
MUNICIPAL JUSTICE

THE CASE FOR

LAND (SITE) VALUE RATING

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Hon. Secretary Land Values Rating Central Committee
Adelaide - - - - - South Australia

The Principles Explained
Common Objections Answered
Appendices

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LITERATURE RELATING TO RATING ON UNIMPROVED
LAND (SITE) VALUE AVAILABLE

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LAND VALUE RATING

The question of paramount importance to all citizens in Local Government areas is the method adopted for raising the rate revenue needed to defray the cost of Local Government. This revenue may be collected in such a manner as to discourage the erection of all types of improvements, thus retarding progress; or the system adopted may be one that will encourage citizens to improve their land holdings, and thus make for the development of the area to the fullest extent.

The two systems of rating in operation throughout the Commonwealth of Australia are: (1) Annual Rental Value Rating; (2) Rating on Unimproved Land (Site) Value. The following definitions will be of interest:—

ANNUAL RENTAL VALUE RATING

“The annual rental value of ratable property is determined by the estimated gross annual rental at which such property would let for from year to year, with an allowance therefrom, not in any case more than one-fourth to cover all outgoings, but so that no ratable property shall be assessed at an annual value which is less than 5 per centum of the fee simple of the ratable property.”

RATING ON UNIMPROVED LAND (SITE) VALUES

“Unimproved value of any land means the capital amount for which the fee simple of such land might be expected to sell for if free from encumbrances, assuming the actual improvements (if any) thereon had not been made. Provided that in this definition the term ‘improvements’ means houses and buildings, fixtures, or other building improvements of any kind whatsoever, fences, bridges, roads, tanks, wells, dams, fruit trees, bushes, shrubs or other plants, whether planted or sown for trade or other purposes, draining of the land, ringbarking, clearing from timber or scrub, and any other visible improvements the benefit of which is unexhausted at the time of the valuation.”

The above definitions are in the South Australian legislation, and are practically identical with the definitions in the Statutes of other States. The definition of “unimproved land values” is taken from the S.A. State Land Tax Act, and is so comprehensive that it is questionable if any better definition could be found.

THE ANNUAL RENTAL VALUE SYSTEM

Very little consideration is necessary to prove that the annual rental value system of rating is both absurd and

unjust. The effect of its application is to penalise land users and to confer an unjust privilege upon people holding land out of use, in anticipation of a rise in value.

Under the annual rental value system citizens who improve their holdings are regarded as **enemies to society**, and they are **penalised by an increase in assessment and rates in proportion to the value of the improvements they bring into existence.**

On the other hand, the holder of a vacant block receives **special consideration.** He pays a few shillings per year in rates, whereas the citizen who makes improvements is called upon to pay many pounds annually.

The question is frequently asked: "Why should the annual rental value system be abolished, and rating on unimproved land (site) values be adopted in its stead?" To satisfactorily answer this question it is necessary to consider the origin of the two sets of values.

ORIGIN OF IMPROVED VALUE

The value of all improvements made upon land is a value brought into existence by reason of the **expenditure of capital and labor on the part of the individual.** Like all fixed capital, these improvements start to decay from the time they are brought into existence, and their value can only be maintained by constant expenditure by the owner on necessary renovations.

The "improvement" value is thus an **"individual created value,"** and is the property of the individual responsible for bringing it into existence. No Government has a right to **appropriate one penny piece of that value.** To do so by the imposition of rates and taxes is a **violation of the moral law.**

Another aspect of the question is that it is in the interest of the community that all its members shall be decently housed, therefore no penalty should be placed on house construction as is done under the annual rental value rating system.

ORIGIN OF UNIMPROVED LAND (SITE) VALUE

A consideration of the origin of unimproved land values shows it differs from that of improvements. It is not due to the effort of any individual. It arises because of the presence of the community.

In the early days of a community population is sparse, there is little in the way of public services, and land values are very low. In the course of time as population increases there arises the need for public services of many kinds. Roads, footpaths, lighting, sanitary and transport facilities

must be provided to meet communal needs. It will be found that in those areas where people congregate to the greatest extent, and where there has been the biggest expenditure of public money on social services, there, also, will be found the highest value attaching to land in that area. This is because of the operation of a beneficent natural law which automatically calls into existence a fund sufficient to meet the cost of all social services.

If it were not the fact that the people had chosen this particular locality as a place for their residence and activities, the land would possess only its agricultural value. Moreover, if conditions changed, and the people were compelled to leave that particular area, the land values would disappear with them, and arise in the new area where they decided to settle. It will thus be seen that land value is a people's value. It arises with the presence of the people, therefore, justice decrees that it be taken into the communal treasury and used to defray the cost of the social needs of the people.

ADVANTAGES OF THE CHANGE TO LAND VALUE RATING

The first advantage is that it would destroy the "dog-in-the-manger" policy of the land monopolists, by making it unprofitable to hold land out of use for speculation, or to use it for an inferior purpose. Evidence in support of this contention is in the two following examples:—

At Thebarton, South Australia, in the centre of that municipality there was a block of land 134 acres in extent. From the foundation of the State in 1837 to 1906 the only use to which this land had been put was growing a few crops of hay, and using it as a training track for racehorses.

In 1906 the Thebarton Municipality, anxious to secure a few acres of this land for a recreation park for its citizens, approached the agent of the absentee owner, inquired the price, and was informed that £150 per acre was demanded. The owner had paid 12/- per acre for it. Because of this exorbitant demand the citizens had to do without the proposed park.

In 1907 Thebarton ratepayers at a poll decided to change to rating on unimproved land values. It was the first Local Government in South Australia to operate under that principle. The rates on this 134 acres of land went from £31/10/- under annual values to £255/1/- under land values. Within two years nearly 100 houses and two factories were erected on the land.

The other example is in the Henley and Grange Municipality. Under annual value rating one landholder held

approximately £57,000 of unimproved land values. It is alleged he asked such high prices for it that it was out of the reach of ordinary home builders. The new electric railway is to go through the land, hence the desire to hold the land for a rise in value. In April, 1951, Henley and Grange ratepayers adopted land values rating, and the rates on this area went from £547 to £1,294 a year. In October, just six months later, 160 building blocks were offered for sale at public auction.

These two examples show the influence that rating on land values has in forcing land into use.

ENCOURAGES BUILDING

The adoption of land values rating encourages building. First, it has the effect of reducing the price of home sites to legitimate builders; and, secondly, the holder knows that any improvements erected upon the land are free from rates, hence he does not hesitate to erect a fine structure.

The following statistics are of interest: They represent the increase in population and buildings from 1911 to 1920, in adjoining municipalities, one rating on land values, the other on annual rental values:—

	Population	Buildings		Population	Buildings
Glenelg—			Brighton—		
676 acres	2,707	895	1,970 acres	1,424	266
Thebarton—			West Torrens—		
1,038 acres	5,484	2,063	7,750 acres	4,140	1,469
St. Peters—			Norwood and Kensington—		
923 acres	1,573	639	970 acres	532	436
Port Adelaide—			Woodville—		
8,722 acres	5,515	1,660	9,445 acres	4,492	1,152

The above figures indicate that despite the fact that the Municipalities of Brighton, West Torrens, Norwood and Kensington, and Woodville, which rated on annual values had a greater area of land suitable as building sites, the freedom from rates on improvements gave the preference to the four adjoining municipalities operating under land values rating. These are the official comparative figures for the first ten years of operation of the land values system.

It is necessary here to direct attention to the fact that opponents of land values rating attempt to discredit the foregoing contention about encouraging building by producing building figures to show there is greater building activity at the present time in the annual value rating areas than there is where improvements are free from rating.

The answer to this contention is that naturally when land has been built upon in the land value rating areas it

cannot be used again for that purpose. Prospective builders have to look elsewhere for home sites. Furthermore, it must not be overlooked that in the post-war years private building has been restricted. Building operations at the present time are mainly controlled by Housing Trusts, War Service Homes Departments, State Banks and Insurance Societies, which have engaged in building operations on a large scale.

Clients seeking homes have, therefore, been compelled to take a home in the area selected for this mass production policy, and of the type which other people decide—not they—or do without a home. This is the reason why at present building figures show more activity in rental value areas. People wanting a home have to take those offered or go without.

CULTIVATION ENCOURAGED IN RURAL AREAS

The adoption of land values rating has proved not only of great benefit in urban areas, but has been of great advantage in rural districts as well. Farmers have been encouraged to clear, fence and cultivate their holdings, as these types of improvements are not rated under a just system of collecting local revenue.

Orchardists, fruit and almond growers, and poultry and dairy farmers whose land is usually highly improved, have found from practical experience that land value rating is more equitable as a basis for rating. A major percentage have found their rates reduced.

