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# Land Rent as Public Revenue in Australia

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by

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## I. INTRODUCTION

AUSTRALIA, with an area of approximately three million square miles, is the sixth largest continental land mass in the world. In order of size it follows Asia, Africa, Europe, North and Central America, and South America. It is a little less than double the size of Europe after excluding the U.S.S.R. Australia is an arid continent compared with the others. The portions that have adequate rainfall, and are therefore suitable for settlement, are confined to a narrow coastal belt. Except for its minerals the country has not been well endowed by nature.

Yet Australia, with its relatively small population of twelve millions, now stands high among the well-developed nations of the world, and has less extremes of wealth and poverty than are found in most countries.

The major factor that has made possible Australia's higher living standards, with almost full employment, is the extent to which the

site rental value of land is now collected by government for public revenue in lieu of taxes on labour and industry. This maximises wealth production and aids its equitable distribution, in two ways. First, by demanding a contribution based on the rent-potential of the sites, whether used or not, it introduces a "cost of holding land under-developed" which stimulates the holder to put the land to use to earn its taxes, or release it to someone else who will. Secondly, the lowering of taxes on enterprise (which is the direct or indirect effect of increasing the proportion of public revenue collected from the site rental value of land) encourages holders to make the best use of their land in the knowledge that they will not be penalised for doing so. Both work to maximise production.

The process of shifting taxes on production to taxes on land rental values does not depend for its effectiveness on conscious recognition by the contributor that land-value taxation is causing him to do something to better himself. It operates automatically through his tax assessments reminding him that there is an outgoing on his under-developed land without a corresponding income from it. This, coupled with the knowledge that any investment he makes to put his land into earning condition will not be taxed, provides a built-in force working towards land improvement. The effects in better-distributed affluence follow as a matter of course, and may be observed.

Many responsible people are unaware that the present collection of land rent for public revenue is the primary stimulus responsible for our undoubtedly high and relatively well-distributed living standards. Cause and effect are somewhat masked by the fact that taxes on site rental values are not effected by one measure imposed by a single government authority. It is done, in fact, by separate measures of the Federal, State and Local governments concerned, and, in some cases, by semi-governmental bodies. To some extent this is a disadvantage from the point of view of public relations, since the effects, which are important in aggregate, are masked by the multiplicity of the bodies collecting part of the site rent. Nevertheless, the piecemeal method of applying the principles has produced results where a single complete application would have been politically unattainable. At a later stage integration and consolidation may be possible.

The application of the principle has been extended progressively over the years, although the degree of application varies greatly among the six States and two Territories forming the Commonwealth of Australia; it also varies greatly in regions within the States. The process started locally with demands for land taxes to unlock the lands, and this happened even before the publication of Henry George's *Progress and Poverty* in 1879. The impact of that work gave it greatly increased strength, but there is still a very long way to go before the objective of collecting the full site rental value of all land for public revenue in lieu of taxes on labour and industry is reached. However, a significant measure of application has already been reached. It is the object of this paper to examine the extent of this achievement in Australia.

## 2. METHODS USED TO COLLECT THE SITE RENTAL VALUE AND THEIR RELATIVE IMPORTANCE

There are three methods by which part of the site rental value of land is collected in Australia to defray the costs of government.

1. Land-value taxation by State governments.
2. Land-value rating by local government and semi-governmental bodies.
3. Land rent paid direct to governments for land leased from them.

### *State Land Taxes*

All the Australian States impose a State Land Tax. The tax rates vary among the different States and are progressive, *i.e.* the rate of tax becomes higher as the total unimproved value of a holding increases. All States have a minimum figure below which no land tax is payable, the tax being levied on the excess above this minimum, and the effect of this is to exclude the smaller holdings from contribution. These features are serious departures from the principle that all land should contribute at a uniform percentage of its value, and leads to injustices in the treatment of one land holder as compared with another, causing dissatisfaction and criticism. Supporters of the basic principle press for removal of the exemptions and gradations, and the conversion of the system to a wider concept of a State Development Fund financed by a uniform tax rate on all

land values. Nevertheless, despite these blemishes, the land taxes are important and effective in stimulating better land use, particularly in the central areas of metropolitan cities where more than half the total land value is concentrated. These land-value taxes are contributing effectively to the re-development of these areas and the position would be very much worse without them. In acknowledging their limitations as they now apply, the aim should be not to abandon the land tax but to remove the blemishes in its administration.

#### *Land-Value Rating*

This method is applied throughout the local government structure in Australia and by many semi-governmental bodies. What are called local government rates in Australia are called local government taxes in some other countries. They are also grouped under the heading of taxation in some official statistics within Australia.

The only essential differences between land-value rates and land-value taxes as now levied are: (1) as its name implies, the rate method embodies equality of treatment, with each property holder contributing at a uniform "rate in the dollar" of the land value he enjoys. This contrasts with the progressive rates in the dollar applied with the land taxes. (2) The land-value rate is accompanied by a corresponding remission of taxes upon the property holders' improvements. The revenue raised by it is not an additional impost added to the level of other taxes. The pre-determined level of revenue required has to be obtained either by the uniform rate on the land value alone or on the combined value of the land plus owners' improvements. In essence, the latter amounts to a lower uniform rate on the land value plus a tax on the improvements varying according to the proportion of the improvements to the total value. Of these alternatives land holders prefer that their improvements be untaxed.

The land-value rating method is the purest form of application of the principle that contributions to government should be based on the value conferred on the site by the community and that owners should not be penalised for their improvements. This method is financially by far the more important, yielding approximately four times as much revenue as the combined State land taxes. It does this without any considerable opposition from the property holders, for they are satisfied that there is equity in treatment between themselves and their neighbours. In contrast, there is dissatisfaction at the

differential treatment introduced by exemptions and gradations within the State land tax as currently applied.

