICTORIA

STATE LAND TAXATION

In Victoria a tax upon unimproved land values has been levied since the year 1910. The present authority to tax land values is obtained from Act No. 3713 of the 12th February, 1929. This Act provides that no land tax shall be charged to any owner of lands the total unimproved value of which does not exceed £250. Where the total assessed unimproved value of all land exceeds the amount of the exemption of £250, the exemption diminishes at the rate of one pound for every one pound of excess, so as to leave no exemption when the unimproved amounts to £500. The Act provides that the tax on land values shall, in the case of each owner, be levied for each year on the total unimproved value of all land owned at noon on 31st December, immediately preceding the year for which the tax is levied. The rate of the tax payable on every £1 of unimproved value in excess of the exemption of £250 is one halfpenny.

Section 13 gives power to the Commissioner "if as and when he thinks fit" to make or cause assessors to make valuations of any land or of the lands in any district, or part thereof. It also provides that at least two years shall elapse between the making of any general valuations for all the districts of Victoria and the making of the succeeding general valuation thereof. The Commissioner is also empowered to obtain and use as valuations any valuations made by or for any local authority.

An assessment roll must be prepared and notice of the assessment or

alteration sent to taxpayers, and within one month after the notice the taxpayer may lodge an objection against the valuation.

The Commissioner must forward every objection not wholly allowed or withdrawn to the Assessment Court for the district. The Court is appointed by the Governor in Council and consists of three members, one of whom is a Judge of County Courts or a Police Magistrate ; and the other two are persons having a knowledge of land and improvement values. The decision of the Assessment Court is subject to appeal to the Supreme Court.

In the Act the definition of "unimproved value" or "unimproved capital value" of land means the sum which the owner's estate or interest therein, if unencumbered by any mortgage or charge thereon, might, in ordinary circumstances, be expected to realize at the time of the valuation or assessment if offered for sale on such reasonable terms and conditions as a bona-fide seller might be expected to require, and assuming that the improvements (if any) had not been made : Provided that the unimproved capital value of land held under any lease or licence from the Crown for purposes other than mining is the unimproved value for the time being of such land after deducting such amount of the purchase money as has not, for the time being, become due and payable to the Crown."

The following information concerning the Land Tax for the year 1937 is based on the unimproved value at 31st December, 1936, the latest figures available :—

(1) Actual number of assessments made ...	157,048
On unimproved value not exceeding £500... ..	63,879
On unimproved value exceeding £500	93,169
(2) The total tax assessed amounted to ...	£473,934
(3) Total unimproved value of taxpayers who were assessed to pay tax amounted to	£238,829,620

Approximately 40.67 per cent of the assessments were on unimproved value not exceeding £500 ; 25.81 per cent on unimproved value between £500 and £1,000 ; 16.73 per cent on unimproved value between £1,000 and £2,000 ; 12.47 per cent on unimproved value between £2,000 and £5,000 ; 4.32 per cent on unimproved value exceeding £5,000.

A special analysis of the 1937 assessments show that on a territorial basis the tax is contributed from the following sources in the amounts and proportions as shown :—

	£	%
Broad acres	232,227	49
Country towns and Townships	31,593	6 $\frac{2}{3}$
Metropolitan (excluding City proper)	148,503	31 $\frac{1}{3}$
City proper	61,611	13
	<hr/> £473,934	<hr/> 100

The Taxing and Rating of Land Values in Australia

The following return shows the number of taxpayers, unimproved land values, and amount of tax for the year ended 31st December, 1937. It is interesting, as it indicates how the land is held.