Many District Councils in the rural areas have worked for years successfully under the land value system, and will not return to the taxation of improvements.

EMPLOYMENT OF LABOR

When the rating question is examined from the standpoint of the employment of labor, all the honours go to rating on unimproved land values. Experience has proved that a system of rating that taxes improvements and thus discourages the erection of buildings of all kinds operates against the employment of labor.

With rates levied upon unimproved land values the monopoly of land is discouraged by making it unprofitable to hold land out of use for speculation. Furthermore, that system encourages the erection of homes, shops, factories and other types of improvements, as under it they are free from the rate burden.

This encouragement to put land to its best use provides employment for masons, bricklayers, painters, carpenters, plumbers and other workers who engage in house con-

struction. Therefore, all desirous of securing full employment should give their support to the land value system of rating.

THE BUSINESS ANGLE

It is a well-known fact that vacant blocks do not provide customers for business men. In view of this fact, a rating system that encourages the holding of land out of use should not receive support from anyone engaged in business. Land value rating, by forcing land into use and occupation, increases the number of customers in the area, consequently all shrewd business men should give their support to that just system of rating.

THE SLUM QUESTION

In many cities and towns there are what are known as slum areas, which are a danger to public health, and an eyesore in any well-ordered community. The question arises: Why should owners of slum properties demolish or improve them when they know that under the annual rental value system of rating such action would be followed by an increase in rates?

Is it surprising that under such a rating system owners of slum properties prefer to allow the unsightly dwellings to remain so long as they can get a return on their capital outlay and enjoy low rate payments, even though the slums may be on valuable land?

Rating on land values call upon such owners to pay their just contribution to local revenue, irrespective of the unsightly improvements that may be on the land. Consequently, the owner soon finds that improvements must be effected more in keeping with the site, so that a higher rental may be obtained to meet the increased payment to the local authorities.

Moreover, the owner has the satisfaction of knowing that no matter how fine a structure he may erect on the site he will not be penalised because of his enterprise. A change in the rating system from the penalty rates on improvements to rating on land values is the only practical policy to secure the abolition of slums. It is the one policy which will ensure that members of the community shall be decently housed and permitted to live under healthy conditions.

LOWER COST FOR PUBLIC SERVICES

An important advantage that would accrue from the adoption of land values rating is the lower cost of public services. Under a well-ordered system of society development proceeds outward from the civic centre. Under the

annual rental value system the very opposite takes place. Speculators buy large areas of land which are the favored sites near the centre of the district and then wait for development to take place, so that they may sell and get "something for nothing." Because they ask high prices from legitimate users, many are unable to purchase. They are thus forced out to lower priced locations away from the centre.

This means that the Council is met in higher costs to supply the roads, footpaths, lighting and sanitary services needed by these ratepayers, who have been forced to the outskirts of the town. These services have to be taken past many vacant blocks which, under the annual rental value system, contribute only a few shillings annually to the rate revenue.

Although the holders of the vacant land contribute only a small sum in rate revenue, the land they hold is increased considerably in value because the services which are provided are available to future users of the land. The speculators do not hesitate to capitalise the advantages associated with public improvements and take them in the additional price which they demand because the improvements are there. One has only to read the brochures issued by auctioneers when a subdivisional sale takes place to realise the truth of this statement.

Rating on land values makes it unprofitable for large areas to be held out of use for a rise in value. The result is that development then proceeds in a more orderly manner outward from the civic centre, consequently the cost of supplying social services is reduced by calling upon all holders of land, whether improved or vacant, to make their just and equitable payment to the cost of the services provided by the Council.

WINDOW AND CHIMNEY TAXES

The facts of history tell us that in days gone by houses in England and France were built without windows and chimneys. This was to evade the payment of taxes levied on those things by needy Treasurers. We express the opinion that it was a foolish policy to levy taxes on such things in the olden days, overlooking the fact that in the areas rating on annual rental values not only are the windows and chimneys taxed, but the whole of the building is also assessed for taxation purposes.

ANNUAL RENTAL VALUE PRINCIPLE IS WRONG

The true principle of rating is that all citizens should contribute to local revenue on the basis of benefits received from local expenditure.

It should be apparent to all that under the annual rental value system this principle is completely ignored. Under that system citizens are rated according to the amount of capital and labor they personally spend on providing accommodation for their families. The better the improvements the higher the rate penalty inflicted. Surely it is time we ceased penalising ratepayers in proportion to the use they make of their land!

All benefits which arise from public expenditure are reflected in the value of land, as it is by the possession of land such amenities can be enjoyed. Justice decrees that land values constitute the true basis from which Local Government revenue shall be obtained.

Common Objections Answered

RATE ON LAND VALUES PASSED ON

It is claimed that if the local revenue was collected from land values, the amount of the rate paid would be passed on:

- (a) To a purchaser in higher price.
- (b) To a tenant in increased rent.

Neither of these contentions will stand logical investigation. Take first the case of a prospective buyer. Would he be compelled to pay a higher price because rates are levied on land values instead of on improvements. The answer is No.

The imposition of a land values rate does not reduce the area of the land available to buyers. It actually increases the supply. Speculators finding their rate payments increased are forced to subdivide their holdings, as is shown earlier in this brochure. The result is that the competition to sell land actually reduces the price to the legitimate builder.

Now, as to the tenant. Rents rise or fall in accordance with the operation of the Law of Supply and Demand. When houses are scarce rents are high. When they are plentiful rents are reduced. Under the land values system of rating home sites are reduced in price, because of the land forced on the market. Building is encouraged, because no rates are levied on improvements. This increases the number of homes available for letting purposes, and rents will be reduced—not increased as alleged by opponents of land values rating.

VERY LITTLE LAND HELD FOR SPECULATION

The argument is sometimes advanced that there is little land held in a district for speculation, consequently

there is no need to adopt land values rating. We meet this contention by stating that even though there may not be one vacant block in the area, the need for placing the rating system on an equitable basis still exists.

When people commence home-making there is usually only the husband and wife. Later, children come upon the scene. With this increase in family the need for additional accommodation arises. More rooms have to be built, and if annual rental value rating is operating every addition made to the home means a higher assessment and the payment of increased rates.

It will, therefore be seen that apart altogether from the question as to whether there is or is not vacant land in the area, land values rating is still desirable, so that no penalty shall be placed on improvements, and to ensure that every citizen pays only his just contribution to the cost of Local Government.

RETURNED SOLDIER AND YOUNG MAN ARGUMENT

As the story goes, we are told that many returned soldiers and other young men have purchased a home site, but it may be many years before they are in a good financial position and able to build. It is claimed that under the annual value system, with the low rates payable on vacant land, they can afford to hold the land idle. With land values rating in operation it is claimed they would be forced to sell the home site because of the higher rates then payable.

The first question that arises is: "Why should any returned soldier or other young man be obliged to buy a home site until they were in a position to build?" The answer is: Because of land monopoly. These young people know that with an increase in population land values will rise, thus causing them to pay a higher price in, say, five years' time.

The effect of land values rating on land monopoly is to make home sites available to all on reasonable terms when they are required.

Let us consider what would really happen to these young men if a change from annual rental values to land values were made.

Assuming the young man is paying 10/- per year in rates under annual rental values on his vacant land, but under land values rating his rates would be increased to £4 annually. If five years elapsed before he was able to build he would save in that period £17/10/- if annual rental values rating were retained.

However, at the end of the five years' period when his house was built, his rates under annual rental values would rise to £7 a year, whereas under land values rating the rate payment would remain at £4 per annum, because improvements are not taken into account under that principle of rating.

It will thus be seen that although a saving of £17/10/- would be made prior to the erection of the home, an additional sum of £18 is payable in the six years following the building of the home, and this extra £3 per annum is payable throughout the existence of the home. This shows that young men holding home sites for several years prior to building have all to gain by the adoption of land values rating.

LOT OF HOUSES CROWDED ON SMALL AREA OF LAND

It is claimed that when improvements are exempt from rating and revenue levied by land values rating, the tendency will be for builders to crowd many houses on a small area of land to get extra rent revenue.

The first reply to this is that crowding of houses would be prevented under the Building and Health Acts.

Secondly, with home sites reduced in price, owing to land values rating, and improvements exempt from rates, builders would be encouraged to erect the best type of building, and they certainly would not spoil the appearance of the place by crowding a number of houses on a small area of land.

Practical experience has proved that in the areas rating on land values the houses are now of a better type than were erected in the district when annual values rating was in operation. Moreover, the area of land surrounding the house is much greater than when the old system of rating operated.

THE POOR WIDOW

The "poor widow" is much in evidence when opponents attempt to discredit land values rating. Many crocodile tears are shed on her behalf by people who were never considered friends of poor widows.