Even where the net annual rental value of land-plus-improvements is used as the rate basis in Australia there is an important difference as compared with the system used in Britain and some other countries. There, vacant land is exempt from contribution. In Australia such land is rateable on a percentage of its unimproved value, which ranges from four per cent. in Tasmania to 10 per cent. in Western Australia. Thus, even where improvements are taxed in Australia, the burden upon them is nowhere near as crippling as it is in countries where unused land escapes contribution.

The greater importance of land-value rating as compared with State land taxes has been overlooked by many authorities who have produced books and reports on land-value taxation in Australia. A conspicuous example is the work *History of Australian Land Settlement* by Stephen H. Roberts, published in 1924. This excellent work gives a very well documented chapter on Land Taxation and Land Tenure. Yet it fails to mention land-value rating, although this was drawing more revenue, at higher percentage rates, from *all* properties, as compared with the State land tax payable only by *some* properties. Apparently the writer failed to appreciate that the basic principle was the same although the term used to describe it was different.

#### *Land Revenue Direct to Government*

A very substantial contribution to public revenue comes direct to the government as land rent for natural resources of which the rights have been reserved to the Crown as trustee for the people. With the exception of the cash sums received from sales of land, the payments under this heading accord with the principle that the rent of land apart from improvements should be absorbed as public revenue.

The reservation of these rights to the community was a relatively late development, after most of the land in the urban areas had been alienated. A high proportion of the total area of New South Wales, Queensland, South Australia, Western Australia, the Australian Capital Territory and the Northern Territory is either retained by the Crown as public reserves or let to individual holders under various forms of leasehold. Of the latter the most important are the

perpetual leasehold tenures which provide the same security as freehold but with periodically revised rents payable annually to the government.

The extent of the freehold and leasehold tenures in the various States is shown in a table later. It will be seen that Tasmania has practically no direct revenue from land rents, its land having been disposed of under freehold tenure.

Approximately half of the total land revenue coming direct to governments in Australia is from royalties on minerals to which the rights have been reserved to the Crown. Tasmania has practically no revenue from this source. It suffers particularly by this since its mineral resources are extremely rich, but the rights were not reserved to the Crown. Other States profited from its lesson. The public revenue will benefit greatly in royalties from the recent discoveries of iron ore and oil in the States reserving these rights.

Another important source of land revenue is royalty payments upon timber. The royalty payments from other natural resources are less certain as a source of public revenue than the land rentals since the mineral deposits will sooner or later be worked out. The land rentals can be expected to continue and to increase as population grows.

Apart from the reservation of minerals, it is important to note that the rights to rivers, streams and water sources have been reserved to the Crown, except with some of the oldest land grants. Hence the public does not have to pay tribute to private landholders for the water used for household supplies or irrigation, as must be done in some other countries. This is important since the aridity of most of the country makes water conservation essential and development could have been stifled if payments had been demanded by private interests. The income from the water sales to irrigators and other users are not included in the public accounts under the land revenue heading; they appear in the revenue of business undertakings for water supply, sewerage, irrigation and drainage.

Similarly, most of the electricity and gas undertakings in Australia are publicly owned, and many operate on publicly-owned coalfields or other natural resources. The proceeds of their sales are thus an indirect but substantial ploughing back of land rent into the treasury

for public purposes. Details of these undertakings are not given in this paper, which is confined to the direct contributions made to public revenue.

### 3. THE BASIC LAND VALUATIONS IN THE VARIOUS STATES AND TERRITORIES

The unimproved capital value of the land in the various States, used for municipal land-value rating purposes, is set out below. It should be borne in mind that these figures understate the true value of the land in private hands at the start of the 1964/65 year. This is because, although valuation practice is good and seeks to achieve around 90 per cent. of full market value, the valuations recorded in the official returns are made at intervals over a cycle of five years or more. Hence the total valuation figures in the returns will inevitably have been estimated from one to six years earlier, and, on average, will be about three years behind the market. As values have been increasing for many years, at rates varying with the different States but averaging more than ten per cent. annually for every State, the true total figure for the valuations currently in use will be at least one third more than that shown. Correction for this would be important in any discussion of the sufficiency of the land rent revenue potential for public purposes but it is not important for the purposes of this paper.

<i>State or Territory</i>	<i>Capital Value of Land (\$)</i>	<i>Population</i>	<i>Average Land Value per Head (\$)</i>
New South Wales	4,725,769,000	4,237,514	1,115
Victoria	4,063,143,000	3,233,938	1,256
Queensland	987,292,000	1,615,384	611
South Australia	1,300,000,000	1,064,629	1,221
Western Australia	466,240,000	820,063	569
Tasmania	290,520,000	379,107	766
Aust. Cap. Territory	63,000,000	93,815	671
Northern Territory	14,580,000	34,253	425
Totals	\$11,910,544,000	11,478,703	\$1,038

The figure for the Northern Territory has been taken at twenty times the rentals current on the leasehold lands. This will understate the true figure, as many of the properties have their rentals revised only at long intervals and will be well below the true potential with the development taking place in recent years.

The figures are values of the rateable property only, for which they approximate to the capitalised market value of the site rental left with the landholder after paying land rates and land taxes. *Hence the total unimproved capital value of the lands in private ownership in Australia (i.e. excluding the Capital Territory) at 1964 was approximately \$11,847 million, which, at five per cent. gives the potential site rent remaining in private hands after paying rates and land taxes as \$592 million.* These figures would be increased by at least one-third if valuations were revised annually instead of over periods up to six years apart.

