

Public. 14:392-3. April 28, 1911.

Single Tax in New South Wales. A. G. Huie.

The second general election for aldermen under the local government Act* held on the 28th of January, might be supposed to have been affected by the almost universal adoption of placing local taxation entirely on land values. In fact, however, in a vast majority of places this question was not an issue in any sense. It is generally recognized now as the right thing to raise local revenue from the unimproved value of the land alone. Our task, then, was comparatively easy. We had only to pay attention to a few places where full advantage has not yet been taken of the law. ✓

At Prospect and Sherwood the three worst opponents of this policy were defeated. Also at Lane Cove, a doubtful place which had for three years challenged the energies of our local friends to back up friendly aldermen in the Council. At Woollahra an alderman who recently proposed taxes on improvement values, was defeated, and a land value taxer elected in his stead. In various other places old opponents were rejected.

The place that has given us most trouble is North Sydney. It is the largest municipality outside the city, in the state. The aldermen were an intensely conservative lot. They hated the new Act. Like all conservatives, they believed in a borrowing policy, and (outside the city) had the largest debt in the state. Some of the most vicious examples of land monopoly in the metropolitan area are in North Sydney, and the aldermen appeared to think that it was their bounden duty to nurse them. In 1908 they decided to levy entirely on unimproved values at 3½d. in the pound, but they made it clear that they were against the principle. They really wished to impose an "additional general rate" on improved values, but feared the referendum poll.

Now it is well known that cunning lawyers may find a loop-hole in the best of laws. Our Local Government Act was no exception to that general rule. The aldermen found that under it they could impose a "loan" rate for the payment of interest and the repayment of principal without a referendum vote. So in 1909, instead of again imposing the 3½d. rate on land values, they reduced it to 2½d. and imposed a loan rate of 0.35d. on

* See *The Public*, volume xiii, page 1085.

improved values. We made a protest, but having no power to demand a referendum, were helpless.

In 1910 the rates were put at $2\frac{3}{4}$ d. for land values and 0.33d. for improvement values. I tried to rouse the local people but failed. It is a hard place to work. But as the time for election drew on I issued two leaflets and held a number of open-air meetings. The effect was good. The aldermen against us were reduced from 11 to 4, to 8 to 7 in our favor. But a majority of one was too narrow, especially as one or two men on our side were rather doubtful. One of them was absent when the question of imposing the tax came on. Then one of the other side came round to our view, saying he was convinced that the people wanted rating on land values only; but one on our side deserted, giving a bogus reason for doing so. That made the voting equal, and the Mayor gave his casting vote in favor of taxing improvements. If the absent man returns in time and votes straight it may be possible to prevent the rate being confirmed, but this is doubtful.

Our agitation has had the effect here of reducing the rate on improvement values. The rates for 1911 are $3\frac{1}{2}$ d. in the pound on unimproved values and $\frac{1}{2}$ d. in the pound on improved values.

We are certain to win in the long run even in North Sydney.

The municipalities and shires of New South Wales that raise local revenues from the taxation of land values—all that I am yet able to give figures for, and it is not a picked list—number 46. Their rates vary from half a penny to $5\frac{1}{2}$ pence in the pound of capital value. In one (Redfern), the rate is $5\frac{1}{2}$; in two, it is 5; in four, it is $4\frac{1}{2}$; in five, it is 4; in sixteen, it is 3; in ten, it is 2; in five, it is 1. The list comprises thickly populated suburban districts, country towns, and sparsely populated rural districts, which we call "shires." There are five municipalities that levy local taxes on "improved values," meaning the value of land and improvements taken together—"real estate" taxation as I understand you would call it in the United States.

So you see that almost all local taxation in New South Wales is entirely on land values, except the "City" portion of the metropolis. And this was one of the main factors in starting a great building boom over three years ago, of which there is no sign of slackening.

The procedure adopted by a council in imposing local taxation is simple. First of all the aldermen consider the estimates for the year. They then consider how the money is to be raised. Thereupon the Town Clerk advertises the result, which must be confirmed within a month. Notices are then sent to landowners to pay. Following is an exact copy of one of these advertisements, published in the *Daily Telegraph*, February 14, 1911:

MUNICIPALITY OF RANDWICK.

Estimates for the financial year ending December 31st, 1911, under Section 142 of the Local Government Act of 1906-7-8.

Notice is hereby given that at a duly constituted meeting of the Council of the above Municipality held on February 7, 1911, the following estimates were submitted to the Council in pursuance of the above Act, and duly approved, viz.:

Amount of proposed expenditure out of the General Fund, to be carried	£ 28,548
Amount in hand available for such expenditure.....	173
Amount of other revenue likely to be available.....	6,153
Amount required to be raised by the rate for such expenditure (net)	22,222
The total unimproved capital value of the Municipality is.....	1,364,518

It is proposed to raise the required amount by making and levying a general rate of 4d. in the £ on the unimproved capital value of all rateable land within the Municipality.

ERNEST H. STRACHAN, Town Clerk.

Town Hall, Randwick, Feb. 13, 1911.

When a Council wishes to levy other rates, the procedure is similar, but it has also to set out clearly that a poll may be demanded except in the case of a "loan" rate, as in North Sydney.

I have endeavored to describe what is being done in New South Wales, so that the reader may compare it readily with what is done in his own town or district. He cannot go wrong in heartily supporting the New South Wales plan.

We are determined upon taxing unimproved values alone in the "City"—Sydney—and to get the amendments in the local Government Act necessary to finally settle the whole question of local taxation for all time.

A deputation has waited upon the Minister for Public Works, the Hon. Arthur Griffith, and made among others the following requests (the term "rates" meaning local taxes), to which Mr. Griffith responded sympathetically:

Make occupied Crown lands in the city rateable in the same way as in the suburbs and country. Present occupied Crown lands in the city are rateable on the rental value, but not on the unimproved value.

Make rating on unimproved values compulsory, or allow a poll in all cases on the same lines as the Local Government Act provided in respect of "additional general," "special," and "local" rates. At present a loan rate for interest and sinking fund may be imposed on improved values without a poll being allowed, as has been done in the case of North Sydney.

Land occupied for railway purposes to be rateable.

No exemption or partial exemption in the case of land used for private school purposes.

Effective voting for city, municipal, and shire elections. Probably there is not one local council in the state that is truly representative of the electors, because of the evil effects of bunching, throwing votes away, etc., whereas proportional representation would enable every man to vote in a straightforward way, and the result would be representative in the fullest sense.

A public valuation of lands for all purposes—local, state and federal, on the lines of the New Zealand Act.

Survey. 31: 520, 538. January 31. 1914.

Present Status of the Single Tax Movement Here and Abroad.
Charles H. Ingersoll.

That the Single Tax is growing apace the world over is obvious even to casual observers. I have had exceptional facilities for knowing its status in other parts of the world, and doubt if such constructive progress has ever been shown as in the past year.

The backbone of the Lloyd-George movement is the Single Tax principle. The budget fight grew directly out of the inclusion of one per cent tax on land values and the land valuation clause through which this was to be effectuated. Lloyd-George has now announced that he proposes to take further definite steps. In England, although militancy has driven almost everything else from the limelight, the conviction is firmer and more general that the Liberal government is definitely committed to progressive land value taxation.

In Germany the movement is organized, and, though taking a form which does not meet the full approval of American single taxers, *i. e.*, the tax on increment as now suggested here in New York by the mayor's commission, is perhaps for this reason a