Grade	No. of Taxpayers	Unimproved Land Value	Amount of Tax Paid
£		£	£
1— 250 ...	2	406	1
251— 300 ...	19,196	5,390,279	2,979
301— 400 ...	26,981	9,548,917	11,634
401— 500 ...	17,698	8,036,209	14,879
501— 600 ...	12,552	7,028,074	14,323
601— 750 ...	13,061	8,814,378	17,997
751— 1,000 ...	14,920	12,979,026	26,468
1,001— 1,250 ...	9,386	10,516,351	21,455
1,251— 1,500 ...	7,222	9,921,024	20,279
1,501— 2,000 ...	9,667	16,783,486	34,337
2,001— 3,500 ...	13,897	36,534,072	75,079
3,501— 5,000 ...	5,685	23,774,247	49,104
5,001— 6,000 ...	1,834	10,020,681	20,734
6,001— 7,000 ...	1,131	7,311,851	15,053
7,001— 8,000 ...	790	5,909,396	12,197
8,001— 9,000 ...	481	4,081,034	8,414
9,001— 10,000 ...	340	3,225,874	6,643
10,001— 15,000 ...	994	12,008,304	24,805
15,001— 20,000 ...	392	6,825,303	14,201
20,001— 25,000 ...	200	4,435,223	9,240
25,001— 30,000 ...	127	3,492,214	7,278
30,001— 35,000 ...	108	3,528,769	7,287
35,001— 40,000 ...	60	2,260,199	4,706
40,001— 50,000 ...	115	5,100,982	10,627
50,001— 75,000 ...	94	5,578,083	11,606
75,001— 100,000 ...	59	5,096,515	10,594
100,001— 150,000 ...	24	2,903,063	5,939
150,001— 200,000 ...	11	1,764,673	3,676
200,000 and over ...	21	5,960,987	12,399
	157,048	238,829,620	473,934

LOCAL GOVERNMENT RATING ON LAND VALUES

Power for Local Government bodies to rate on the unimproved value of land was granted under the Act which came into operation on 1st October, 1915. A Consolidating measure was passed in 1922. Local Councils are compelled to adopt the assessment made by the assessors under the State Land Tax Act. It is optional for local bodies to come under the land value rating principle. The principle can be applied by the Council by special order passing a resolution that it proposes to adopt the Act. If this is done it is mandatory for the Council to prepare a provisional valuation of all rateable properties showing (a) unimproved capital value; (b) capital improved value; (c) the net annual value thereof. A statement must be prepared setting forth (1) the amount in the £ of the general rate last made on the net annual value of the rateable properties; (2) the amount of the rate on unimproved capital value which

corresponds with the amount in the £ of the said general rate ; (3) the sum which would be leviable on the net annual value of rateable properties under a rate of the same amount as the last rate made ; (4) the sum which would be leviable on the unimproved capital value under a rate which corresponds with the amount in the £ of the rate last made.

A notice setting forth the above information relating to each rateable property must be sent to each owner or occupier, or the details must be published in a newspaper circulating in the municipal district. Subsequent to this action the council must publish in the Government Gazette and in a newspaper circulating in the municipal district, a notice stating :—(a) that the Council proposes to adopt the Act ; (b) that the valuation is open for inspection during office hours by any ratepayer, free of charge ; (c) that one-tenth of the persons whose names are on the Municipal Roll may, by writing under their hands and delivered at the office of the Council within one month after the publication of the notice, demand that the proposal to adopt the Act be submitted to a poll of ratepayers ; (d) that if no demand for a poll is made the Council will adopt the Act.

Provision is made in the Act for the adoption of the Land Value principle independent of the Council. A petition signed by one-tenth of the ratepayers can demand that a proposal be submitted to the ratepayers. On receipt of such petition the Council must publish in a newspaper circulating in the municipal district a notice stating that the demand has been made, and that a poll of ratepayers will be taken on the day for the next following election of councillors. As in the other case, the provisional valuation must be made and exhibited for inspection, free of charge, at least twenty-one days before the taking of the poll. The requirements for carrying a poll are :—(a) a majority of valid votes are recorded in favour of the proposal ; and (b) the number of valid votes recorded form at least one-third of the number of votes inscribed on the municipal roll.