The story told is that a poor widow has a valuable block of land with a small cottage on it, and under land values rating she is called upon to pay the same rates as a publican next door who has a massive hotel on his block and makes a lot of money.

Of course, it should be evident if the widow is poor, she cannot have a valuable block of land, as that would be a

contradiction in terms. Assuming, however, that the value of the land held by the widow and the publican is identical, what about it? Can it be denied that it costs the local authority just as much to put the road and footpath in front of the widow's block as it does to give the same service to the publican? Why, then, should not both pay alike for similar services rendered?

Of course, we must not overlook the fact it is claimed the publican makes a lot of money, whereas the widow has little income. Hence, it is claimed, the publican should pay higher rates. But why? We must not overlook the fact that whatever money is made by the publican in conducting his business, it is due to his own individual effort, and not to anything done by the Local Government authorities. Further, the publican does not use compulsion to get people into his hotel to partake of his drinks, meals and accommodation. The customers come of their own volition. Therefore, if the customers are satisfied to pay what they consider fair prices for the services rendered by the publican, by what moral law have local authorities the right to take part of the earnings of that publican by a higher rate impost?

Why should a publican be subjected to this injustice any more than a butcher, baker, lawyer or doctor, or any one else who gets rich by rendering service to the community?

Such an argument is stated as an appeal to sentiment, and it is not supported by any just reason for such an impost.

LAND NOT ALWAYS A GOOD INVESTMENT

Opponents of land values rating assert that land is not always a good investment. They claim if it is right to take the increment of land values into the Treasury when land rises in value, rather than allow it to go into the speculator's pocket; then it is equally right that the community should compensate an investor when land values fall and causes the speculator to lose on his transaction.

The point overlooked by those making such an assertion is that when land rises in value the amount which then goes into the speculator's pocket is a **distinct loss to the community** responsible for the increase in land values.

On the other hand, when a speculator is guilty of an error of judgment and the land values fall instead of rising as expected, the amount lost by the speculator is **not gained by the community**, hence the speculator has no just claim for compensation from the community.

THE GARBAGE QUESTION

What may be regarded as the "star" argument used in opposition to land values rating has reference to garbage charges. This argument has been very much overworked, particularly in the Town of Glenelg, where land values rating has been working successfully since 1912. It is claimed that under land values rating flats and maisonettes do not contribute a fair proportion of revenue to the cost of the garbage services. It is usually in seaside resorts like Glenelg where flats and maisonettes predominate.

Now, as to the claim that flats do not contribute their fair share to the cost of garbage collection. In the first place, those making the assertion cannot deny that under any system of rating it is impossible to accurately fix the garbage charge upon ratepayers in exact proportion to services rendered. Some must pay more, others less than the actual cost of rendering the individual service. To illustrate this point, let us take two homes in an annual rental value area. One with a high improved value is occupied by an elderly couple who have little in the way of garbage. The other, with a much lower improved value, is occupied by a family of six or seven people. Manifestly, the latter would have the greater amount of garbage for removal. Yet, because of the lower assessment under the annual rental value system, they would pay less in rates. In many homes, and particularly in flats, incinerators are constructed, and these consume the major portion of the garbage, but the rates are not lower on that account. These anomalies are overlooked in connection with the annual value system, but are magnified in the areas rating on unimproved land values. Why?

What are the facts regarding garbage payments in the areas rating on land values? Is it a fact, as claimed, that rates are not sufficient to cover the cost of the service rendered? The important fact overlooked by these critics is that the presence of the people residing in the flats gives an added value to land—not only upon the site on which the flats are built—but to the total land values of the town. Let us assume that in Glenelg—the premier seaside resort—3,000 people live in flats. Because of their residence in the town they increase the value of land in the business areas by reason of the increased demand made by them for goods at local stores. This increase in the value of land in the business centres must not be overlooked when the question of securing revenue to meet garbage charges is being considered. The occupants of the flats contribute to the creation of land values throughout the town, and when

this value is taken into the municipal treasury it is sufficient to cover the cost of the garbage service rendered to all parts of the town.

It may be claimed this would be asking the owners of the business sites to pay for a service enjoyed by customers who reside in flats. Such a contention is not in accord with fact. The business man does not create the extra land values attaching to his business site. That is due to the presence of the citizens as a whole, those living in flats included. If it were not for their presence in the town, land values would be lower. When this fact is realised, it will be seen that no injustice is done to the business men when this community-created land value is taken into the communal treasury to defray the cost of communal services. It is the only just basis for rating to place garbage payments on an equitable basis.

TENDENCY FOR A TOWN TO STAGNATE UNDER LAND VALUES RATING

An extraordinary statement was made in a public debate by an opponent of land values rating. It was claimed that under land values assessment the tendency was for towns to stagnate. This is the case as then presented. It was stated that in areas rating on annual rental values, every new house and all improvements made enabled the valuator to increase the assessment, and, of course, the amount of rates would also increase. Under such a rating system there was an ever-growing source of rate revenue, whereas with land values rating in operation and improvements and new buildings not taken into account, there was not this automatic increase in assessment, consequently there was the tendency in such areas for the towns to become stagnate.

The easy answer to that contention is to quote the figures relating to a number of Local Government areas rating on unimproved land values and show the assessment in the first year of the adoption of the system, comparing it with the latest assessment made. Here are a few examples from the metropolitan area in South Australia:—

Municipality	Year Land Values Adopted	Assessment First Year £	Assessment 1953-54 £
Glenelg	1913	273,737	1,873,720
Thebarton	1909	169,954	802,958
St. Peters	1911	301,965	573,731
Hindmarsh	1915	276,628	684,666

The above table shows that the land values assessment for Glenelg rose by 300 per cent., and the increases in the other municipalities were also very substantial. The figures

indicate very great progress in the areas following the adoption of a just system of rating. Land values do not rise in an area where there is stagnation.

ABILITY TO PAY

Supporters of annual rental values rating assert they favor it because the system is based on the principle of "ability to pay."

Let us assume that two citizens, one with a land site of the value of £2,000, with improvements on it to the value of £5,000; the other with vacant land valued at £2,000. Under the annual value system the citizen who has the improvements is assessed at a capital value of £7,000, making his annual value £350. Assuming the rate in the £ payable to be 2/-, the man with the improvements will contribute £35 to Local Government revenue. The annual value of the vacant land will be £100, and the rate payment made by the holder will be £10. Both ratepayers enjoy the same services, but the one who has improved his landholding has to contribute 250 per cent. more in rates than the speculator holding land out of use for a rise in value. It is quite likely that the vacant landholder, who is in such a financial position that he can hold the land idle, has more "ability to pay" than the one who spent money in improving his property.

Although the "ability to pay" principle is very popular with university professors and economists generally, it is not based on justice. No person in their right senses would think of running a private business on the "ability to pay" principle. Let us assume a man enters a store and asks for a pound of tea. Would the storekeeper, seeing the man dressed rather shabbily, say: "That poor man has not the 'ability to pay,' therefore, I will charge him 2/6 for the tea." Later, another customer enters giving evidence of being very wealthy, and he also wants a pound of tea. Possessing all the "ability to pay" signs, would the storekeeper charge him 3/6 for his pound of tea?

We know of course, that private business is not run on such a foolish principle. Charges are made according to the value of the service rendered, irrespective as to the bank balances of the individual customers—in other words—each pays in proportion to benefits received.

This principle, which operates successfully in private business, is the correct one for public business. All benefits conferred on citizens by public authorities are reflected in the value of land, as it is by possession of land that such benefits are enjoyed. Therefore, when rates are levied

upon unimproved land values, each landholder contributes his just proportion to rate revenue, irrespective as to whether the land is improved or held idle and vacant.

THE COMPOSITE SYSTEM

Some time ago the Local Government Advisory Committee submitted to the State Government a report suggesting that the Local Government Act be amended to provide for what it termed a composite system of rating. The committee professed to be anxious that holders of vacant land should make an increased contribution to Local Government revenue, but examples of rates that would be payable, which were given at a public meeting at Glenelg, showed clearly that, compared with land values rating (which has been in operation at Glenelg since 1912), vacant blockholders under the composite system would get a reduction of 27 per cent. in the rates they would pay, whereas owners of improved properties would have their rates increased by from 60 to 114 per cent.

The proposal put by the committee was that improvement values should carry 85 per cent. of the rates, and vacant land only 15 per cent. It was also proposed that this hybrid system should be put into operation on July 1, 1950, and that no poll of ratepayers be allowed for an expression of opinion on this important question.

