

WESTERN AUSTRALIA

This State, which was the last of the congery of Australian States to receive the boon of self-government, and which, while embracing an area greater than any other State, has the smallest population, has made several faltering steps in the direction of the taxation of land values. They will be stated in order of their historical sequence.

For purposes of local Government the State is divided into "Roadboards" and "Municipalities." All the latter are of urban character, or, at any rate, embrace settled country, but the former embrace both urban areas and wide, almost empty, areas. Thus some of the populous suburbs of Perth, the capital, are under Roadboards, and so is Upper Gascoyne, a geographical expression, embracing 135,925 square miles of country, almost uninhabited, and traversed not by roads, but by tracks formed by pedestrians or camels. The total area under Roadboards is 975,792 square miles and that under Municipalities 81,519 acres, equal to 128 square miles. The Roadboards have been created by "The Roads Act 1902," and administer their districts in accordance with its provisions. The Municipalities are administered under "The Municipal Corporations Act 1906."

RATING ON UNIMPROVED VALUES - "The Roads Act 1902" gives to Roadboards the option of rating the annual improved value of land, or the capital unimproved value of land; the latter, however, except as to mining leases, which may be rated on their annual or capital value, provided the assessment excludes the value of minerals in the soil, of mining machinery, and of buildings used for the housing of such machinery. Unimproved value is defined as "the sum which the land is fee-simple, if unencumbered by any mortgage or other charge thereon, and if no improvements existed on the land, might be expected to realise at the time of valuation, if offered for sale on such reasonable terms and conditions, as a bona fide seller might be expected to require." The maximum rate which may be imposed on the unimproved value of land is $2\frac{1}{2}$ pence in the £.

Overdue rates are recoverable by distress, and if unpaid for eighteen months and no distress or only insufficient distress can be found, the Council may petition the Supreme Court for an

order to sell the land, or part of it, by auction, any surplus to be held in trust for the owner.

The Act came into operation on January 1st, 1903, and returns are available to June 30th, 1907. (Public Works Report, 1906-7, Statement of Roadboard Finances.) They show that there are in existence 99 Road Boards, and that 44 of this number rate on the unimproved value of the land alone, while five boards, levy partly on the unimproved and partly on the annual value. Amongst those who exclusively rate the unimproved value are the comparatively important districts of Bayswater, Beverley, Fremantle, Goomalling, Irwin, Perth (not the city), Brookton, Broomhill, and others.

The incidence of the rate varies as follows:

2 Boards rate at	$\frac{1}{4}$ d.	in the £
14	"	"
12	"	"
2	"	"
12	"	"
5	"	"
2	"	"

The aggregate unimproved value of land assessed was £5,945,087, and that of the annual value assessed is £409,571. The revenue derived from the rates on the unimproved value was £27,107, and from rating the annual value £15,710. The returns, however, are defective, as 21 Roadboards neglected to return the assessed values.

"The Municipal Corporations Act" provides that the Councils may make separate valuations of the annual and of the capital improved value of all rateable land in their respective municipalities; that the annual value of improved land shall not be assessed at less than 4 per cent of its capital value, but that the annual value of unimproved and unoccupied land shall not be assessed at less than $7\frac{1}{2}$ per cent of its capital value. Mining and other land held under goldfield tenures shall be assessed at its fair unimproved value, plus the value of buildings thereon, but without regarding the value of other improvements or of the mineral contents of the land. (Mines are taxed by the State.)

"The Land and Income Tax Assessment Act, 1907," imposes a tax upon the unimproved value of land, at a rate to be determined, and now standing at 1d. in the £. The following

detailed provisions are made:

Owners who have been absent from the Commonwealth without a permit from the Tax Commissioner pay a surtax of 50 per cent.

Owners of improved lands receive a rebate of one-half the tax--provided as regards rural land in use, the improvements are as prescribed by the Land Act 1898, and that the improvements are of a value equal to £1 per acre or one-third the unimproved value, whichever is less; and as to urban lands, that the value of improvements is at least one-third the value of the land, though it need not exceed £50 per foot of main frontage.

For all improved agricultural land in use a deduction of £250 is made from the assessment. Land of any kind, the unimproved value of which is less than £50, is exempt, provided that the former deduction is made only once in case of several parcels being owned by one person, and as regards the £50 exemption that it does not apply in such case unless the joint value of such several parcels is not over £50.

Lands held under contract for conditional purchase from the Crown are exempt for five years from the date of contract, provided the taxpayer holds not more than 1,000 acres of cultivable land or 2500 acres of grazing land.

The land tax paid on any parcel of land may be deducted from the income tax payable with regard to the rent or profits from the same parcel.

Total exemption from land tax is granted to:

Lands owned by or on behalf of His Majesty; public roads, reserves, parks, University endowments, cemeteries, and commons. Lands used exclusively in connection with public hospitals, benevolent institutions, charitable purposes, for public worship or residence of clerics or church schools; mechanics' institutes; schools of art; belonging to a religious body and occupied solely for the purposes of such body; used for Municipal or State markets, town hall or municipal council chamber; owned or vested in any municipal corporation, road board or other statutory public body, provided no profit is derived from such lands. All lands held as mining tenements or used for zoological, agricultural, pastoral or horticultural show purposes.