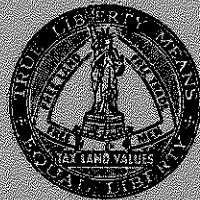


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## Local Taxation on Land Values in Australia and New Zealand

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Henry George arrived in Sydney on the 6th March, 1890. He was met at the wharf by an enthusiastic band of Single Taxers. He was taken to the Town Hall and introduced to the Mayor of Sydney, Ald. Sydney Burdekin, who welcomed him on behalf of the citizens.

At night the Single Tax League entertained him at a banquet at the Town Hall. Mr. C. L. Garland, M.I.A. presided. Henry George addressed five great meetings in Sydney. He also visited country towns and addressed meetings in other States.

He went to New Zealand where he met Sir George Grey, one of the notable men of those days whose ideas on the land question were similar to his own. I want to set out the position showing the extent of the adoption of Henry George's principles for Local Taxation on unimproved values in Australia and New Zealand.

### *QUEENSLAND*

The first practical results were in Queensland. Later in that year, 1890, the Government of which Sir Samuel Griffith was Premier and Sir Thos. McIlwraith was Treasurer, introduced a "Valuation and Rating Bill" for Local Governing bodies.



Mr. W. Stephens, M.L.A., who had had local government experience and been Mayor of South Brisbane, strongly attacked the rating provisions of the Bill. He said that they should have a simple system with a single rate on land values.

His speech so impressed Sir Thos. McIlwraith, who was in charge of the Bill, that he agreed temporarily to withdraw it. Sir Samuel Griffith drafted the provisions for valuing the land and imposing local taxation upon it. These became law.

Sir Samuel Griffith was later appointed Chief Justice of Queensland. And, later still, became the first Chief Justice of the High Court of Australia. Here is the position in Queensland in the first year of the new rating system of land values.

The area of Queensland is 667,000 square miles of which 665,978 square miles are incorporated in local authorities, 12 cities including the capital, Brisbane, 10 towns, 112 shires, total 134. The population in 1891 was 168,400. The unimproved capital value of the land was £49,154,977. Land value rates received from it £253,581.

The latest available figures are for 1957. Population 1,396,740. The unimproved capital value of the land £221,034,451. Rates on values: General £11,490,744, Water £2,950,709, Total £14,441,453.

#### NEW SOUTH WALES

The Act providing for local taxation on land values was passed into law in 1906, when Hon. J. H. Carruthers was Premier. It was in two parts. First provision was made for 134 shires. Before that time there was no local government in country areas apart from municipalities for towns

Rates were imposed on land values in the shires in 1907. In the 187 municipalities outside the City of Sydney, which operated under its own Act, the rates very generally

went on land values in 1908. Councils could propose to put a proportion of the rates on the improved capital values.

In Sydney district several councils proposed dual rates. In such cases 100 ratepayers could demand a poll. In all cases the polls were carried in favour of local taxation on land values only. In country towns some councils put local water and sewerage rates on improved capital values. But this system has almost died out. Practically all rates are now on land values.

When the aldermen of the City of Sydney saw the benefits of local taxation on land values they wanted similar rating powers. These were granted and a portion of the City rates went on land values in 1909. Further progress was very difficult. The law made rating on annual values apply to Government properties but not if the rates were imposed on land values. It took seven years and much hard work to get a Council elected in December, 1915, pledged to rate on land values only.

Hon. R. D. Meagher, M.L.A. became Lord Mayor for 1916. He believed in the land values system and put it into force. He also got the Government to agree to paying rates on the unimproved values of its properties. During the depression of the early 'thirties all State Government properties were very unfairly exempted.

The Water and Sewerage Boards for Sydney and Newcastle areas operate under their own Acts and still rate on assessed annual values. Great efforts were made extending over many years to get these rates also imposed on land values but without success.

In 1907: 134 shires, area 179,130 square miles. Population 542,800. Unimproved land values £81,526,814. Rates imposed £287,633. In 1908: 187 municipalities, population 935,480. Land values £44,421,626. Rates all but a small proportion on land values, £579,828. In 1916,

the first year with all rates on land values in the City of Sydney: Population 106,000. Unimproved values £31,168,904, Rates imposed £525,869.

Here is the position in N.S.W. in 1957. Population 3,622,906. Because of many amalgamations and adjustments of boundaries, chiefly in recent years there are now 15 cities, 71 municipalities, 103 shires, total 189. Area: incorporated 29,483 square miles, unincorporated 79,901 square miles. Unimproved values of the land £1,085,034,000. Rates imposed on land values £31,368,035.

### VICTORIA

Victoria has an area of 87,884 square miles. Rating on land values was first the subject of legislation in 1914. The Act was ineffective. Several amendments were made. The City of Caulfield was the first to give notice of its intention to adopt rating on unimproved values in March, 1920. It was soon followed by the City of Oakleigh and Rosedale Shire.

The latest available returns show that 34 local cities, boroughs and shires rate on land values. Three are included in the Water Area returns. There have since been several successful votes of ratepayers to adopt the land values system, so that the position is a little better now.\* In Victoria there are 40 cities, 6 towns, 16 boroughs and 136 shires. Total 198.

Victoria has another system of imposing rates on land values. Under the State Rivers and Water Supply Commission there are 30 irrigation districts with a total area of 2,100,000 acres. Unimproved Land Values £40,000,000; rates £204,000.