This attempt to jettison land values rating which had secured substantial majorities in 24 Local Government areas in South Australia was not successful. Copies of the report were sent by the Minister of Local Government to all the municipalities and district councils throughout the State, and a big majority in their replies made it clear to the Minister they were not interested in the proposal. The voting in favor of it was only 50 out of 143 Local Government bodies in the State, consequently the suggested legislation was not introduced into Parliament.

LAND VALUES RATING ONLY AN EXPERIMENT

Opponents attempt to discredit the land values principle by stating it is merely an experiment supported by a few faddists. This is mere wishful thinking. Here are the facts:—

Queensland has, since 1890, collected all local rate revenue from unimproved land values.

New South Wales adopted land values rating in 1905 for all Councils, with the exception of the City of Sydney. That Council adopted the principle in 1916.

Victoria has 30 Local Government bodies rating solely on land values.

In South Australia 28 Municipalities and District Councils collect rate revenue solely from land values.

In Western Australia, in addition to a few Municipalities which rate on land values, 92.45 per cent. of the Road Boards' rate revenue comes from unimproved land values, and only 7.55 per cent. from rates on improvements.

Tasmania has not as yet come under the operation of the principle, but moves are being made in that direction. At a poll taken in the City of Launceston on December 11, 1947, 3,864 votes were cast for land values and 2,706 against it; but owing to the restrictions in the Act the poll was not effective. At present there is a movement in Devonport to adopt land values.

In the Australian Capital Territory the rate revenue is raised from the unimproved value of the land.

Throughout New Zealand 194 counties, cities, boroughs and towns rate on unimproved land values, as against 116 rating on capital and annual values.

The fact that three-fifths of the Local Government bodies throughout the Commonwealth raise their rate revenue solely from land values, and approximately two-thirds of the local bodies in New Zealand collect their rate revenue from a similar source, reveals just how fallacious is the contention that land values rating is only in its experimental stage.

The principle has worked successfully for more than 60 years in Australia, and when reversion polls have been sought by vested interests, substantial majorities have been polled in favor of retaining the land value system.

RATEPAYERS WILL NOT REVERT

The South Australian Local Government Act gives power to ratepayers after two years' operation of the land values principle to revert to annual values, if so desired. Only four such polls have been asked for by opponents of the land values principle, and in each case big majorities were polled in favor of retaining it. Here are the voting results for each poll:—

Date	Name of Council	Votes for Land Values	Votes Against
1913	Thebarton	695	360
1918	Gawler	219	121
1928	Murray Bridge	361	86
1945	Murat Bay	124	76

Only landowners are entitled to vote at these polls, and after many years' experience the votes cast indicated a strong preference for the retention of the land values system. This should be convincing evidence as to its successful working.

GOLF AND POLO CLUB LAND

In a brochure issued by Alderman Burnell, of the Burnside City Council, he claims there is need for annual rental values rating so that "open spaces which benefit all rate-payers" may be provided. He goes on to state: "Recently Parliament found it desirable to reduce slightly the exorbitant rate imposed on golf and polo clubs which occurred when the rating system was changed from annual values to unimproved land values. Even with this reduction it is unlikely that these clubs can continue to occupy land that is so heavily rated, and may be compelled to subdivide the land."

It is essential that the facts regarding these clubs shall be made public. When the Local Government Amendment Bill was before the Legislative Council on November 27, 1951, Sir Wallace Sandford moved to insert a new clause providing that areas of land, ten acres or more in extent, used for the playing of games by a substantial number of members of the association, and situated in an area rating on land values shall be assessed at half the land values thereof. It was pointed out that as a result of a change in the rating system at West Torrens, the rates on the Kooyonga Golf Club rose from £136/6/- to £1,790/16/8 a year; the Glenelg Golf Club will go from £75/15/- to £690; and the Birkalla Polo Club will pay £634 instead of £40.

The Chief Secretary (Hon. A. L. McEwin) opposed the proposed new clause, but it was carried in the Council by 11 votes to 8, all the Liberal members, excepting the two Ministers and the Hon. W. W. Robinson, voting for this unjust special concession.

On November 28, the Bill was returned to the House of Assembly, and the Minister of Local Government (Hon. M. McIntosh) moved: "That the amendment inserted by the Legislative Council be disagreed with." He went on to explain that the Kooyonga Golf Club had 140 acres of land; the Glenelg Golf Club 114 acres; and the Birkalla Polo Club 65 acres. On the rate levied on the clubs' land, the Kooyonga Club held £59,594 unimproved values, the Glenelg Club £23,800, and the Birkalla Club £24,000—a total of £107,394 in unimproved land values.

Mr. McIntosh pointed out to the House that "this system is authorised by the Local Government Act and that, after a poll of the owners of ratable property in a Local Government area, the system can be brought into operation." Replying to a question by Mr. Stephens, M.P., who

asked: "Could a children's playground or the courts of a tennis club, with an area less than ten acres, be granted this concession," Mr. McIntosh replied, "No."

He then went on to say, "the Kooyongga Club had about 800 members, the Glenelg Club about 100, and the Polo Club about 180. Spread over the whole of these member-ships the increase in rates would not ruin the sport." He also stated, "the Polo Club . . . sublets its grounds to other sporting clubs with over 3,000 members. This House would not be justified in accepting the amendment." At midnight the Assembly divided on the amendment, which was defeated by 21 votes to 10, seven Liberals and three Independents voting for the concession.

A conference between the two Houses was then held, and at 3.10 p.m. a compromise was agreed to, and the proposed concession was reduced from one-half reduction to one-quarter in rate payments for a period of five years, as compared with rates paid by all other landholders. An amendment to the Local Government Act made in 1954 deleted the five years period, and made the concession of one-quarter rate permanent.

Thus we find sporting interests with political pull, being granted concessions in rates in the dying hours of the Parliament, despite the fact that the ratepayers of West Torrens in July, 1950, by 1,639 votes to 410 declared in favor of rating on land values. In this manner to give privileges to a favored few, such concessions not being granted to children's playgrounds or tennis clubs.

The sponsors of this iniquitous proposal are keen supporters of the "Call to the Nation for Moral Rearmament"—but this did not prevent them forcing through Parliament one of the most immoral pieces of legislation that has disgraced the Statute Book of this State. These are the facts concerning the concessions granted to these clubs which has the hearty approval of Alderman Burnell in his brochure.

VERY FEW COUNCILS RATE ON LAND VALUES

Alderman Burnell in his brochure also reprints from the Local Government Advisory Committee's report the statement that out of 143 Local Government bodies in S.A. only 22 rate on land values. This is intended to convey the idea there is little interest manifested in the land values principles. This contention has been put forth in public

debates and in press controversies. No reference is made to the many restrictions in the Local Government Act which make it very difficult to get the principle applied. Here are some of the obstacles to be overcome.

Under the Act as now framed, 5,000 landholders could petition a Council to grant a poll of ratepayers to adopt land values rating and the Council can ignore the request. In such a case the only alternative is for the landholders to wait until the following election, and then try to change the personnel of the Council.

Assuming, however, that land values rating has been in operation in an area for two years, 100 ratepayers may petition for a Reversion Poll, and under the Act the Council must grant this request.

Under the Act the definition of "ratepayer" is owner or occupier. Hence it is possible that not one of the 100 ratepayers petitioning for a Reversion Poll would be eligible to vote when the poll is taken. They may all be occupiers, and only landholders are permitted to vote at a land values poll.

It will thus be seen that the Act makes it mandatory for a Council to grant a Reversion Poll on a petition of 100 ratepayers, none of whom may be eligible to vote, yet the Council can ignore the request of 5,000 landholders for an Adoption Poll, notwithstanding that all are eligible to vote.

This is Injustice No. 1.

Assuming an Adoption Poll is granted, before it can be effective a three-fifths majority of the landholders recording their votes, or one-half in number of the landholders whose names are on the voters' roll, must vote affirming the land values principle.

On the other hand, when a Reversion Poll is taken a simple majority of one vote is sufficient to return to the old bad system of taxing improvements. The Act thus makes it exceedingly hard to adopt the correct principle, but very easy to get rid of it.

This is Injustice No. 2.

How have these restrictions prevented the application of land values principles to Local Governments? Here are some examples: The first land values poll taken in the State was at Gawler in 1893. The voting was: For land values, 114; against, 12. The poll was lost.

At that time the Act provided that 50 per cent. of the voters on the roll must cast their votes, otherwise the poll was not effective. Because of this the opponents did not have to go to the poll to vote against the principle, they

had merely to remain away from the voting booths, thus preventing the 50 per cent. of votes being cast, and in this manner defying the expressed will of the majority.

An amendment to the Act abolished this restriction, and put another in its place, making a 25 per cent. majority of the voters on the roll necessary to ensure success.

