

By A.R.HUTCHINSON (Glen Iris, Vic., Australia)

As noted in IUN No. 15 ("Canberra in Crisis"), the capital city of Australia has abandoned its system of public renting of land and has in effect converted from leasehold to freehold. This is a serious setback.

Those acquainted with the Canberra leasehold system have not claimed it as a perfect example of the principle of collection of site rentals for public purposes. They have been critical of the 20-year interval to reappraisal and have urged change to annual or not less frequent than triennial reappraisals. Despite this blemish the Canberra system started out with the objective of making the land available to lessees without payment of any price to purchase the sites. They were to be obtained by payment of the land rental annually to the Government instead of to landowners. The fact that refinements were needed to assess the rental more correctly simply called for effort to improve it - not to abolish the payment of land rental. That it was progressively eroded and ultimately emasculated is certainly a matter that justifies shedding tears. A victory for our cause or a defeat anywhere is one for our cause everywhere.

To put the matter into perspective, what has been abolished is the payment of land rentals to the government, but local taxation (rates) on the price of the land remains in force. Existing lessees have been given, in effect, the freehold cash price of the land which they will reap when it is sold. New lessees will have to outlay the full freehold price before they can get a homesite. The prices realised since the change average \$3,300. Canberra is a city of 140,000 people and growing faster than any other in Australia, so we may expect further rises.

An idea of the contributions on homes under the old and new conditions in Canberra may be had by comparisons with my own City of Camberwell where tenure is conventional freehold. Average unimproved land values of residences reappraised in 1970 were respectively: Canberra \$2,868 and Camberwell \$7,327. Payments as land rents or land rates based on these figures are shown below:

	<u>Canberra</u> (old basis)	<u>Canberra</u> (new basis)	<u>Camberwell</u>
Land rent at 5% of unimproved value -	\$143	Nil	\$366
General rates -	34	\$47	92
Water & sewer rates -	20	30	72
	<hr/>	<hr/>	<hr/>
Total -	\$197	\$77	\$530

The above should dispose of the suggestion that has been made that Canberra homes were harshly treated under the old basis. They were actually paying much less than shown here before the 20-year reappraisal to which these figures shown relate. The population of the City of Camberwell is 104,000 which is substantially less than that of Canberra.

(Further information on Canberra may be obtained from Progress, 56 Hardware St., Melbourne, Vic., Australia, edited by Mr.Hutchinson.)