After a period of three years power is granted to revert to the system of taxing improvements, if so desired. The Council may, by special order, pass a resolution that it proposes to rescind the adoption of the Act. Notice of their intention must be published in the Government Gazette and in a local newspaper, and the one-tenth of the ratepayers can, if they so desire, demand a poll. If no such demand is made the Council will rescind the adoption of the land value principle. It is further provided that one-tenth of the ratepayers may, after three years working of the land value system, demand that the question of rescinding be submitted to a poll of ratepayers, and all such polls must be taken on the day of the next following annual elections. A provisional valuation is not necessary to rescind the Act. The ratepayers seeking a poll must deposit £25 at the office of the Council, and this is returned under certain conditions.

Where necessary annual alterations in the valuation are made ; and a complete new assessment must be made every five years. The rate in the £ on unimproved land values is to be adjusted so as to approximate as nearly as practicable in its total revenue-producing capacity to the corresponding

The Taxing and Rating of Land Values in Australia

rate on the basis of the annual value. The minimum rate upon a person on the basis of unimproved land value is fixed at 2s. 6d.

The following table gives the names of Councils working under unimproved land values, the year of adoption, the capital unimproved land value, rate in the £, and the amount of revenue collected from the land value source during the year 1937-38 :—

Name of Council	Year of Adoption	Capital Unimproved Land Value	Amount in the £ of rate on Unimproved land value	Amount collected in 1937-38 on land value
CITIES—		£		£
Brunswick	1922	2,864,794	7d.	83,556
Camberwell	1922	5,822,952	4½d.	115,465
Caulfield	1920	5,853,608	4½d.	110,080
Chelsea (formerly Borough of Carrum)	1923	653,474	4½d.	12,379
Coburg	1920	2,314,599	5d.	48,221
Essendon	1920	3,152,653	6d.	79,258
Mordialloc	1925	1,138,960	4½d.	20,162
Oakleigh	1921	960,396	5½d.	21,011
Sandringham	1926	1,858,711	4½d.	34,976
TOWN OF—				
Newton and Chilwell ...	1920	682,566	4½d.	13,510
BOROUGH OF—				
Portland	1920	231,456	5d.	4,822
SHIRES—				
Dandenong	1920	1,258,912	3.4d. (average)	17,857
Rosedale	1920	1,511,308	1½d.	7,871
Yea	1921	588,530	2½d.	5,520
				<u>£574,689</u>

LAND RENTS

In addition to the amounts collected as rates and taxes levied upon unimproved land values, the following amount of rent from Crown lands was obtained during the year ended 30th June, 1938 :—

Selection purchase Leases—Agriculture	£ 84,279
Leases and Licences other than Agriculture	88,311
Grazing Licences	21,817
Unused roads and Water Frontage Licences	25,922
Mining Leases	13,344
Forests : Rents	13,461
Royalties	176,550
Miscellaneous	2,778
Total	<u>£426,462</u>

SOUTH AUSTRALIA

STATE LAND TAXATION

South Australia has been levying a tax upon the unimproved value of land since the year 1885. The first Act granting power to levy such a tax was passed by the Colton Government in 1884 and there has been many amendments since that date. The latest Act is the Consolidated Land Tax Act No. 2318 of 1936.

This provides that an assessment must be made every five years. The valuation is made by a staff of departmental valuers. If the landholder is dissatisfied with the assessment he has the right of appeal to the Commissioner of Taxes at any time within 60 days of receiving notice of the valuation, and may request him to refer the decision to the Valuation Board. The Valuation Board consists of three members, who are appointed by the Governor, and who hold office for a period not exceeding seven years, but who are eligible for reappointment after that period.

If the Board increases or reduces the assessment the Commissioner must amend the assessment forthwith. He must also refund any tax overpaid if the assessment is reduced, and the taxpayer must pay any due as a result of an increase in the assessment. There is a right of appeal from the Board to the Supreme Court, but only on questions of law.

Clause 12 of the Act provides that a land tax at the rate of three farthings be levied upon every £1 of value. Additional land tax of three farthings in the £ is levied for every £1 exceeding the amount of £5,000 assessed unimproved value held by any person. The amount of taxation collected from this last-mentioned source in 1937-38 was £39,000. There is also an Absentee tax of twenty per cent on and added to the amount of the land tax payable in respect of land owned by an absentee, and the amount of revenue collected from this Absentee tax in 1937-38 was £695. The minimum amount of Land Tax payable is one shilling.