These figures do not include the valuation of minerals for which rights to royalties are usually reserved to the State governments concerned. They also exclude a substantial proportion of holdings that are exempt from municipal rates and land taxes. These comprise properties held by the Commonwealth and State governments, religious bodies, hospitals, charities and other exempt property. The total value involved is not known but figures submitted to a recent Royal Commission in New South Wales showed that the exempted value for that State was approximately one-quarter of the total rateable value. Of the rates which such exempt property could have yielded, 70 per cent. was in respect of government properties. It was strongly urged to the Commission that the exemptions be removed and all properties become rateable. This is necessary to prevent anomalies in treatment between areas with an abnormally high or low content of exempt properties.

#### 4. HOW MUCH OF THE SITE RENTAL VALUE IS COLLECTED FOR PUBLIC PURPOSES?

The site rental value collected is set out in the following subsections according to the method of collection used.



## 1. Land-value taxation

<i>State</i>						<i>Land Tax Collected</i>
						1964/65 (\$)
New South Wales	.....	.....	.....	.....	.....	29,717,000
Victoria	.....	.....	.....	.....	.....	19,725,000
Queensland	.....	.....	.....	.....	.....	3,784,000
South Australia	.....	.....	.....	.....	.....	4,969,000
Western Australia	.....	.....	.....	.....	.....	3,777,000
Tasmania	.....	.....	.....	.....	.....	1,678,000
					Total	\$63,650,000

The amount collected by land-value taxation in Western Australia is greater than would appear from taking account only of the amount shown against land tax as paid to consolidated revenue funds, which is \$2,831,100. There are also further amounts collected by land taxes and paid into trust or special accounts. These are for the purposes of Metro Region Improvement (\$474,280), Noxious Weeds Control (\$56,180), and Vermin Control (\$415,172). These bring us to the figure shown above.

In Queensland, land tax is levied only on freehold lands, whereas in other states perpetual and other leaseholds are taxable. A table comparing the land tax rates and conditions in the various States is given as Appendix D.

## 2. Land-value rating

The revenue from land-value rating in the various States and Territories is summarised below. Separate totals are shown for the rates levied directly on the site value as distinct from the component falling on the site rental value where the rate is levied on the composite value of land-plus-improvements. A more detailed statement, showing the various types of rating bodies and their contribution to the totals, is included as Appendix A to this report.

**Land Value Rates Collected 1964/65**

<i>State or Territory</i>	<i>Levied Directly on Site Value (\$)</i>	<i>Levied Indirectly on Site Value (\$)</i>	<i>Total Rates Levied on Site Value (\$)</i>
New South Wales	117,290,000	14,754,000	132,044,000
Victoria	32,579,000	24,715,000	57,294,000
Queensland	42,754,000	—	42,754,000
South Australia	6,705,000	6,215,000	12,920,000
Western Australia	7,818,000	3,045,000	10,863,000
Tasmania	—	2,504,000	2,504,000
Aust. Cap. Territory	1,143,000	—	1,143,000
Northern Territory	506,000	—	506,000
Totals	\$208,795,000	\$51,233,000	\$260,028,000

The principle of site-value rating has been so generally accepted in Australia that 64 per cent. of the municipal councils now use it as their general rate basis, although some of them supplement it with small rates on the improved value for special purposes. *Councils controlling 94 per cent. of the rateable area of the whole continent now use the unimproved (site) value basis for part or all of their rate levies and have un-taxed improvements either completely or in part.* This is all the more remarkable since the system of rating on improvements was applied universally in Australia on a mandatory basis up to 1887.

A table showing the number of councils using the respective systems and the acreages under each is given as Appendix B.

**3. Land Rents Paid To The State For Leasehold Tenures**

The item headed Land Revenue in the State Consolidated Revenue Fund covers the land rents paid to the state for leasehold tenures, except that proceeds of sales and conditional purchases of land are excluded in the tabulation below because they are proceeds from selling the assets and not continuing rentals. In addition, there are land rents and water rights payments to semi-governmental business undertakings controlling water conservation and railways, for land

leased from them by private operators. They appear elsewhere in the consolidated revenue statements as part of the revenue from business undertakings. The two classes are given separately below.

(A) Collections under Land Revenue for year 1964/65

<i>State or Territory</i>	<i>Land Rents</i> \$ thous.	<i>Mining Rents and Licences</i> \$ thous.	<i>Mining Royalties</i> \$ thous.	<i>Forestry</i> \$ thous.	<i>Other</i> \$ thous.	<i>Total</i> \$ thous.
N.S.W.	4,214	172	19,847	2,972	279	27,484
Vic.	1,331	85	454	5,153	479	7,502
Q'land	7,059	414	1,306	—	807	9,586
S. Aust.	719	56	927	—	—	1,702
W. Aust.	368	222	291	2,576	—	3,457
Tas.	58	—	51	1,499	14	1,622
A.C.T.	1,407	—	—	219	—	1,626
N.T.	729	—	245	—	—	974
Totals	\$15,885	\$949	\$23,121	\$12,419	\$1,579	\$53,953

These figures are minima, being the portion paid to the Consolidated Revenue Funds, but are not necessarily the total receipts since portions have been paid to other special funds. For example, the total revenue of the Forestry Commission in New South Wales in 1964/65 was \$6,259,000, of which \$2,881,000 was transferred to a special fund set apart for afforestation and re-afforestation, and part was used within the Commission. Only \$2,972,000 appears in the table above.

The acreage held in the Australian States from the Crown under various forms of leasehold, as compared with freehold, are shown in a table as Appendix C to this report. The leasehold areas are more generally found in the rural and pastoral interior areas which have less potential than the urban lands, but there are important exceptions. Perpetual leasehold tenures are numerous in the urban areas of Queensland and the irrigation settlements of New South Wales. They embody direct recognition of the principle that the rental value of land should be collected by governments for public revenue. The level of the land rents charged take into account that normal municipal and other rates will be paid by the holder just as they would with freehold tenure.

