

LAND TAXATION IN AUSTRALIA.

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Historical Survey.

I.—By Dr. H. Heaton.

The publication of the report on land taxation, prepared by the Federal Royal Commission on Taxation, marks another milestone in the story of propaganda, politics, and practice centring on the Australian landowner's pocket. There was a time when land taxation seemed to many people, in our own as in other States, to be the "Open Sesame" to the millenium. Every Bill to impose taxes on land has been hailed by its supporters as an omnipotent infallible device for solving all our social and settlement problems, and on the west coast they tell of an enthusiastic Henry-Georgeite who preaches single tax as a panacea curing, *inter alia*, insobriety and immorality. To-day, after 13 years of Federal land tax and longer periods of State and local imposts, the first fine fervour has gone, and the casual student for politics and economics would find it difficult to prove that all our land taxes have achieved very much.

Henry George Anticipated.

The first whole-hog land taxer in Australia was probably Henry Melville, a Hobart journalist in the thirties who divided his time between libelling the Governor and studying the land problems of Van Dieman's Land. Melville urged in 1836 that the whole of the colonial revenue should be raised by a charge on the land, with double rates on uncultivated areas. "By this means," he asserted, "the ports of the Colony would be free in every sense of the word." Libelled Governors could scarcely be expected to take notice of Melville's ideas, and the modern movement towards taxing unimproved values does not begin till the seventies. Where its impetus came from we do not know; but as early as 1872 the Victorian Land Tenure Reform League had embodied the tax in a fully developed platform, seven years before the appearance of "Progress and Poverty."

South Australia Leading the Way.

The story of actual legislation taxing unimproved values begins with our own State, for here we imposed a tax in 1884, thus leading the world once more. Other States were slow to follow, but New South Wales copied us in 1895, Western Australia, Tasmania, and Victoria in the first decade of the present century, and Queensland in 1915. In addition to State taxation of this type, the principle of compulsory or permissive rating on unimproved value has, since the eighties, been extended to local government. In Queensland rating on U.V. (unimproved value) is compulsory, and is the only form of general rating; in New South Wales the State has since about 1905 handed over to the local authorities the right to rate on U.V., and where this is done suspends the collection of State land tax. On top of this local and State taxation, there came the Federal tax in 1910, so that to-day in some parts of Australia the landowner may find himself subject to three imposts on the same thing.

Taxation of U.V. was one of our most famous social experiments, so the time has now come to consider the results of the experiment. Unfortunately the Federal Commission on Taxation shirks this task so far as the Federal tax is concerned, on the plea that "we have not adequate evidence to justify expression of a positive opinion." Surely a Commission which has been at work for three years, and which during that time made itself a group of experts on taxation problems, could, with the powers and information at its disposal, have given us some opinion—even if only tentative—as to the effect of land taxation.