The number of Land Tax payers for the year ended 30th June, 1938, was 132,256, and the total Land Tax revenue received was £325,499.

The total unimproved value of land in South Australia at the date of the last quinquennial assessment in 1935 was £79,134,000.

RATING ON LAND VALUES FOR LOCAL GOVERNMENT

Power to rate land values for Local Government purposes was originally granted under the Land Values Assessment Act of 1893. This Act was amended in 1900, 1910, 1914 and 1920, but all these Acts have now been repealed and the power to rate land values is now incorporated in the Local Government Act, 1934-36. The definition of "unimproved land value" is the same as in the State Land Tax Act. Local Government bodies may either accept the State valuation or make an independent one of their own. The levying of rates on unimproved values is optional with the ratepayers, and there are many provisions in the Local Government Act which make it difficult to secure a poll of ratepayers.

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Division 3 of the Act provides that the land value principle cannot come into operation in any municipality or district council except upon a petition of the Council to the Governor. No such petition shall be lodged until a poll of *owners* of rateable property is taken, and at which three-fifths in number of such owners voting at such poll, or a majority of owners on the voters' roll, have voted affirming the proposition.

The Council must give one month's notice of the intention to take the poll, and also prepare a tentative assessment showing the amount of rates payable by each ratepayer under the land values principle as compared with the amount paid on the annual value basis. This tentative assessment must be open for inspection by ratepayers for a period of twenty-one days prior to the taking of the poll.

After the land values principle has been in operation for two years, by an amendment of the Local Government Act made in 1938 the ratepayers may request the Council to take a Reversion poll, and if a simple majority of owners voting at such poll cast their votes against the land values system, the Council must revert to the old system of taxing improvements.

In only three municipalities have opponents of the principle persuaded the Council to take such polls, with a view to reversion, and the result was as follows :—

Name of Municipality	Date of Reversion Poll	Votes in favour of land values	Votes against land values
Thebarton	December, 1913	695	360
Gawler	December, 1913	219	121
Murray Bridge... ..	September, 1928	361	86

It will thus be seen that after many years' experience of the practical working of the land values principle the *landholders* themselves cast substantial majorities in favour of retaining it.

The Local Government Act makes the following provisions for rating on unimproved land values.

The general rate in any municipality shall not exceed one shilling in the £ on the assessed value of the rateable property.

The general rate in any district council shall not be less than one penny halfpenny in the £ nor exceed fourpence halfpenny in the £. Clause 216 provides that the Council, by a resolution passed by an absolute majority, may, with the consent of the ratepayers, declare a special rate. In a municipality this special rate, together with the general rate, shall not exceed 1s. 3d. in the £, and in a district council the special rate, together with the general rate, shall not exceed fivepence farthing in the £.

The experience in South Australia of the working of the land value principle has proved that it forces into use land that was inadequately used or held for speculation, encourages the erection of a better class of buildings, and there has not been any tendency to crowd houses on small blocks of land, as was predicted by opponents of the system.

The following table gives the names of municipalities and district councils collecting rates solely from unimproved land values, the year of adoption of the principle, the latest assessment, the rate in the £ declared, and the total revenue for that year :—