(B) Collections under Business Undertakings for Year 1964/65

<i>State</i>	<i>Land Rent (Railway Leases) (\$)</i>	<i>Land Rent (Water Conservation Commissions) (\$)</i>	<i>Water Rights (Water Conservation Commissions) (\$)</i>	<i>Totals (\$)</i>
New South Wales	2,055,000	380,000	2,031,000	4,466,000
Victoria .....	1,710,000	—	2,175,000	3,885,000
Queensland .....	—	114,000	102,000	216,000
Totals	<u>\$3,765,000</u>	<u>\$494,000</u>	<u>\$2,277,000</u>	<u>\$8,567,000</u>

Included in the figure of \$2,031,000 for the N.S.W. Water Conservation Commission is a substantial proportion levied as a water rate on land value, the totals being inseparable.

This section is incomplete as there will be similar (though substantially smaller amounts) collected from other States of which details are not available. The irrigated area in any other State is less than one-quarter of that in Victoria and New South Wales. For these two States there is a further substantial revenue item in sales of excess water above the quantity to which the operator is entitled for his fixed water right payment. The value of such sales for the Victoria State Rivers and Water Supply Commission was \$1,672,000 and for the New South Wales Water Conservation Commission \$1,162,000 (for the year 1965/66 in the latter case). These sales of extra water are not included in the land revenue as they are not linked with the land value. The water rights are included as they are a material factor in forming the level of land values.

To find the proportion of the site rent potential collected in relation to the land valuation figures shown in the section on the basic land valuations it is necessary to exclude the columns above headed Mining Royalties, Forestry and Other. The reason is that all the other columns relate to land in private occupation, which is rateable and therefore linked with the valuation figures shown, but this does not apply to the three columns in question. They are a direct addition to the site rent potential of the State concerned but are in respect of rights reserved to the State, and are not included in the valuations for land-value rating purpose.

**Summarised Totals of Public Revenue Collections of Site Rent Potential by Land-Value Taxes, Land-Value Rating and Land Rents from State-owned Property as listed above**

<i>State or Territory</i>	<i>Land Value Taxes (\$)</i>	<i>Land Value Rates (\$)</i>	<i>Land Rents etc.* (\$)</i>	<i>Totals (\$)</i>	<i>Add Royalties etc. (\$)</i>
N.S.W.	29,717,000	132,044,000	8,852,000	170,613,000	23,098,000
Vic.	19,725,000	57,295,000	5,301,000	82,321,000	6,086,000
Q'land	3,784,000	42,754,000	7,689,000	54,227,000	2,113,000
S. Aust.	4,969,000	12,920,000	775,000	18,664,000	927,000
W. Aust.	3,777,000	10,863,000	590,000	15,230,000	2,867,000
Tas.	1,678,000	2,504,000	58,000	4,240,000	1,564,000
A.C.T.	—	1,143,000	1,407,000	2,550,000	219,000
N.T.	—	506,000	729,000	1,235,000	245,000
<b>Totals</b>	<b>\$63,650,000</b>	<b>\$260,029,000</b>	<b>\$25,401,000</b>	<b>\$349,080,000</b>	<b>\$37,119,000</b>

\*This column is the balance remaining of the combined columns under parts (A) and (B) in the previous sub-section, after excluding the columns headed Mining Royalties, Forestry and Other, the totals of which are shown in the last column above.

**4. THE PROPORTION PUBLICLY COLLECTED**

The total site-rent potential is the sum already collected for public revenue plus the balance remaining in private hands.

If we take five per cent. of the unimproved capital values, as shown for the various States and Territories in Section 3 of this report, we have an approximation to the site rent potential remaining in private hands. (The figure of five per cent. is itself an approximation used currently in municipal valuations and is adequate for our purpose, though theoretically it should vary with the current rates of interest.) The publicly collected portion is that shown in the Total column of the previous table, relating to the same lands as covered by the unimproved capital valuations.

<i>State or Territory</i>	<b>Apparent Site-Rent Potential (\$)</b>			<i>Publicly Collected as per cent. of Total</i>
	<i>Portion Publicly Collected</i>	<i>Portion not yet Publicly Collected</i>	<i>Total Site Rent Potential</i>	
N.S.W.	170,613,000	236,288,000	406,901,000	42
Vic.	82,321,000	203,157,000	285,478,000	28
Q'land	54,227,000	49,364,000	103,591,000	52
S. Aust.	18,664,000	65,000,000	83,664,000	22
W. Aust.	15,230,000	23,312,000	38,542,000	40
Tas.	4,240,000	14,526,000	18,766,000	23
A.C.T.	2,550,000	600,000	3,150,000	81
N.T.	1,235,000	—	1,235,000	—
<b>Totals</b>	<b>\$349,080,000</b>	<b>\$592,247,000</b>	<b>\$941,327,000</b>	<b>37</b>

The position for the Northern Territory cannot be determined from information available, which is confined to the amounts actually collected as land rentals. No indication is available of the extent to which these were below current values. Many holdings are on long-term leases with revaluations at intervals of ten to twenty years. There has been rapid development in post-war years, so the collections will be much below full value. Probably they will be comparable to the Australian Capital Territory, which is also on the same leasehold basis but has recently been revalued for rating purposes. The results there suggest that rentals average only 80 per cent. of the full value, owing to these long intervals between revaluation. The periods should be reduced to no more than five years for proper functioning of the system.

It will be seen that the site-rent potential not yet collected for public revenue is a minimum of \$592,247,000 on current municipal valuations, which lag behind the market by an average of three years. The true figure will be at least one third more than that shown and could be picked up by annual revision of the unimproved or site values. The Valuer-General of New South Wales, in evidence to the Royal Commission on Rating, Valuation and Local Government Finance in 1966, considered that his Department could undertake annual revisions of land values if relieved of the need to value improvements, and he recommended that this be done.