A poll taken at Kensington and Norwood Municipality in 1911 gave 786 votes for land values, and 449 against, and the poll was lost. At Brighton Municipality in 1922, 436 votes were recorded for land values and 184 votes against, and this also was lost. Again, at Brighton in 1923, 390 votes were given for land values and 164 against, and for the second time in this municipality this restriction in the Act prevented the will of the majority from taking effect.

Another change was made in the Act when the 25 per cent. restriction was removed, and the present restriction of a three-fifths majority substituted in lieu thereof. So it will be seen the attitude of the Government has not been to permit the will of the majority to prevail, but to make secure the privileges enjoyed by holders of vacant land.

On March 30, 1946, the Municipality of Naracoorte took a poll of ratepayers, when 251 votes were given in favor of land values rating, and 168 against. This poll was lost, because it was four votes short of the three-fifths majority.

A second poll was taken at Naracoorte on June 1, 1946, the voting then being 271 for land values, 248 against. This poll was lost by reason of being 34 votes short of the required majority. Between the first and second polls, the holders of vacant land were alive to the danger that threatened them and contacted absentee landholders, and it was their postal votes that was responsible for the defeat of the principle, and the over-riding of the will of local residents who suffered by reason of the land monopolised in the area.

These facts relating to the restrictions which make it difficult to secure the adoption of the land values system are concealed from the general public by our opponents, who try to make capital out of the fact that only a limited number of councils work under this just principle of rating in this State. The actual number at present is 19 Municipalities and 9 District Councils. The wonder is that so many have adopted it, despite the restrictions in the Act designed to make adoption very difficult.

Many requests have been made to the Liberal Government to get these restrictions removed, but they have all been refused. One wonders why, seeing that this same Liberal Government placed in the Act creating the Whyalla Town Commission, in 1944, the following clause:—

Section 25: All rates in the Town of Whyalla shall be assessed and levied on land values as defined in the Local Government Act, and Division III of Part X of that Act shall be deemed to have been brought into force in that town.

It would be interesting to know just why the ratepayers at Whyalla had the land values principle incorporated in the Act constituting that area without them being consulted by a poll, yet other Local Governments are denied the right to express an opinion at a duly constituted poll.

VICTORIA AVENUE AND STONYFELL

We reprint the following "comment" from Alderman Burnell's brochure:—

The following illustration demonstrates that the land values system fails utterly to accord rates with services rendered.

Working on the basis as laid down in Local Government Act that three pence unimproved land values is equivalent to one shilling annual value and taking a rate of nine pence and three shillings respectively and taking the present day value of land and assuming that there are in the City of Burnside two houses of the value of £2,000 each standing on land measuring 60 ft. x 150 ft. One in Victoria Avenue, Rose Park, on land worth £15 per foot, and another standing on land at Stonyfell valued at £3 per foot.

The rate payable under the unimproved land values would be—

Rose Park	£33 15 0
Stonyfell	£6 15 0

Both these properties receive the same service from the municipality, but one is required to pay five times as much as the other. There is absolutely no justification for this great difference in the amount charged for rates.

The example from Burnside is not an isolated one, and a similar disparity would be found in all municipalities where there is a big difference between the highest and lowest valued land.

The rates payable on these properties under annual values would be—

Rose Park	£21 15 0
Stonyfell	£16 7 0

It is surprising that Alderman Burnell is unable to see that the illustration he gives is a condemnation of the annual values system, and shows the urgent need for the adoption of land values rating by the City of Burnside, so that its citizens may be justly treated.

Let us compare the two sites quoted by the alderman. Residents in Victoria Avenue, Rose Park, enjoy tram and trolley-bus services at frequent intervals. They can be transported to the centre of the City of Adelaide in 12 minutes. On the opposite side of the avenue from the residential area is the East Parklands with the Victoria Park Racecourse and numerous tennis courts. The residents of that area can, if so disposed, walk across the racecourse into the city in 20 minutes. Many do this, thus saving tram and bus fares. The avenue is paved with bitumen, has good footpaths, lined with beautiful trees, and has an excellent lighting system.

Now, let us see how the residents of Stonyfell suffer. To reach Stonyfell, which is about four miles from the City of Adelaide, they must take the Erindale tram to the terminus, the ride taking about double the time necessary to get to Victoria Avenue. Alighting from the tram they must walk anything from one to two miles to reach their homes. This walk is along a road very narrow and very dimly lit. Footpaths are not yet constructed, the ground is hilly and very uneven, and this makes walking a tiresome job. The face of the Stonyfell Quarry provides the scenic beauty on the east side, whilst a rubbish tip provides a somewhat different view in the west. Before a home can be built on many of the sites, heavy trees must be removed—a costly job.

The only difference in rates enjoyed by these Stonyfell residents, as shown by Alderman Burnell under annual values, is £5/8/-, certainly very low compensation for living in this outlying district, instead of being on Victoria Avenue, Rose Park, with all its amenities. This very small difference in rate payment is more than absorbed by the increased tram fares paid by only one member of the family on the longer journey. The time element is another important factor. The Stonyfell resident loses a considerable amount of time: (1) In walking to the Erindale tram; and (2) on the longer period necessary for the tram to reach Adelaide. We are told that "time is money," but apparently Alderman Burnell is not in accord with this axiom.

The additional rate shown as being paid by residents on Victoria Avenue, Rose Park, is £27 annually. It will thus be noted that the unimproved land value system of rating recognises the great disabilities suffered by the residents of Stonyfell as compared with those residing on Victoria Avenue, and because of this compensates them with a lower rate payment.

This is in accord with the sound economic principle that everyone should contribute according to the advantages enjoyed through having the exclusive possession of a piece of land which has advantages over some other area.

This compensation under unimproved land values rating amounts to 10/- per week, whereas under Alderman Burnell's annual value proposal it is only two shillings per week.

Victoria Avenue residents would not change places with the folk at Stonyfell, even though their rates would be much lower if the change were made.

Some day Alderman Burnell may learn that the true function of ground rent is to equalise opportunities for all by compensating those debarred from the limited more favored sites by a lower rate payment.

ONE MORE GEM FROM THE CONTROVERSIAL CASKET

We reprint one more gem from the statements made by Alderman Burnell in his brochure. Here it is—

It is stated that the rental system penalises a man from improving his property. All taxation extracts more from the man who improves his property. The farmer who tills his land better than the average pays more than the average income tax. The man who works overtime pays more tax than the man who works undertime.

It, therefore, cannot be said to be unique or unusual to rate higher for improvements, especially when these improvements call for extra service from the municipality.

Alderman Burnell could have carried his taxation illustrations much further. He could have shown that the man with a large family paid more in customs duties than the single man. He could show that the relatives of a deceased person who had been industrious and thrifty during his lifetime were called upon to pay heavier probate and succession duties than the relatives of a man who had spent his money as he had earned it.

However, those with a sense of justice know there is no more justification for the imposition of such vicious penalties, though they may not be "unique or unusual," than there is for heavily rating a man who improves his property, so that holders of vacant land may benefit at his expense.

Apparently "The Call of the Nation for Moral Rearmament" has left Alderman Burnell cold. He ignores the fact that all taxation levied upon the capital and labor of

wealth producers is a violation of the moral law that "the thing produced belongs by right to its producer."

Instead of giving his support to a just system of levying public revenue he attempts to justify the evil of annual values rating by stating that such evils also exist in the Federal and State Government spheres. Apparently he finds satisfaction in the fact that he who makes two blades of grass grow where only one previously had grown, or who works overtime, are penalised because of the enterprise they display.

His brochure eloquently proclaims the fact that his knowledge of economic principles is very limited. If the statements in it are the best that can be advanced in favor of the annual values system of rating, then it can truthfully be said it has been weighed in the balance and found wanting.

The foregoing statement of the principles of rating on unimproved land values, and the examination of the common objections raised against it, should convince all unbiased readers as to its justice.

Summing up it may be stated that the argument in favor of the adoption of land values rating may be set out as follows:—

Land value is essentially a people's value. It comes into existence with the presence of the people. It disappears when the people leave the locality, notwithstanding the fact that all improvements remain.

Some land sites have natural advantages over other areas. These advantages may be due to greater fertility of the soil, better climatic conditions, or may be due to the fact that the sites are better served with transport and other public facilities. Then, again, they may be regarded as being more desirable as sites for business or residential areas.

As these advantages are not due to anything for which the landholder can claim credit, they are **REFLECTED IN GROUND RENT**—the price people are prepared to pay to have exclusive possession of these favored sites.

Seeing this premium—or ground rent—arises from the presence and demand made by the people, justice demands that this value—or rent—shall be taken into the public treasury, used for the benefit of the people, and the rates now levied upon improvements abolished.