COUNCILS RATING ON LAND VALUES ONLY

Name of Council	Date of adoption land values	Assessment for year 1937-38	Rates declared year 1939		Total rate Revenue for year 1938-39
			General	Other	
MUNICIPALITIES—					
		£			£
City of Port Adelaide...	1910	1,300,161	7½d.	nil	44,032
Glencelg	1911	920,391	4½d.	nil	17,303
Hindmarsh	1910	427,955	9d.	nil	16,058
Moonta... ..	1908	27,396	10½d.	nil	1,199
Mount Gambier	1910	257,426	8d.	nil	8,616
Murray Bridge... ..	1925	101,897	10½d.	nil	4,365
Peterborough	1912	57,537	1/-	nil	2,850
Port Lincoln	1922	101,223	10½d.	¼d.	4,843
Port Pirie	1911	220,865	1/-	nil	11,752
Quorn	1912	16,170	9d.	9d.	1,211
St. Peters	1910	606,366	4½d.	nil	11,368
Thebarton	1907	622,500	6d.	nil	15,561
Colonel Light Gardens		139,590	8½d.	nil	4,945
DISTRICT COUNCILS—					
Barmera	1927	117,898	3½d.	¼d.	2,103
			Diff. 5d.		
East Murray	1930	137,966	2½d.	nil	1,281
Karoonda	1928	189,968	2d.	4½d.	1,689
Kimba	1927	152,196	3d.	2d.	1,923
Le Hunte	1928	145,573	4d.	nil	2,433
Loxton	1927	430,734	2d.	1½d.	3,875
			Diff. 2½d.		
Murat Bay	1927	207,319	4½d.	nil	2,146
					£159,553

All the above District Councils are in the farming areas of the State, thus proving that the land value principle works satisfactorily in the rural districts as well as in the urban areas.

LAND RENTS

Land rents received by the South Australian Government for year 1937-38 :

	£	s.	d.
Right of purchase and Homestead Leases	7,471	0	9
Perpetual leases	128,027	18	9
Miscellaneous leases	17,652	3	1
Pastoral leases	37,015	13	11
Total Rent	£190,166	16	6

WESTERN AUSTRALIA

THE STATE LAND TAX

A State Land Tax Act was first passed in Western Australia in 1907, and revenue is now collected under the "Land Tax and Income Tax Act No. 12 of 1932." This provides that if land is unimproved a tax of 2d. for every pound sterling shall be levied, with a minimum payment of 2s. 6d. Absentee landholders pay an additional 50 per cent. It is also provided that the land tax payable in respect of a pastoral lease shall be at the rate of 2d. for every £ sterling "of a sum equal to 20 times the amount of the annual rent reserved in the lease." The latest Act provides that "Improved land held at noon on the 30th June, 1937, and used solely or principally for the purpose of agricultural, pastoral, horticultural, agricultural grazing, pig-raising or poultry farming business is exempt from the land tax. Provision is also made for a rebate of tax on improved land, and those entitled to same pay only one-half of the tax levied upon unimproved land. Land outside municipalities used solely or principally for agricultural, horticultural, pastoral or grazing purposes is not deemed to be improved within the meaning of the Act unless : (a) the improvements effected equal £1 per acre, or one third of the unimproved value, whichever amount is the lesser ; (b) the Under-Secretary for Lands certifies in writing that improvements to an amount prescribed by the Lands Acts have been effected, and the benefit of such improvement is not yet exhausted.

The Act provides that the Commissioner shall make a new assessment every five years, and such alterations as may be necessary each year. Taxpayers may appeal against the valuations within 30 days of receiving notice. The appeal is to be made to a Court of Review ; and the Governor may declare any magistrate of a Local Court to be a Court of Review within the meaning of the Act.

The definition of unimproved value is : " In respect of land granted in fee-simple, the capital sum for which the fee-simple of such land would sell under reasonable conditions of sale as a bona-fide seller would require, assuming the total improvements (if any) had not been made."

In respect of leasehold land, without the right of purchase, the unimproved value means " a sum equal to 20 times the excess of the amount of the fair annual rent at which the land would let under such reasonable conditions as a bona-fide lessee would require, assuming the improvements (if any) had not been made, above the annual rent for the time being reserved by the lease, to be assessed under the Act, and until assessment, a sum equal to 20 times the amount of the annual rent reserved by the lease."

The following is an analysis of the Land Tax Assessment, 30th June, 1938.