Owing to this lag in official figures, the heading to the above table only refers to the apparent site-rent potential. The extent to which the figures lag behind the market will vary somewhat from one State to another, so correction for this is not attempted. However, if the addition of one third was made uniformly to the figures for all States, the percentage of the site rental collected (as shown in the final column) would become:

Queensland	45	Victoria	23
New South Wales	35	South Australia	18
Western Australia	32	Tasmania	18

It is interesting to compare the proportion of the apparent site-rent potential collected for public purposes in the table above with the comparable figure for the 1957/58 year as published by the Land

Values Research Group in its booklet *Public Charges on Land Values*. The comparisons are made below, with the States arranged in descending order of the percentage of site-rent potential they collect.

State	<i>Proportion of apparent site-rent potential collected for public purposes</i>	
	<i>Year</i>	<i>Year</i>
	1957/58 per cent.	1964/65 per cent.
<i>Land Value Rating States</i>		
Queensland .....	66	52
New South Wales .....	53	42
Western Australia .....	39	40
<i>Improvement Rating States</i>		
Victoria .....	34	29
South Australia .....	33	22
Tasmania .....	24	22

These figures make it appear that the proportion of land rent collected in most States is less at the later period. In reality the later figures are a truer estimate of the proportion of the potential collected. The earlier figures over-stated the percentages because valuation methods were inferior and properties were valued much below market prices. In the interval valuation techniques have been improved in all States and the aim now is to return valuations close to the market figures. This revealed that the margin of potential uncollected was higher at the earlier period than estimated. The significant change between the periods is that South Australia is now on the same level as Tasmania at the bottom of the list instead of close behind Victoria as earlier.

##### 5. HAS THE APPLICATION OF THE PRINCIPLE HAD BENEFICIAL EFFECTS?

Although it is not the purpose of this report to detail them, land rent collection has had very beneficial effects upon the economic and social development of Australia. The benefits have varied among the six States according to the extent to which the site-rent potential is collected for public purposes within them, and particularly according to the land-value rating component (as distinct from State land tax) in the total since this applies to *all* properties within the area and in proportion to their value.

These effects have been the subject of special study by the Land Values Research Group and are embodied in a booklet entitled *Public Charges Upon Land Values in Australia*. The last review and reprinting was in 1962 and there will be periodical revisions.

That study showed that social and economic development in the three States Queensland, New South Wales and Western Australia, where site-value rating is almost universal, was substantially better than in Victoria, South Australia and Tasmania, where landholders' improvements were taxed. This superiority was shown not only by the States as groups but between the individual States within the groups according to their degree of use of the system. It continued even down to individual municipalities, where the untaxing of buildings and other improvements were found to have resulted in a step-up in building construction.

The key indicators of superiority in the comparative studies between the States were the beneficial effects of the system upon agricultural development, greater improvement of holdings, the enhanced value of assets of land holders, the greater building construction activity, advantages to the manufacturing industries and retail traders, the higher real incomes of the working population, more widespread home ownership and high mortgage assets of financial institutions.

The observed results simply confirmed by statistics the effects that could have been predicted from site-value rating. It should be obvious to the simplest mind, without the need of any statistics, that public finance policies that penalise people for using their sites properly—and reward them as they neglect to use their potential—must have a stagnating effect upon the development of any community. It must tend to tie up in sterile holding of vacant and underdeveloped sites the funds that could and should be invested in buildings, trade, commerce, manufacture, employment and all those things that are the lifeblood of the community. The reverse process, which creates incentives by removing taxes from the results of land use and places them upon the site potential alone, inevitably produces the superior development that comparisons between the States show.



6. IS THE MOVEMENT FOR THE RATING AND TAXING OF SITE VALUES  
MAKING PROGRESS IN AUSTRALIA?

The application of the principle of collecting site rental values for public revenue instead of taxing labour and industry is being steadily extended in Australia. The measure of that advance can be best illustrated by bringing up to date a comparison made by Mr. E. J. Craigie, initially for the year 1937/38, in a paper presented to the Sixth International Conference, held in New York in 1939. This was brought up to the year 1954/55 in a further paper published in *The Standard*, N.S.W., in May, 1956. To these we can now add the figures for the year 1964/65. From them the progressive advance can be readily seen. In this tabulation the item Land Rent Revenue is restricted to land rents excluding the mineral and timber royalties. Local Government Rates are also restricted to those levied directly on the unimproved value.

<i>State</i>	1937/1938	1954/1955	1964/1965
<i>New South Wales</i>			
State Land Tax	4,000	4,000	29,717,000
Local Government Rates	11,103,000	47,306,000	117,290,000
Land Rent Revenue	2,085,000	1,666,000	4,386,000
Totals	\$13,192,000	\$48,976,000	\$151,393,000
<i>Victoria</i>			
State Land Tax	948,000	5,267,000	19,725,000
Local Government Rates	1,150,000	6,869,000	27,491,000
Land Rent Revenue	853,000	961,000	1,416,000
Totals	\$2,951,000	\$13,097,000	\$48,632,000
<i>Queensland</i>			
State Land Tax	777,000	2,359,000	3,784,000
Local Government Rates	5,999,000	21,076,000	42,619,000
Land Rent Revenue	1,881,000	4,799,000	7,473,000
Totals	\$8,657,000	\$28,234,000	\$53,876,000

<i>State</i>	1937/1938	1954/1955	1964/1965
<i>South Australia</i>			
State Land Tax	651,000	1,138,000	4,969,000
Local Government Rates	309,000	1,618,000	5,740,000
Land Rent Revenue	380,000	656,000	775,000
Totals	\$1,340,000	\$3,412,000	\$11,484,000
<i>Western Australia</i>			
State Land Tax	246,000	781,000	3,777,000
Local Government Rates	420,000	2,158,000	7,818,000
Land Rent Revenue	275,000	772,000	590,000
Totals	\$941,000	\$3,711,000	\$12,185,000
<i>Tasmania</i>			
State Land Tax	169,000	415,000	1,676,000
Land Rent Revenue	20,000	145,000	58,000
Totals	\$189,000	\$560,000	\$1,734,000
<i>Australian Capital Territory</i>			
Federal Land Tax*	2,539,000	nil	nil
Rates and Land Rent	542,000	1,383,000	2,550,000
Totals	\$3,081,000	\$1,383,000	\$2,550,000
Grand Totals	\$30,351,000	\$99,373,000	\$281,854,000

\*These are the proceeds of the Commonwealth Land Tax, shown as a single entry against the Australian Capital Territory because it is the seat of the Federal Government. The actual amounts were drawn from the various States. This tax has been discontinued by the Federal Government but extended as State Land Taxes.