Whether you be Mayor, Alderman, Councillor or Citizen in any Local Government area this question vitally affects you. Because of this you are invited to give all possible assistance to the freeing of all improvements from rate burdens, and to substitute in lieu thereof the policy of obtaining all Local Government rate revenue from the unimproved value of the land.

If you are interested to know more about this question, then write or call at any of the addresses shown in this brochure. Information freely given, and speakers will be arranged to address public meetings if so desired.

APPENDIX A. QUEENSLAND

Statement showing the unimproved capital value of ratable properties and the rate revenue of the City of Brisbane, other Cities, Towns and Shires in Queensland for the year ended June 30, 1953

	Unimproved Value of Ratable Properties	Rate Revenue Received			Total
		General Rate	Loan and Special Rates	Water Rates	
	£	£	£	£	£
City of Brisbane	62,372,071	3,397,740	—	1,149,743	4,547,483
Other Cities	10,723,476	893,119	174,955	606,041	1,674,115
Towns	3,288,000	231,870	27,032	137,231	396,133
Shires	66,494,875	3,451,799	289,442	178,911	3,920,152
Total	142,878,447	7,974,528	491,429	2,071,926	10,537,883

Rating on unimproved land values was initiated in Queensland in 1890.

APPENDIX B. NEW SOUTH WALES

Statement showing unimproved capital value of ratable lands and revenue from rates in all Local Government areas in 1954.

	Unimproved Capital Value of Ratable Lands	Rates Levied		
		Ordinary Services (b)	Trading Water and Sewerage Funds	TOTAL
	£	£	£	£
Sydney Metropolitan (a)				
City of Sydney	107,203,000	3,126,771	—	3,126,771
Suburban Municipalities and Shires (a)	290,788,000	8,102,006	37,961	8,140,967
City of Newcastle	16,584,000	707,307	—	707,307
City of Greater Wollongong	13,745,000	393,443	—	393,443
Other Municipalities and Shires ..	306,477,000	9,447,901	1,708,103	11,156,004
Total Municipalities and Shires ..	734,797,000	21,778,428	1,746,064	23,524,492
County Councils ..			128,582	128,582
Total Local Government	734,797,000	21,778,428	1,874,646	23,653,074

(a) As from January 1, 1954, the Sydney Statistical Metropolis was extended to embrace the Municipalities of Fairfield and Hobroyd and the Shires of Sutherland and Warringah together with parts of the Municipality of Liverpool and of the Shires of Bankham Hills, Blacktown and Hornsby.

The figures for "Suburban Municipalities and Shires" in the above statement are on a different basis from those shown for "Suburban Municipalities" in publications prior to 1954 as they include particulars for the abovementioned local authorities which previously were included in "Country Municipalities and Shires."

The group "Other Municipalities and Shires" represents the total of groups previously described as "Country Municipalities and Shires" after the exclusion of the five areas now in "Suburban Municipalities and Shires" and the City of Greater Wollongong now shown separately.

County Councils levy water and electricity fund rates over the same areas as their constituent municipal and shire councils levy general and other rates. The unimproved capital values of county areas is excluded because it is already included in the total for Municipalities and Shires.

(b) Comprises general rates and special and local rates for services similar to those rendered from the proceeds of the general rate.

The principle of rating on land (site) value was embodied in the Local Government Act of 1906, but it was not until 1916 that the City of Sydney adopted that principle of rating.

APPENDIX C. SOUTH AUSTRALIA

Statement showing unimproved land values assessment, rates in the £ levied, and rate revenue for all Councils rating on unimproved land values for the year 1953-54.

Name of Council	Land Values Assessment	Rate in £	Rate Revenue Obtained		
Metropolitan Municipalities	£		£	s.	d.
Glenelg	1,873,720	8d.	62,457	6	8
Thebarton	802,958	10d.	33,456	11	8
Hindmarsh	684,664	1/3 to 1/3½	43,290	6	9
St. Peters	573,731	1/-	28,686	11	0
Port Adelaide	1,481,766	1/2½ to 1/10	117,247	19	0
Colonel Light Gardens	231,565	11d.	10,613	7	11
Henley and Grange ..	845,291	8½d.	29,937	7	9
West Torrens	3,013,788	9d.	113,017	1	0
Marion (1953-54) .. .	3,707,657	6d.	92,691	8	6
Marion (farm lands)	493,801	4d.	8,229	0	4
Country Municipalities					
Moonta	36,902	1/- & 1/7	2,904	0	9
Renmark	224,462	1/2	13,115	15	8
Renmark	Special rates	5/7ths d.	585	10	7
Quorn	18,116	1/4	1,207	14	8
Port Pirie	317,589	1/8	26,465	15	0
Port Pirie	Special rates	5d.	6,616	8	9
Port Augusta	473,278	6d.	11,831	19	0
Port Augusta	Special rates	1d.	1,971	19	10
Port Lincoln	299,911	1/7	21,071	3	2
Port Lincoln	Special rates	1d.	1,241	17	10
Peterborough	58,319	1/7	4,616	18	5
Peterborough	Special rates	5d.	1,214	19	7
Mount Gambier	947,916	6½d., 7½d., 9d.	35,328	10	3
Murray Bridge	275,909	10d. & 1/4	17,935	15	2
Murray Bridge	Special rates	1½d.	1,724	9	1
Victor Harbour	373,237	1/-	18,661	17	0
Country District Councils					
Barmera	160,770	1/2 & 1/3	11,693	4	3
Barmera	Special rates	2d.	1,339	15	0
Cleve	506,536	6½d., 8d., 11d.	14,005	6	11
Cleve	Special rates	½d.	1,055	5	8
East Murray	129,987	5½d.	2,979	19	1
Kimba	205,655	7d. & 1/6	6,714	18	5
Karoonda	169,998	9d., 1/3, 1/5	6,661	4	2
Karoonda	Special rates	½d.	354	3	9
Le Hunte	147,873	1/3 & 2d.	10,474	6	9

Lexton	417,416	7d., 8½d., 10½d.	13,391	8	5
Lexton	Special rates	1d. & 2½d.	1,044	15	7
Murat Bay	241,980	6½d. & 1/-	7,720	0	5
Whyalla Town					
Commission (con-					
tribution by Broken	333,178	1/5	21,222	9	7
Hill Proprietary)			4,000	0	0

APPENDIX D.

VICTORIA

Local Government Areas Rating on Unimproved Land (Site) Values
for the Year 1953-54

Name of Council	Unimproved Land Values Assessment	Rates in £ Levied	Rate Revenue
Cities	£		£
Moorabbin	9,375,756	6½d. & 6½d.	248,709
Chelsea	1,685,003	7½d.	52,926
Oakleigh	2,974,748	7½d.	92,150
Preston (a)	4,929,351	8d.	164,311
Newton & Chilwell ..	1,585,135	7d.	46,341
Sandringham (a)	4,666,480	7d.	136,105
Brunswick (a)	5,479,127	8d.	182,637
Camberwell (a)	11,965,144	7.875d.	392,603
Box Hill	5,101,920	7½d.	159,435
Essendon	5,012,723	11d.	230,527
Caulfield	13,996,233	5½d.	320,747
Mordialloc	2,818,366	7d.	82,664
Kew	7,681,711	5.15d.	165,636
Coburg (a)	6,009,450	7½d.	187,795
Warrnambool			
(1954-55)	2,045,553	6.2d.	54,335
Heidelberg	6,036,045	9½d.	238,926
Hamilton	1,252,976	7½d.	37,851
Salis (a) (1954-55) ..	1,263,912	7½d. & 8½d.	44,258
Nunawadding	3,987,361	6.8d.	112,975
*Malvern (1955)	13,318,592	5.025d.	
Shires			
Yea	603,469	9d.	22,629
Rosedale	1,502,392	5½d. & 8d.	33,634
Frankston and			
Hastings	4,832,281	5½d. & 5½d.	108,080
Dandenong	4,065,116	7½d. & 8d.	133,477
Eltham	1,347,549	9d. & 7.875d.	46,703
South Barwon	1,865,862	6½d. & 3d.	42,278
Boroughs			
Portland (now town)	674,340	8d.	22,478
Ringwood (a)	1,246,094	9d.	46,702
Echuca	646,320	10d.	26,930
*Castlemaine (1955)	611,000	10½d.	
Total Rate Revenue from Unimproved Land Values ..			£2,434,645

(a) Indicates that in these Local Government areas a small amount of revenue was also obtained from net annual value rating levied upon special properties.

* Polls were held at these two municipalities on August 27, 1955. The rate shown indicates the rate required to produce the same revenue as a 2/6 at Malvern and a 3/6 rate at Castlemaine in 1954 under the net annual value system of rating.

