

SOUTH AUSTRALIA

South Australia enjoys the distinction of being the first State to adopt the system of taxing unimproved land values. It was first collected in 1885, under the Taxation Act of 1884. This Land Tax Bill was introduced by the Hon. W. B. Rounsevell, who was Treasurer in the Colton Ministry. The Act provides that a tax of one half-penny in the £ should be levied upon the unimproved value of all land, excepting (1) park lands, public roads, public cemeteries and other public reserves, (2) land used solely for religious or charitable purposes, or used by an institute. Under the original Act it was compulsory to make a fresh assessment every three years, but by an amending act in 1902, fresh assessments are now only necessary once every five years. So soon as the assessment is made, the books must be deposited in the offices of the Commissioner and the same is open free of charge, to public inspection. If the land tax remains unpaid for a period of two years, notice of the amount due is published in three consecutive issues of the *Government Gazette*, and if the said taxes are not paid within one year from the first publication of the notice, the Commissioner has power to let the land from year to year, or apply to the Supreme Court for a sale thereof. Appeals against assessments are allowed within two months after the making of the assessments and must be made to the Commissioner; his decision may be appealed against to a special Court of Appeal.

From 1884 to 1895, there was a uniform all-round tax of one-half penny in the £. In 1895, under the Taxation Act Amendment Act of 1894, an additional half-penny in the £ on values above £5000, and 20 per cent. on and added to the taxes payable by absentees was also collected. These rates continued until 1903, when the all-round tax was increased to $\frac{3}{4}$ d in the £; the additional on values above £5000 remaining at $\frac{1}{2}$ d, with the absentee tax charged on the $\frac{1}{2}$ d in the £ values, each tax reverting again

in 1904 to rates in force prior to 1903. In 1905 the rates were an all-round $\frac{3}{4}$ d in the £, $\frac{3}{4}$ d in the £ on values above £5000, with 20 per cent. on total of both taxes for absentees. For 1906 and on to the present, the rates prior to 1903 are in force. Under the Act of 1894, "absenteeism" consists of absence from the State for the period of two years prior to the date on which the tax became due. But the duration of absence was reduced to twelve months by the amending Act of 1904. The following statistics may prove of interest. The total land values of South Australia when the assessment was made in 1905, was £33,527,099. At the 1910 assessment values had increased to \$55,010,000, an increase of £21,482,099 in five years. The 1915 assessment has just been completed and the total values are not yet available, but are expected to be about £70,000,000. According to a return presented in 1911, the value of all land in municipalities was £9,606,197, and in district councils, £41,342,228. There has been no return prepared recently giving particulars showing how the land is held. The latest available was prepared September 7th, 1911, and was as follows;

4595 estates between £2,000 and £5,000, valued at	£14,189,918.
1727 estates over £5,000, valued at	£22,265,300.
Total area of South Australia, acres.....	243,244,800
Land sold and leased, acres.....	128,717,759
Area cultivated, acres	4,612,274
Amount actually paid cash sales land.....	£ 14,174.00.0
Annual Rent payable Leasehold lands.....	133,134.11.4
Arrears of rent to date.....	49,817.11.5
Amount of Land Tax paid for Year ending June, 1915,	£131,896

LOCAL RATING

In 1890 an attempt was made to introduce land values rating for local government purposes. A clause to give effect to the principle was inserted in the Municipal Corporations Bill of 1890. It passed the House of Assembly, but was rejected by the propertied chamber, the Legislative Council. In 1891 a separate bill providing for land values assessment was passed in the Assembly, and rejected by the Council. The bill was again

introduced in 1892, and met a similar fate. In 1893, it was passed, but was so mutilated and amended by the landlords in the Council as to be almost unworkable. The original Act of 1893 has been amended three times—in 1900, 1910, and 1914. There is still room for great improvement.

At present rating on land values is optional for municipalities, but district councils are debarred from assessing on land values, as the Act does not apply to them. An amendment granting them the power has been moved on several occasions, but the Council will not give their consent to the measure.

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

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

The Act of 1893 limited the amount of revenue which could be raised under land values assessment to the amount raised

during the last year that the rating was on the rental value basis. This was a serious defect as it made no provision for the extra revenue required as the town progressed. Amendments to the Act, made in 1910 and 1914, now grant power to raise 20 per cent. more revenue than could be obtained, supposing the old rental value basis was still in operation. Thus there is power granted to raise all the revenue required, and these amendments have removed one of the most serious objections to the Act.

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

Despite all the obstacles which have been placed in the way by the House of Landlords, up to the present 12 towns in South Australia are collecting all revenue from the unimproved value of land. The names of the towns, with the results of the voting at the polls are as follows:

		FOR	AGAINST
1907	Thebarton.....	703	435
1908	Moonta.....	170	117
1910	Port Adelaide.....	2331	421
"	Hindmarsh.....	1003	344
"	St. Peters.....	952	352
"	Mount Gambier.....	490	306
1911	Glenelg.....	474	277
"	Port Pirie.....	1225	380
1912	Gawler.....	179	173
"	Petersburg.....	262	117
"	Quorn.....	85	20
1913	Yorketown.....	53	40

The Land Values Assessment Act provides that after the system has been in operation for two years in any municipality,

the citizens have the right of taking a poll with a view to returning to the old system if they so desire. Only in one instance has such a request been made. That was at Thebarton, the first town in South Australia to adopt the system. At the request of six dissatisfied ratepayers of that town, the town council granted a poll, but to the great disgust of the landlord class, the principle was reaffirmed by a larger majority than was recorded when the principle was first adopted in 1907. The majority in favor of retaining land values assessment was 335 in 1914, as against 268 at the first poll. Furthermore, at the first poll, tenants and owners were allowed to vote, whereas at the second poll, the voting was by owners only. After this expression of opinion by the owners it is safe to say that no further attempts will be made to overthrow the principle.

Thebarton possesses a very striking example of the efficacy of land values rating as a means of destroying land monopoly. Right in the centre of the town there was a large vacant block of land, containing 134 acres. This section was originally secured at 12/6 per acre, and the owners were absentees residing in Great Britain. The Thebarton Corporation were anxious to secure a few acres of this land for a recreation park. They approached the agent of the absentee owners, asked the price, and were informed that it was £150 per acre. Up to that time the only use to which the land had been put from the time it was secured for 12/6 per acre was the growing of a crop of hay and being used as a training track for race-horses. The Corporation refused to give the price asked, and the town is still without its recreation park. Under the old system of rating this section paid £31/7 per year to revenue. When Thebarton adopted the rating on land values principle, the owners had to pay £255/10 per year, with the result that it would not then pay them to keep the land idle, and today there are two factories and over 100 houses erected on the land. This section bears eloquent testimony to the effects of land values rating as a means of opening the land to the people. Wherever it has been tried in South Australia it has proved an unqualified success, and the ratepayers will never return to the old system of taxing improvements.—E. J. C.