Classification of Land	Area (acres)	Unimproved Land Values			
		Of area liable to tax		Of area exempt from tax	Of total area
		At Improved Rate : 1d. in £	At U.I.V. Rate : 2d. in £		
		£	£	£	£
Metropolitan	80,915	17,107,756	3,636,973	266,596	21,011,325
Goldfields ...	4,025	238,820	33,239	2,864	274,923
Other towns ...	77,375	1,639,522	545,529	210,734	2,395,785
Country Lands	40,024,382	2,262,029	651,471	16,037,116	18,950,616
Total alienated	40,186,697	21,248,127	4,867,212	16,517,310	42,632,649
Crown leases	259,880,766	252,805	11,693	4,787,752	5,052,250
	300,067,463	21,500,932	4,878,905	21,305,062	47,684,899

The incidence of the Land Tax was as under :—

Metropolitan	...	...	...	...	78.00
Goldfields	...	...	...	...	.98
Other Towns	...	...	...	...	8.74
Country	...	...	...	...	11.40
Pastoral leases	...	...	...	...	.88
					<u>100.00</u>

In addition to the Land Tax revenue received by the Western Australian Government, the Crown, during the year 1937-38, received rent for land leased. From mineral lands £24,478 was obtained, and rent from other lands gave a revenue of £112,813, including £1,101 from forest leases.

ROAD BOARDS IN WESTERN AUSTRALIA

The power to rate on unimproved land values for Road District purposes was first granted in 1902. Under the Roads Act of that year the Governor-in-Council could constitute any portion of Western Australia not included in a municipality a "Road District." The original Act has been amended several times and in 1934 the Roads District Consolidated Act was passed. Section 222 provides that every Board, before 7th July of each year, shall make a valuation of all the rateable land within the district, on the unimproved value or the annual value, and such valuation shall remain in force until a new valuation has been made. The Board may adopt the annual value for any town site, or all or any land within the limits of a proclaimed goldfield, for rating tramways or railways, gasometers, etc., used for the manufacture and supply of gas, or fixtures used in connection with the supply of water.

The Taxing and Rating of Land Values in Australia

Under Section 223 it is provided : Except as herein provided the unimproved value of land shall be the capital sum which the fee-simple of such land might be expected to realise if offered for sale on such reasonable terms and conditions as a bona-fide seller would require, assuming the improvements (if any) thereon had not been made.

Provided that Town lots held under Crown lease shall be assessed on the unimproved capital value of such land as if, in fee-simple and all rates heretofore levied under the Roads Act, 1911, under assessment so made are ratified.

The unimproved value of land held or used under (not being a pastoral or mining lease), licence, or concession from the Crown for cutting or removing timber or with the right of taking any other profit from the land, shall be a sum equal to 5s. for every acre of land.

Section 232 gives power to the Board to make any valuation itself, or to appoint valuers who are not members of the Board. Ratepayers may appeal against their assessments, first to the Board, and then to the Local Court held nearest to the office of the Board. The rating powers are conferred in Section 244, which states that no general rate imposed in any one year shall exceed fourpence or be less than one halfpenny in the £ on the unimproved value of land. In any such rural district where the Minister grants approval the rate may be increased to 6d. in the £ and in any Metropolitan District the Minister may grant approval of a rate up to 9d. in the £. In districts where the rates are on the annual value, no general rate must exceed 2s. in the £ or be less than 6d. in the £. In addition to the General rate, under Section 246, a Lighting rate may be declared. This is not to exceed 1s. 2d. in the £ on unimproved land values or 3d. in the £ on annual values.

The latest Local Government statistics relating to Road Boards that are available are for the year 1937. Of the total of 127 Road Boards in Western Australia, 40 rate solely on the unimproved value of land, the other 87 collect part of their revenue from unimproved land values and the balance from an annual value assessment. Town lots are levied on the annual value basis, while outlying districts are charged on unimproved land values. The valuation of rateable property for 1937 was :—

	£
On Annual value basis	513,374
On Unimproved land value basis ...	31,381,346

The rates levied on the Annual value basis varied from 6d. to 2s. in the £, and those on Unimproved land values from 0.50d. to 6.34d. in the £. The total rate revenue for the year from both sources of assessment was £211,041, of which £180,856 was received from rates levied upon Unimproved land values and £30,185 was collected by rates levied upon an Annual value basis.

LOCAL BOARDS OF HEALTH

Local Boards of Health, under the control of Road Boards, impose Health and Sanitary rates upon a dual basis of Annual value of rateable property and upon Unimproved land values. The latest figures available

for this Department relate to 1936, and show that out of a total of £18,570 collected a sum of £13,100 was taken from the land value basis and the remaining £5,470 from Annual value basis.