APPENDIX E. WESTERN AUSTRALIA

Municipalities Rating on Unimproved Land Values for year ended 31st October, 1954.

Council	Assessment Unimproved Land Value £	Rates in £ General	Levied Special d.	Amount Payable in Respect of Rates £
Albany	782,976	6d.	Loan 2.14/25d. Fire B. 3d. Cemetery 3d. Health 1.3d.	19,042 8,313 1,190 1,190 5,951 <hr/> 35,746
Bunbury	1,405,943	2 3/4d.	Fire B. 1d. Health 1d. Loan 2 3/4d. Total Rates 6 1/4d.	<hr/> 35,880 20,731
Geraldton	829,240	6d.	Loan 2 1/2d. Fire B. 1d. Health 1 1/2d.	8,638 1,727 4,319 <hr/> 35,415
Midland Junction	423,798	6d.	Total Rates 10 1/2d. Fire B. 3d. Health 3d. Loan 2 1/2d. Street Light 7/32d. Total Rates	<hr/> 21,025
Perth Endowment Lands (October, 1955)	740,710	3 1/2d.	Fire B. 1d. Health 1d. Loan 3d. *Sanitary 3d. Total Rates	<hr/> 14,909

* Rate charged on certain properties, which were without sewerage or a septic tank.

Total rate revenue collected from municipalities which have adopted rating on unimproved land values, £142,975.

Road districts rating on unimproved land values for the year year ended 30th June, 1953.

METROPOLITAN DIVISION

	Unimproved Land Value £	Rates in £ General d.	Levied Loan, etc. d.	Amount Payable in Respect of Rates £ s. d.
Bassledean	292,697	8.00	2.23	12,476 4 3
Bayswater	739,613	8.25	2.75	33,486 8 7
Belmont Park	655,188	(a) 7.50	1.63	24,924 8 10
Canning	409,114	8.84	3.75	20,987 6 9
Melville	1,093,628	6.77	3.70	47,769 10 5
Mosman Park	318,282	9.00	—	11,935 11 6
Nedlands	1,123,786	7.35	1.28	40,409 9 5
Peppermint Grove	354,888	4.00	—	5,914 16 0
Perth	2,275,078	6.44	4.46	103,326 9 2
Perth South	1,166,503	7.07	1.95	43,841 1 5

Swan	430,541	4.14	—	7,426	16	7
Total Metropolitan						
Division	8,841,318	—	—	352,438	2	11
(a) Includes lighting rate of 0.38d.						

NORTHERN AGRICULTURAL DIVISION

Carnamah	522,693	4.00	(b)	9,897	5	1
Chapman, Upper	414,863	2.50	0.81	7,440	4	11
Cunderdin	378,894	5.00	1.30	9,945	19	4
Dalwallinn	631,041	3.87	2.48	16,696	6	10
Dandaragan	189,798	2.50	1.17	2,902	6	6
Dowerin	236,225	3.75	0.13	3,818	19	5
Geraldton						
Greenbough	458,632	2.00	0.28	4,365	6	9
Gingin	132,430	3.50	0.25	2,068	14	4
Goomalling	310,794	6.00	2.27	10,709	8	10
Irwin	80,471	3.25	1.50	1,592	13	1
Kellerberrin	346,713	2.69	1.41	5,923	0	3
Koorda	194,120	4.07	2.43	5,257	8	4
Kununoppin						
Trayning	155,712	4.00	1.60	3,633	5	7
Merredin	346,034	3.69	2.26	8,578	19	3
Mingenew	369,784	3.75	0.75	6,933	9	0
Moora	813,189	3.78	1.35	17,382	0	9
Morawa	435,371	3.50	1.17	8,471	11	16
Mount Marshall	278,919	3.88	(d)	4,296	5	7
Mukinbudin	167,762	4.00	2.71	4,690	6	11
Mullewa	215,043	3.00	1.19	3,754	5	10
Northampton	512,378	2.25	0.17	5,166	9	6
Nungarin	103,732	2.50	2.36	2,100	11	5
Perenjori	460,957	4.00	0.62	8,873	8	5
Tammin	202,563	3.88	0.69	3,857	2	8
Three Springs	195,370	3.58	1.63	3,427	2	3
Victoria Plains	251,010	4.00	2.13	6,411	4	3
Westonia	64,851	4.00	—	1,080	17	0
Wongan-Ballidu	415,195	7.00	1.25	14,272	6	7
Wyalkatchen	220,829	4.56	1.00	5,115	17	5
Total Northern						
Agricultural						
Division	9,106,273	—	—	189,802	14	10

(b) Loan rate of 1d. on £284,569 unimproved capital values.

(d) Loan rate of 6.38d. on £262,571 unimproved capital values.

SOUTH-WESTERN COASTAL DIVISION

	Unimproved Land Value £	Rates in		Amount Payable in Respect of Rates	£	s.	d.
		General	% Levied Loan, etc.				
Albany-Armadale	119,469	5.64	2.65	4,126	13	2	
Kelmscott	341,708	3.00	1.79	6,819	18	5	
Augusta—							
Margaret River	227,289	4.00	1.25	4,971	18	11	
Balingup	165,937	(e) 2.25	1.88	1,736	2	11	
Blackwood—Upper	387,376	3.39	0.98	7,053	9	5	
Bridgetown	192,392	5.03	3.21	6,605	9	2	
Busselton	542,313	4.93	1.20	13,851	11	6	
Canal	181,770	2.80	0.64	2,605	7	4	
Chittering	163,114	4.00	0.75	1,611	3	1	
Collie Coalfield	390,439	5.51	2.57	13,144	15	7	
Cranbrook	264,152	3.00	0.75	3,194	17	6	
Dardanup	170,663	5.00	0.49	3,015	0	10	
Darling Range	526,727	3.62	1.19	10,556	6	0	
Denmark	113,773	5.32	1.98	3,460	11	10	

Drakesbrook	125,046	4.00	1.18	2,698	15	2
Ermentale	186,269	7.72	1.00	6,767	15	5
Gosnells	394,072	7.22	2.19	15,455	18	1
Green Bushes	33,278	3.50	2.00	762	12	5
Harvey	395,056	2.25	2.30	7,489	12	0
Mandurah	282,423	4.00	(f)	5,175	16	7
Manjup	263,969	5.00	2.76	8,534	19	11
Mandaring	225,709	6.00	1.21	6,583	3	7
Murray	421,583	4.00	1.67	9,959	17	11
Naonup	46,730	4.00	1.00	973	10	10
Plantagenet	334,677	6.00	2.77	12,229	13	1
Preston	173,545	4.00	2.13	4,332	12	6
Rockingham	408,281	4.36	(g)	10,528	17	4
Serpentine—						
Jarrahdale	90,900	6.00	2.50	3,219	7	6
Wennerloo	171,325	6.00	2.29	2,665	18	8
Total South-Western				180,131	16	8
Coastal Division	7,065,085	—	—			

(c) Lighting rate of 0.5d. on £18,262 unimproved capital value.

(f) Loan rate of 6.5d. on £225,015 unimproved capital value.

(g) Loan rate of 1.91d. on £391,607 unimproved capital value.

SOUTHERN AGRICULTURAL DIVISION

	Unimproved Land Value £	Rates in General d.	£ Levied Loan, etc. d.	Amount Payable in Respect of Rates		
				£	s.	d.
Arthur, West	190,024	6.00	1.25	6,740	6	2
Beverley	487,987	4.00	0.60	9,353	1	8
Brookton	305,753	4.00	0.40	5,205	9	5
Broomehill	372,563	2.00	0.63	4,082	13	4
Bruce Rock	563,246	4.83	1.87	15,803	19	0
Corrigin	375,367	4.00	1.13	8,023	9	6
Cuballing	215,911	3.50	0.88	3,940	7	6
Dumbleyung	424,252	4.30	1.11	9,563	7	11
Gnowangerup	516,054	3.00	1.44	9,546	19	11
Katanning	467,011	4.22	1.39	10,916	7	7
Kent	122,091	6.00	1.25	3,688	3	4
Kojonup	482,677	3.50	0.50	8,044	12	4
Kondinin	412,245	3.49	1.09	7,869	0	2
Kulin	268,320	6.00	0.75	7,546	10	0
Lake Grace	281,584	3.12	1.77	5,737	5	5
Marradong	103,337	2.75	1.63	1,885	18	0
Nareembeen	332,670	3.50	2.88	8,843	9	6
Narrogin	225,618	3.25	1.13	4,075	17	2
Northam	301,797	3.50	—	4,401	4	1
Pengelly	161,810	4.00	1.38	2,953	0	7
Quarrading	452,733	3.63	0.25	7,319	3	9
Tambellup	141,357	3.11	1.88	2,939	1	0
Toodvay	262,590	2.13	1.75	4,245	4	1
Wagin	217,108	4.00	1.60	5,065	17	0
Wandering	92,804	4.00	0.75	1,836	14	11
Wickepin	208,230	5.50	1.00	5,640	18	4
Williams	222,308	4.00	0.19	3,881	2	6
Woodanilling	138,911	4.00	0.44	2,569	17	0
York	490,683	2.00	0.15	4,395	14	0
Total Southern Agri- cultural Division	8,837,091	—	—	175,114	15	2

EASTERN GOLDFIELDS DIVISION

Coolgardie	14,263	2.00	(b)	1,304	11	3
Dundas	24,904	4.07	1.53	581	1	10
Esperance	43,227	(i) 4.00	1.00	1,105	19	9
Kalgoorlie	23,919	1.00	—	99	13	3

Menzies	67,939	2.00	1.50	990 15 6
Phillips River .. .	31,973	3.00	1.69	624 16 1
Yilgarn	63,587	4.00	3.50	1,987 1 10
Total Eastern				
Goldfields Division	269,812	—	—	6,693 19 6

(b) Loan rate of 1d. on £284,569 unimproved capital value.