The growth of revenue from land taxes evident in these comparisons is remarkable, even when allowance is made for currency debasement. The wholesale price index numbers for basic materials and foodstuffs, as shown by the Commonwealth Year Books, for the three periods, are respectively 101, 322, and 355. From this it is clear that the great growth of revenue in the last ten years is not due simply to currency inflation but to extension of the site-value rating system. Moreover, this three stage comparison does not cover the full field of current application but is restricted only to those fields where it was in common use during the three periods covered. There have been important extensions to new areas within the last ten years, particularly in Victoria, New South Wales, Queensland and Western Australia.

#### *Extensions to New Applications*

In Victoria the major new development has been the adoption of unimproved (site) value rating by the State Rivers and Water Supply Commission for its irrigation districts, rural waterworks districts and the Carrum Drainage District. The irrigation districts cover 2,203,000 acres and the rural waterworks districts 8,030,000 acres. The adoption of site-value rating brought an extra 10,233,000 acres under the system so far as water supply is concerned, for this area continued to be rated on land-plus-improvements for other local government services. The new area given its first practical experience of site-value rating covered almost one-fifth of the whole State and an even larger proportion of the cultivable acreage.

The change was made in accordance with the wishes of the majority of the irrigators' associations within the Commission's territory, and is superimposed upon the earlier application of the principle in the fixed charge for water rights based on the acreage of potentially irrigable land. The charge is payable whether water is used or not and thus acts to discourage speculative holding of under-developed land, as well as assuring the Commission of its finances, which could otherwise fluctuate greatly with seasonal variations in demand for water.

There has also been great extension of the principle in the irrigation areas of New South Wales. This takes the form of water rights, water rates, and rents for land leased by the Water Conservation Commission.

In Queensland the Irrigation and Water Supply Commission also commenced operations within the last ten years. While its operations are not yet on a scale comparable with those of the Victoria and New South Wales equivalents, the foundations have been laid that will result in further extension of the principle. The Commission's operations for 1964/65 were financed by water rights (\$102,000), water, drainage and other rates (\$135,000) and farm rents (\$114,000).

In Western Australia, within the last ten years, an extension of land taxes has been introduced for the special purposes of metro regional improvement, noxious weeds control and vermin control respectively. The figures for these are included in the tabulation above under land taxes.

Within the local government rating field there are extensions of the principle that are responsible in part for the substantial increase in contributions from land values. There are new public bodies whose services are financed by the precept method. These bodies do not have rating powers of their own but Acts of Parliament provide that rates shall be struck on their behalf by the municipal councils within their area, the proceeds of which are passed to these bodies. This avoids increasing the number of bodies issuing assessments. Whatever rating system is used by the local council for its own purposes is used also for the levy.

In New South Wales the precept method has been applied for contributions under the Main Roads Levy, yielding approximately \$4,800,000 annually, the Fire Brigade Levy, yielding \$800,000 annually, and the State Planning Levy yielding \$500,000 annually. The same principle is open to county councils, under section 572A of the Local Government Act, to assess constituent councils in lieu of levying a loan rate. This method has been used very successfully by the Namoi Valley County Council to provide electricity to the far interior areas of the State. The rate revenue for gas and electricity supply has now reached \$1,185,000.

In Victoria the precept system has now been adopted by the newly-established Dandenong Valley Authority. Its initial rate yield for the 1965/66 year was \$268,000 spread over a number of municipalities, most of which use site-value rating. This is not included in the figures above as it comes into the following year. It is mentioned to

indicate that further extension of the principle may be expected in later returns. Current proposals seek to extend the principle to other newly-formed authorities also.

A recent development in local government has been the establishment of river improvement trusts with rating powers. Only one of these trusts as yet rates site values but it will undoubtedly lead to further extensions. In 1949 country waterworks trusts and sewerage authorities were given powers to rate wholly on the site value where the municipal council within which they operated used that system. Previously they were compelled to rate the improved value of the land. Some of these bodies have already changed to the site value basis and the number will rise over the years.

In South Australia the Works Department is responsible for the supply of water and sewerage in township areas and for water supply to country lands. While it still rates the value of land-plus-improvements for the town areas, the country lands are rated on the unimproved value per acre of property within one mile of the street or road in which the main pipe is laid.

#### *Endorsements by Public Inquiries*

Over the last decade there have been many public inquiries directly or indirectly involving the question of rating land on its "unimproved" or "improved" value. They have all endorsed the site-value rating principle either expressly, or by implication in not recommending departure from it. Some of these inquiries should be specially referred to here.

In New South Wales the report of a five-member Committee of Inquiry under Sir Alan Bridge, QC, was presented to the Government in 1960 and it endorsed the system of rating site value in these terms:

"In considering the competing claims for assessed annual (improved) value and unimproved capital value rating, the fact must not be overlooked that the latter has been the basis of local government finance for the past fifty years, during which time remarkable progress has been made in the development of municipalities and shires and in the provision of essential services. It would require very good reasons to justify the abandonment of such system in favour of

a system which in past years was deliberately discarded by the Legislature. In the Committee's opinion no such reasons have been established. There is a tendency, both in the States of the Commonwealth and in certain countries overseas, to adopt unimproved capital value rating."