VERMIN BOARD RATING

There are 115 Vermin Boards in Western Australia and the basis of rating is on Unimproved land values so far as 95 are concerned, the remainder levy the rate of an acreage basis per 100 acres. The total Vermin rate revenue for 1936 (latest available) was £19,597, of which £16,050 came from land values and £3,547 from the acreage basis.

THE CITY OF PERTH ENDOWMENT LANDS

The City of Perth levies rates on the Unimproved capital value of land under the City of Perth Endowment Act. This Act gave to the Perth City Council power to deal with certain endowment and other lands, approximately 4,000 acres, and to extend its boundaries to include those lands. The Council has all the powers of an owner in fee-simple and it is provided by the Act that rates on this land must be imposed upon unimproved land values, the rate not to exceed 6d. in the £ in any year. During the year ended 31st October, 1938, the following rates were levied on an Unimproved capital value of £35,858. General rate, 2d. in £; Loan rate, 2d.; Fire Brigade, $\frac{1}{4}$ d.; Health, $\frac{1}{4}$ d.; Sanitary, $\frac{1}{4}$ d. The revenue received from these rates amounted to £747.

The total land tax and land rent received by the Western Australian Government for the year was :—

	£
Land Tax	122,839
Rent, Mineral Land	24,478
Rent, other lands	112,813
Road Board Rates	180,856
Health Rates	13,100
Vermin Board Rating	16,050
	£470,136
	£470,136

TASMANIA

STATE LAND TAX

Land value taxation has been in operation in Tasmania since 1905. The original Act has been amended and alterations have been made in the rate of tax levied. The latest Land Tax Act is No. 26 of 1937. A "Land Valuation Act" was passed in 1909, and this provided for the preparation of a District Valuation roll of the land in each District. Such roll contains the number, description and situation of the land; the name and address of the owner and occupier, the area if not less than one acre, as well as the value of the improvements, the unimproved and capital value of the land.

Notice of valuations are to be published in the Government Gazette and in the District for a period of not less than thirty days. Objections

The Taxing and Rating of Land Values in Australia

may be made to the Commissioner of Taxes, and he may alter or amend the assessments. Failing to do so he must send the original objection to the Registrar acting for the Court of Appeal.

The latest assessment of land values was made 31st March, 1937, when the total unimproved land values for the State were £22,750,888. The total number of landholders on the file at that date was 42,556, and the total Land Tax collected to 30th June, 1938, was £84,379.

The following table gives details regarding the distribution of the land, the rate of land tax levied and the percentage in each section as shown at the assessment in 1937.

Class	Number of Owners	Percentage	Rate of Tax Levied in £
£2,500 and under	41,069	96.51	1d.
£2,500 to £5,000	872	2.05	1 ³ / ₄ d.
£5,000 ,, £15,000	508	1.19	1 ¹ / ₄ d.
£15,000 ,, £30,000	83	0.20	2 ¹ / ₄ d.
£30,000 ,, £50,000	16	0.04	2 ³ / ₄ d.
£50,000 ,, £80,000	6	0.01	3 ¹ / ₄ d.
£80,000 and over	2	—	3 ³ / ₄ d.
	42,556	100.00	

An exemption is granted to rural lands not in excess of £3,500 unimproved value. The minimum Land Tax payable by any person is one shilling.

LOCAL RATING

Notwithstanding the fact that Municipal Associations in Tasmania have carried resolutions in favour of exempting improvements from rating, up to the present no legislation has been enacted to give effect to the popular demand. Launceston, the Northern City, actually carried a

GENERAL RETURN LAND SETTLEMENT AS ON 31ST DECEMBER, 1937

	<i>Acres</i>
1. Alienated Land	5,860,594
2. Land in process of alienation	437,720
3. Crown Lands—	
Leased for pastoral purposes	2,084,504
Leased for mining purposes	44,271
Leased for timber getting	308,562
Leased for Closer Settlement for 99 years	80,000
Leased for Soldier Settlement for 99 years	106,000
Leased for farms, short periods	131,000
Occupied by the Commonwealth... ..	10,108
Occupied by State Departments	10,972
Unoccupied, but reserved for public purposes	1,950,000
Balance unoccupied and unreserved	5,754,269
Total	16,778,000

Referendum favouring a change in the basis of rating, but despite the fact that a Labour Government has held office for many years, no move has been made by it to grant Local Government bodies the right to raise revenue from the unimproved value of land.

