

the science have all the arena. But the right to land has no publicity. Land "shortage" in Western countries is recognised but it is treated as if it were a shortage of some man-made commodity, capable of being supplied by subsidies and regulations. In Eastern countries we are told the difficulty can be overcome by arbitrary redistribution of ownership. But in both cases the essential principle of land rights is avoided.

If human rights are regarded as claims to protection, this silence is not surprising. The atmosphere encourages great interests to obtain privileges and thus become the dominating force in moulding opinion. The spirit of monopoly instinctively impels them to divert attention from the monopoly which Churchill once described as "the mother of all other forms of monopoly."

Land speculating companies, however, are not misled. In attracting investors they point out that "the supply of land cannot be increased" and that "throughout history the ownership of land has given power literally of

life and death" over the landless. Earlier societies, to whom eternal things were more obvious, also recognised this. "The Earth is the Lord's," said the old Hebrews, and they acknowledged the principle of equal right to God's creation by their institution of the Jubilee. Church leaders today ignore this example. By their silence on the right of God's creatures to the gifts of Providence they seem to imply that modern economists are wiser than the old prophets. But this passing by on the other side does not appear to have strengthened the influence of religion. To most people the Churches seem to be in timid retreat, compromising with debasing trends rather than stoutly opposing them and pointing to an alternative approach; and a religious approach must necessarily be far more profound than that of current journalism and broadcasting. Western civilisation used to be considered on the whole a Christian civilisation. As Henry George pointed out, the earth is the tomb of dead empires and civilisations no less than of dead men.

A Valuer's Review of Land Taxes in Australia

P. R. HUDSON

This is the first article of a series which will highlight some of the points made in papers presented at the Conference of the Federation International des Geometres (F.I.G.) held in London in September, 1968

PROFESSIONAL VALUERS employed by governments for assessing the value of real estate for tax purposes never have an easy task. It is their function to make the calculations which are required by statute or other legislative enactment to arrive at the particular value which the law requires. In carrying out their work they need to demonstrate their impartiality between one tax payer and another. Above all, they must be able to show that their valuations are reasonable in the light of the statutory requirements. The draughting of legislation is also a painstaking task and however thorough it is experience will prove a need for interpretation by the courts or other judicial body. In many cases decisions from other courts have made it necessary to redraft enactments to meet the political intention behind the original measure.

Bearing these things in mind, it is not surprising to find that valuers are frequently critical of legislation. The best of them, being concerned with equity, efficient administration, and also their own convenience, often propose changes that are an improvement on current legislation. Since valuers are so closely concerned with the law they are in a good position to pass judgement. On the other hand, it needs to be remembered that they are more concerned with the mechanics of valuation than the

political implications or economic theory of tax incidence.

In New South Wales (Australia) about 300,000 sq. miles of land are covered by state and local property taxation, the assessments being made by the Valuer-General's Department. According to Mr. C. O. Litchfield, New South Wales is the most advanced State in the valuation field with a high level of professionalism in the Department and a well tried appeals machinery. The Valuer-General must make three separate valuations for each property at least every six years, namely:

- Unimproved Capital Value (UCV) (land value)
- Improved Capital Value (ICV) (land and building value)
- Assessed Annual Value (AAV) (rental value land and buildings)

The State land tax and all local government taxes are levied against the Unimproved Capital Value assessments. Some water and sewerage rates, however, are levied on the annual value which includes the value of structures and improvements. In 1966 the total unimproved capital value of all rateable land in NSW was A\$5,447,400,832. Clearly the Valuation Department has plenty of work to do and inevitably faces a number of appeals each year. The way in which these are dealt with is interesting.

On conclusion of the valuation a copy of the appraisal certificate, which gives details of the valuation district, the owner's name, the address of the property, the dimensions of the land, particulars of title and improvements (if any), together with the three assessed values, is sent to the local authority and the owner or ratepayer. A dissatisfied owner may register an appeal within forty-two days. It is up to him to prove his case against the Valuer-General. If the Valuer-General is not disposed to amend his figures by agreement, the aggrieved ratepayer has recourse to an informal hearing by the Valuation Board of Review, consisting of three members, two of whom are practising valuers. If the Board's decision is unacceptable to either side there is a further, formal, appeal to the Land and Valuation Court. This has Supreme Court status and consists of one judge. Evidence before this court is given under oath and in accordance with legal practice and the rules of evidence. Further appeal can only be on a point of law to the State Supreme Court or the High Court of Australia.

The following figures of appeals given by Mr. Litchfield give some indication of the effectiveness of the valuation procedure.

NEW SOUTH WALES 1961-2

Notices of valuation issued	433,000
Objections lodged and outstanding at beginning of year	9,279
Objections withdrawn or negotiated by agreement... ..	6,524
Objections listed for Court hearing	2,755
Objections determined by Court	41

Since some 75 per cent of objections are settled by negotiation it would appear that the system is a successful one.

Commenting on the recent Royal Commission of Inquiry into Rating, Valuation and Local Government Finance (see *LAND & LIBERTY*, August, 1967), Mr. Litchfield pointed out that after some fifty years experience of the UCV system the Sydney City Council supported the method wholeheartedly. He went on however:

Mr. Litchfield does not approve of residual valuation methods to ascertain land value. In consequence he suggests that there might be an argument in favour of using rental values in large cities and applying the rental system to the valuation of strata and air rights. He continued:

"The argument on the relative merits of the various systems of valuation for rating and taxing purposes could go on indefinitely and probably will. My view is that in a growing economy in a developing country, where land values are never static, the unimproved capital value is the best basis of valuation for rating and taxing purposes with some exceptions."

Mr. Litchfield is particularly concerned with the Australian definition of value in relation to mineral land which is related to output. He also dislikes the valuation problem posed by stratum definition where the law requires an apportioned sum for the air space in a flat or office block assuming the structure to be intact to provide the space unit to be valued. "This difficulty of valuing strata," he claims, "brings up the question as to whether a different basis of valuing strata should not be adopted."

In spite of his criticism, however, Mr. Litchfield concurs with the findings of two major Australian Committees of Inquiry which concluded that "unimproved value rating generally, with a few exceptions, reflects ability to pay and appears to be the fairest system for raising revenue for local government purposes from land."

This direct and pertinent comment needs to be drawn into British political thinking, particularly at the present time when the Report of the Royal Commission on Local Government is awaited. Mr. Litchfield's paper contains many pointers for future legislation and wealth of detail on the operation of the Australian property tax system—a system which in many respects could stand as a model for a renewed effort in land taxation in the second half of the century.

*Valuation for Rating and Taxation in Australia by C. O. Litchfield, Australia.

SHORT ADDRESSES

The short addresses listed below were read at the International Conference at Caswell Bay, September 8-14, 1968. They are duplicated in booklet form and are available at 9d. each or 5s. a set including postage while stocks last.

House Purchase on the Margin
JULIA BASTIAN

New Homes for a New Society
F. R. GIGGS

Nothing New Under the Sun
W. THOMPSON

Justice and Jurisprudence
W. D. FARR

Town Planning and Land-Value Taxes
GUSTAV BOHNSACK

Patents—a Right to Property
N. BILITCH

Farm Policies for Land Owners in the U.S.A.
WOODROW W. WILLIAMS

From Gold to Token Money
MITCHELL S. LURIO

Human Rights—Then and Now
R. CLANCY