In 1964 a report was presented following a comprehensive inquiry into the rating system made by a Committee appointed by the Brisbane City Council. It was comprised of the Chairman, Alderman N. L. Buchan, and twelve members representative of municipal, real estate, manufacturing, commerce, labour and public administration organisations. The major findings of this Committee were as follows:

"The present basis of levying rates for general purposes and for water and sewerage purposes on the unimproved capital value, with the amendments as suggested, is the most appropriate for Brisbane City Council . . . The Committee, after due consideration, decided that a change from the present basis to rating on the net annual value (improved) basis was not warranted."

The "amendments as suggested" in the text quoted above were simply that the basis of valuation be re-defined from unimproved capital value to site value. The principle is identical but in the latter case the value of invisible improvements such as timber clearing and site reclamation is considered to be exhausted after a specified number of years.

In 1966 a three-member Committee of Inquiry under New South Wales Supreme Court Judge Mr. Justice Hardy reported on questions of land tenure and rating systems in Queensland. Although the Committee had a full charter to investigate and make recommendations for most comprehensive changes in the rating basis, it said in effect that the State of Queensland had no practicable alternative but to continue rating the unimproved value of the land. The following extract gives the kernel of its findings on the rating systems:

"Practically all the evidence given before the Committee was to the effect that unimproved value, which has been used in this State for so long, had obvious merits and advantages over the other two bases . . . In view of the foregoing the Committee decided not to embark upon what must of necessity be a purely theoretical or

academic study, namely whether as a matter of equity and public interest generally an improved or assessed annual value basis or some variant has merit on its side for rating and land tax purposes. For these reasons we have confined our attention to the question as to whether for these purposes a "basic value" or a "rating value," which is a modification of unimproved capital value, has advantage over unimproved capital value as now defined in the Valuation of Land Acts."

In New South Wales in 1967 a very comprehensive report was presented by a three-member Royal Commission on Rating, Valuation and Local Government Finance under the Hon. Mr. Justice R. Else-Mitchell. Of the seven questions in the terms of reference, the main findings on the ones specially concerned with the rating system were:

"A rate on land is the most appropriate method of financing the services which councils are authorised to provide under the Local Government Act . . .

"The claim that 'rates have reached saturation point' is not established . . .

"On the question whether the rate should be on the unimproved, improved or assessed annual value the findings were that there should be complete local option within the municipal council areas on choice of system. This choice should be available for councils which now rate on the unimproved value basis, and the three water and sewerage corporations now restricted to rating the improved value should also be given powers to use the unimproved value if desired."

However, it was made clear in the report that this preference for local option, as opposed to a mandatory system, was simply because the Commission favoured the general principle of free choice and not because of any evidence of desire on the part of local government or other bodies to depart from the site-value basis.

The evidence given to the Commission by the Local Government and Shires Associations was that the rating of land on the unimproved value basis should form the core of local government revenue but should be supplemented by revenue from other sources. An overwhelming number of councils from whom submissions were

received supported the levying of rates on unimproved value. Councils in rural areas, individually and in groups, strongly supported unimproved value rating. Apart from the submissions of councils, the rating of land on unimproved or site values was supported by various bodies including representative rural organisations and individuals. These included the Federation of Progress Associations, the Real Estate Institute of New South Wales, the United Farmers' and Woolgrowers' Association of New South Wales, the Commonwealth Institute of Valuers, the Land Values Research Group, the Association for Good Government, the General Council for Rating Reform, the Valuer General for New South Wales (Mr. H. W. Eastwood) and the Under Secretary for Local Government (Mr. J. T. Monaghan).

Submissions in favour of the unimproved capital or site value basis were also made to the Commission on behalf of the following bodies concerned with commerce: The Retail Traders' Association of New South Wales, the Country Traders' Association of New South Wales, the N.S.W. Retail Tobacco Traders' Association and the Sydney Chamber of Commerce. This most important joint submission stated: "It is therefore held that the assessed annual value (land-plus-improvements) could not provide an equitable basis upon which to distribute municipal rates . . . It is therefore submitted that adoption of an unimproved capital value or site value would be the only common basis which is not influenced in any major fashion by man-made improvements."

By contrast with this multitude of organisations supporting the principle of unimproved or site-value rating it is striking that in the report no community organisations are cited as being opposed to that principle. Indeed, the only organisations that did express opposition were the Metropolitan Water, Sewerage and Drainage Board and the Hunter District Water Board. These are two of only three corporations currently rating land-plus-improvements. Their representations were not against the principle of site-value rating; for certain reasons they considered their current practice preferable and that they should be allowed to continue with it. Apart from these, the views cited in the report as in favour of rating land-plus-improvements were mainly from isolated councils or officers and individuals.



In view of the overwhelming evidence of satisfaction with the principle among the municipal bodies concerned with its administration and among the community organisations, it seems unlikely that many local units would depart from it if complete local option on the system were given. It might be noted that from 1908 up to 1952 municipalities were required to levy only one penny in the pound on the unimproved capital value. They could levy the balance of their general rate and the whole of their water, sewerage or other special rates on the improved value if they desired. Their power to do this, however, was subject to the demand of any fifty property holders for a poll to decide which basis should be used for the balance. Such polls were invariably carried in favour of the unimproved value basis, and no councils wanted to rate improvements, so the unimproved value basis was made mandatory in 1952. Hence the Commission's proposal for restoration of local option, if it becomes effective, should make little difference to the present universality of the system within municipal councils. However, it could make it easier for the three water and sewerage corporations to change over to the site value basis.

#### *The Continuing Demand for Further Extension*

The continuing efforts in support of site-value rating are directed towards its extension rather than to the defence of those areas already won. The activity in this direction is perhaps most concentrated in Victoria, in two major directions.