(c) Lighting rate 3d. on £16,434 unimproved capital value.

NORTHERN GOLDFIELDS DIVISION

	Unimproved Land Value £	Rates in General d.	Levied Loan, etc. d.	Amount Payable in Respect of Rates £ s. d.
Black Range .. .	31,630	5.00	—	608 19 2
Cue	33,342	6.00	—	833 11 0
Laverton .. .	20,080	5.00	—	418 6 8
Leonora .. .	43,504	3.00	—	543 16 0
Mount Magnet .. .	45,784	4.00	0.75	906 2 10
Willuna .. .	70,137	6.00	—	1,753 8 6
Yalgoo .. .	101,547	2.25	—	952 0 0
Total Northern				
Goldfields Division	346,030	—	—	6,016 4 2

NORTH-WESTERN DIVISION

Ashburton .. .	116,413	6.00	1.00	3,445 7 7
Gascoyne—				
Minitia .. .	268,946	5.00	—	5,603 0 10
Gascoyne—				
Upper .. .	150,752	4.00	1.00	3,015 0 9
Marble Bar .. .	69,282	4.00	0.50	1,296 0 9
Meekatharra .. .	128,220	6.00	1.25	3,873 6 3
Murchison .. .	113,145	2.00	—	942 17 6
Nullagine .. .	61,122	5.00	—	1,222 8 4
Port Headland .. .	61,643	3.00	1.00	1,027 7 8
Rosebourne .. .	58,563	3.00	0.50	854 0 10
Shark Bay .. .	55,940	1.00	—	233 1 8
Tableland .. .	29,141	2.00	—	242 16 10
Total North-				
Western Division	1,113,167	—	—	21,755 9 0

KIMBERLEY DIVISION

Broome .. .	31,650	1.00	—	131 17 6
Half's Creek .. .	84,584	3.50	—	1,233 10 4
Kimberley West .. .	138,514	3.00	—	1,731 8 6
Wyndham .. .	45,989	4.00	—	766 9 8
Total Kimberley				
Division .. .	300,743	—	—	3,863 6 0
GRAND TOTAL	35,879,519	—	—	935,816 8 3

Under the Road Districts Act power to rate on unimproved land values was first granted in 1902. The Road Boards may adopt the annual value system of rating 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 in connection with the supply of water.

Rural districts are rated on unimproved land values. An analysis of the details as given in the Statistical Register, Local Government Section, shows that 98 road districts use both systems of rating, and 29 rate solely on unimproved land values.

The Statistical Register gives only the TOTAL rates collected from BOTH systems, with the rates in the £ levied on each of these systems. It has thus been necessary for us to separate this total amount by working out the amount collected from the unimproved value of land in each of the 127 road districts, and deducting the land values total from the total of both systems. This shows that

92.45 per cent. of road district rate revenue is collected from land values, and only 7.55 per cent. from annual values.

Here is a summary showing the details for each division:—

Division	Total Rates Collected	Rates Collected From Unimproved Land Values	
	£	£	s. d.
Metropolitan	353,873	352,438	2 11
Northern Agricultural .. .	203,871	189,802	14 10
South-Western Coastal .. .	196,564	180,131	16 8
Southern Agricultural .. .	189,353	175,114	15 2
Eastern Goldfields	28,440	6,693	19 6
Northern Goldfields	10,279	6,016	4 2
North-Western	23,379	21,755	9 0
Kimberley	6,569	3,863	6 0
	<u>1,012,328</u>	<u>935,816</u>	<u>8 3</u>

These details are for the year ended June 30, 1953—the latest available. The figures given in the previous issue of this pamphlet were for the year ended June 30, 1949. The following comparisons are of interest:—

	1949	1953
Total Unimproved Land Values		
Assessment	£24,534,338	£35,879,519
Rates Collected from Land Values ..	£404,999	£935,816
Percentage of Rate Revenue Collected from Land Values	83.46%	92.45%

APPENDIX F.

AUSTRALIAN CAPITAL TERRITORY

Leases of land for business and/or residential purposes are granted under the City Leases Ordinance for a term of 99 years, and the rental payable is 5 per centum of the unimproved value of the land, which is subject to reappraisement each twentieth year of the lease. At present there is a temporary rental rebate of 20 per centum which has the effect of reducing the rental to the equivalent of 4 per centum of the unimproved capital value.

(1) Unimproved value of land leased—

(a) Business sites £244,160.

(b) Residential sites £481,260.*

(2) Rates in city area where services are provided—1/3 in £ on the assessed value of the site for rating purposes.

In this connection it is pointed out that rates are calculated on the basis of a calendar year rather than a fiscal year, and the above figure applied to year ended 31st December, 1954.

(3) Rates on rural land where services are not provided—3½d. in £ on the unimproved capital value.

(4) Rates payable in respect of the year ended 30th June, 1954, on—

(a) Cottage sites (figures not available).

(b) Business sites £12,208

(c) Residential sites £24,063

(d) Rural lands (25 year leases) £4,095

(e) Freehold land £1,883

£42,249

The assessed value of residential sites for rating purposes is now four-fifths of the unimproved value of the sites, not two-thirds as stated in February, 1952.

* These figures do not include value of the sites of Commonwealth-owned cottages let to tenants. It is interesting to note from a statement appearing in the Budget Papers 1955-56, page 135, that rates and rent derived from the Australian Capital Territory, 1954-55, amounted to £691,681.

APPENDIX G. NEW ZEALAND

The following information relating to New Zealand was courteously supplied by the Government Statistician at Wellington, New Zealand, on April 29, 1955:—

Number of Local Authorities Rating on Unimproved Value at April 1, 1954—

	Rating on Unimproved Value		Total for New Zealand		Percentage Rating on Unimproved Values	
	No.	Population	No.	Population	No.	Population
Counties ..	65	384,360	129	726,500	50.39	52.90
Boroughs	112	1,021,480	144	1,329,400	77.78	76.84
Town Dis- tricts (Inde- pendent)	10	8,000	21	16,090	47.62	49.72
Town Dis- tricts (De- pendent)	7	3,500	16	7,340	43.75	48.77
	194	1,417,360	310	2,079,330	62.58	68.16

A "dependent" town district forms part of a county in respect of roading and some rating, whereas an "independent" town district is independent of any county jurisdiction. In the ratable values quoted, the values of dependent town districts are included in those for counties.

The total ratable values for New Zealand as at April 1, 1954, were:—

- (1) Capital value £1,540,921,370.
- (2) Unimproved value £451,172,892.

The total rate revenue during the financial year ended March 31, 1954, according to the rating systems is available for counties, boroughs, and town districts, and is as follows:—

- (1) Capital value £3,396,760.
- (2) Unimproved value £8,245,433.

The following local authorities have adopted rating on unimproved land values since the table supplied to you in 1952 was compiled and up to April 1, 1955:—

Counties	Boroughs	Town Districts
Rangitikei	Papakura	Otautau
Clutha	Temuka	Nightcaps
Coromandel	Akaroa	
Tairā	Tuakana (1)	
Waitemata	Eltham	
Edmont	Te Aroha	
	Shannon	
	Dunedin City	
	Waihi	
	Kaiapoi	
	Ashburton	
	East Coast	
	Bays (2)	

- (1) Has been recently constituted a borough; was formerly a town district.
- (2) Was formerly part of a county.

Several other town districts which have been constituted boroughs during the period also rate on unimproved values of land.

Under the authority of the Counties Amendment Act 1952, a few county towns (being part of counties) have elected to be rated on unimproved value. No details of population, land values, or rate revenue are available.