The Rent received by the Tasmanian Government during the year 1937-38 for pastoral and other Crown Lands was £10,065.

SUMMARY GIVING TOTALS FOR THE LATEST YEAR, SHOWING THE AMOUNT OF REVENUE OBTAINED BY THE COMMONWEALTH AND ALL STATES BY THE TAXATION AND RATING OF LAND VALUES, AND FROM LAND RENTS

COMMONWEALTH GOVERNMENT	£	£
Federal Land Tax	1,269,451	
Land rent (Capital territory) ...	270,952	
	<hr/>	1,540,403
NEW SOUTH WALES		
State Land Tax	2,237	
Local Government Rates... ..	5,551,666	
Land Rent	1,042,729	
	<hr/>	6,596,632
QUEENSLAND		
State Land Tax	388,488	
Local Government Rates... ..	2,999,316	
Land Rent	940,696	
	<hr/>	4,328,500
VICTORIA		
State Land Tax	473,934	
Local Government Rates... ..	574,689	
Land Rent	426,462	
	<hr/>	1,475,085
SOUTH AUSTRALIA		
State Land Tax	325,499	
Local Government Rates... ..	159,553	
Land Rent	190,166	
	<hr/>	675,218
WESTERN AUSTRALIA		
State Land Tax	122,839	
Local Government Rates... ..	180,856	
Land Rent	137,291	
Health Rates	13,100	
Vermin Board Rates	16,050	
	<hr/>	470,136
TASMANIA		
State Land Tax	84,379	
Land Rent	10,065	
	<hr/>	94,444
Grand Total		<hr/> <hr/>
		15,180,418

CONCLUSION

The foregoing pages will give readers details concerning the practical application of the land values principle within the Commonwealth of Australia. It will be noted that approximately £15,000,000 of revenue is annually collected from the unimproved value of land by Federal, State and Local Governments: and as rentals received by the Crown from leased lands.

Wherever the principle has been applied it has given satisfaction. The assertion made by opponents of land values rating that its adoption would tend to overcrowding of houses, owing to the desire of the landholders to secure a big income from the site, has been shown to be without foundation. As a matter of fact, in municipalities which have adopted the land value principle it will be found that the land surrounding the house is of a bigger area than was granted under the old annual value system of rating. This is what might have been expected. With improvements exempted from taxation owners were encouraged to erect a better type of building, and it would be a foolish action on their part to spoil the appearance of a fine property by placing it on a small area of land.

Leagues exist in each of the six States of the Commonwealth for the purpose of propagating the principles of Henry George. In some States there are branches of the Leagues in country centres. Three of the Leagues publish official journals each month, namely, New South Wales, "The Standard"; Victoria, "Progress"; and South Australia, "The People's Advocate."

Indoor and open-air meetings are addressed, country organizing tours are undertaken, articles and letters are sent to the city and country newspapers, printed matter is freely distributed, and every opportunity is availed of to proclaim the message of Henry George.

The latest development in Australia is the establishment of Henry George Social Science Classes for the study of political economy. The manuals published in the United States and London are used by the students attending these classes, and great interest has been manifested in Georgian principles. Every effort is being made to extend the work in this direction. Co-workers overseas may rest assured that Australian Georgians will do their part in educating the people on right principles, and will continue the work until social justice is established.

(Issued for the International Conference celebrating the Henry George Centenary, New York, 1939, by the International Union for Land Value Taxation and Free Trade, 34 Knightrider Street, London, E.C.4.—Additional copies, price 4d. each or 10 cents.)