There are also 25 Water Works districts with an area of 7,000,000 acres. Unimproved Values £38,900,000. Rates £428,000. These areas include three towns with

\* Forty as at July, 1959, with 7 polls pending—Ed.

rates for water and sewerage on unimproved values. The total rates in these areas are in the vicinity of £750,000. Thus Victoria has land valued at £207,279,909 rated on land value with a revenue of £4,184,643.

### SOUTH AUSTRALIA

In the year 1893 when the Kingston Government was in power the Land Values Assessment Act was passed into law. The first area to adopt unimproved values rating was Thebarton, a metropolitan municipality, in 1907. Moonta, a country municipality, was next. Mr. E. J. Craigie was then an alderman. He was the moving spirit in favour of rating land values.

South Australia has an area of 380,070 square miles. So far out of a total of 143 municipalities and shires 34 have rating on land values. All but two by polls of the ratepayers. In four areas efforts were made to revert to the former rating system on assessed annual values but all were decisively defeated.

Rating reformers in South Australia are severely hampered in efforts to carry a poll as a three-fifths majority is necessary. A majority may vote for rating reform but fails because of that undemocratic provision. The approximate assessed value of land where rates are imposed on land values is £37,000,000 with a rate revenue of £1,436,000.

### WEST AUSTRALIA

West Australia has an area of 975,920 square miles. Its councils may impose rates on unimproved values. So far 6 of the 21 municipalities have adopted the land values system. In W.A. there are 126 Road Boards. Of that number all but one impose rates wholly or in part on unimproved values.

The approximate amount of rates received from land values is: Municipalities, £249,000; Road Boards,

£1,560,000; Total £1,809,000. The amount of land values upon which the rates were imposed was Municipalities, £15,988,299; Road Boards, £58,385,843; Total £74,374,142.

#### TASMANIA

The area of Tasmania is 26,215 square miles. Councils have power to impose rates on land values but so far no Council has used it. An unofficial poll in Launceston years ago favoured rating on land values but the Council did not give effect to the ratepayers' wishes. Agitation notably in two areas in recent years has favoured rating reform but so far in vain.

In Queensland and New South Wales there is a general election of aldermen and shire councillors for three years. In the other States a third of the aldermen retire annually. Such a system severely restricts the power of the local electors. An agitation to change the composition of the Council would have to extend over three years instead of one.

#### NEW ZEALAND

When the Rt Hon. R. J. Seddon was Premier in 1896 legislation was passed enabling local councils to impose rates on land values. The first council to adopt an up-to-date system of local taxation was Palmerston North in 1897. Three other councils soon followed. The capital, Wellington, was also an early example.

According to the latest available information New Zealand has 229 local areas rating on land values. The unimproved values of the land are £597,468,781 and the rates amounted to £11,064,256. There are still 146 areas which rate on capital and annual values. The proportion of the total rates on land values is nearly 64 per cent.

#### A RATING SUMMARY

State	Population	Land Values £	Rates £
Queensland ...	1,396,740	221,034,451	14,441,453
New South Wales	3,622,906	1,085,034,000	31,368,035
Victoria ...	2,700,635	207,279,909	4,184,643
South Australia...	886,203	37,000,000	1,436,000
West Australia ...	700,214	74,374,142	1,809,000
Tasmania ...	340,866	Not known	—
	9,647,564	£1,624,722,502	53,239,131
New Zealand ...	2,166,907	597,468,781	11,064,256
	11,814,471	£2,222,191,283	£64,303,387

#### OTHER RATES AND LAND VALUE TAXES

The Australian Capital Territory situated in New South Wales has an area of 939 square miles. Population 39,114. Land may only be held on lease. Local rates on land values £51,542. Land Rent £115,970. Total £167,512.

The Northern Territory has an area of 523,620 square miles. Some day it may be a State. Population 18,297. Rates on land values and land rents £187,068.

The States also impose taxes on land values. In 1955-56 they amounted to £5,969,000. In 1956-57 N.S.W. imposed taxes on land values. The revenue in 1957-58 was £6,002,000.

#### A FEW COMMENTS

May I as the oldest supporter in N.S.W. of Henry George's plan of local taxation on land values make a few comments? How is it that it is so appallingly difficult to get even local taxation on land values? Queensland, New South Wales and the Federal Capital Territory appear to have been lucky.

Great efforts extending over many years have so far failed to get water rates in Sydney and Newcastle areas on land values.

In Victoria and South Australia a large majority of local areas, in spite of great efforts, still rate on the old system which penalises the use of land. West Australia is a little better. Tasmania has not made a start. Many areas in New Zealand still use old fashioned rating methods.

The reason for popular ignorance on economic questions is the educational system. It safeguards the monopolies of land and trade. The young people from primary schools to universities are brought up unaware of their natural rights. They can tell you about elaborate plans to put men on the moon where there is neither air to breathe nor water to drink. But as for an understanding of the natural rights of men to equal access to the land to produce the needs of life and freedom to exchange what they produce with others, they are as simple as the Australian aborigines. In fact the aborigines had a better understanding of natural rights. They did not recognise land owners.

Moses and other notable men have directed attention to the evils of monopolies of land and trade. In the nineteenth century only Cobden and Henry George were able to make a widespread appeal to men. They went out and talked to them and roused them up. The clamant need now is for men who have sufficient power to go out and talk to men. It is the traditional way since Moses. At every turn they will be up against the massive ignorance of the people.

Labour Parties which have professed so much are failures. Their policies are simply re-hashed conservatism riddled with socialistic fallacies. Hope springs eternal in the human breast. We must press on in the hope that outstanding prophets will appear and be able to command attention.

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