First is the drive conducted by the General Council for Rating Reform to have the water, sewerage, drainage and metropolitan improvement rates levied by the Melbourne and Metropolitan Board of Works changed from land-value-plus-improvements to the site-value basis. This authority serves the whole metropolis, which contains nearly two-thirds of the total population within the State. As approximately 80 per cent. of the total acreage within the thirty-eight cities embraced in its territory is already rated on the site-value basis for municipal purposes, the strength of the case for the Board rating to be brought into line with the majority is obvious.

The other major campaign is to have a State Development Fund established, to be financed by a rate over the whole State upon the site value basis. The proceeds of this would be used to cover the annual costs for interest, sinking fund, and part of the capital

expenditure on developmental works such as railways, highways, trams and buses, electricity, gas, and town planning activities—and simultaneously to reduce the charges to the users of these public utilities. The concept of a State Development Fund on these lines was first developed in 1944 by Sir Ronald East, who was then Chairman of the State Rivers and Water Supply Commission. It has since been taken up and is being pressed by several public bodies.

In Western Australia there is considerable concern at the price of land, and demands are being made from many sources for further land-value taxation as the means to counter it. The particular means discussed are not always the best, but there is no doubt that the basic ideas are being recognised as of vital importance. Evidence of this is the publication by the Metropolitan Regional Planning Authority, as Information Bulletin No. 3, of most of the August 1960 special edition of *House & Home*, which dealt with these principles. The McCarry Report just issued also recognises cause and effect of high land values, though its proposals for land tax are too timid in relation to the problem.

At the recent Royal Commission already cited, the Association for Good Government in New South Wales pressed strongly for the rating by the three water and sewerage corporations still taxing improvements to be brought on to the site value basis. The evidence submitted to that Commission by the various bodies concerned will have abiding influence beyond the findings of the Commission. A great number of organisations, officials, members of sub-committees and individuals have been forced to direct their minds to the issues involved, and this is the initial essential step to further extension of the principle.

One example of the results of this new thinking around the basic issues is the Sidney Luker Memorial Lecture, given by the Hon. Mr. Justice R. Else-Mitchell, Chairman of the Royal Commission, and printed in the *Australian Planning Institute Journal*, January 1967. In this he proposed, for consideration and research, that freehold properties be converted to perpetual leasehold title upon the death of the existing owner, or after fifty years from a specified date. This would be done automatically, without compensation, except that it would be attended by abolition of probate duty on the land, on the principle that the land rent payment would, in effect, be pay-as-you-go probate.

Whether or not this proposal proves acceptable as the final general solution remains to be seen. It is undoubtedly a bold and relatively simple proposal for the ultimate complete application of the principle that the site rental value should be collected for public revenue in lieu of taxes on labour and industry.

APPENDIX A  
LAND-VALUE RATING

A more detailed tabulation of the components of the municipal and semi-governmental rates levied directly and indirectly on the unimproved or site rental value of land on which the summarised totals under this heading in the report are based.

(1) *Rates Levied Directly on the Unimproved or Site Value*

(A) By Local Government Councils for purposes of:

<i>State or Territory</i>	<i>Ordinary Services (\$)</i>	<i>Water and Sewerage (\$)</i>	<i>Business Undertakings Electricity supply and gas (\$)</i>	<i>Other (\$)</i>	<i>Total all purposes (\$)</i>
New South Wales .....	107,045,000	9,033,000	1,185,000	27,000	117,290,000
Victoria .....	27,491,000	—	—	—	27,491,000
Queensland .....	36,589,000	5,989,000	20,000	21,000	42,619,000
South Australia .....	5,740,000	—	—	—	5,740,000
Western Australia .....	7,818,000	—	—	—	7,818,000
Tasmania .....	—	—	—	—	—
Australian Capital Territory .....	1,143,000 <sup>1</sup>	—	—	—	1,143,000
Northern Territories .....	506,000	—	—	—	506,000
Totals .....	\$186,332,000	\$15,022,000	\$1,205,000	\$48,000	\$202,607,000

<sup>1</sup> includes water rate and sewerage.

(B) By Commissions or Trusts for Special Purposes

<i>State</i>	<i>Irrigation, Drainage, Water</i>	<i>Country Waterworks</i>	<i>Country Sewerage Trusts</i>	<i>Water and Sewerage Corpn's.</i>	<i>Total</i>
New South Wales .....	— <sup>2</sup>	—	—	—	—
Victoria .....	4,516,000 <sup>3</sup>	211,000 <sup>4</sup>	361,000	—	5,088,000
Queensland .....	135,000	—	—	—	135,000
South Australia .....	—	965,000 <sup>5</sup>	—	—	965,000
Totals .....	\$4,651,000	\$1,176,000	\$361,000	—	\$6,188,000

<sup>2</sup>New South Wales Water Conservation Commission, water rates and water right charges are combined and shown under Water Rights section 3(B) of this paper.

<sup>3</sup>Victoria State Rivers and Water Supply Commission Irrigation, Drainage, and Rural Waterworks District Water Rates. See also Water Rights in section 3(B) of this paper.

<sup>4</sup>Victoria Waterworks Trusts and one River Improvement Trust.

<sup>5</sup>South Australia Country Waterworks, rate portion of total revenue estimated based on previous years.

APPENDIX A (continued)

(2) Rates Levied Indirectly on the Site Rental Value

This is the part of the rates levied on the net annual rental value of land-plus-improvements that falls on the land. The percentage of this sum to the total rates is shown alongside in brackets.

(A) By Local Government Councils for purposes of:

State	Ordinary Services	Business Undertakings			Total
		Water and Sewerage	Electricity supply and Gas	Other	
Victoria	14,214,000 (36)	156,000 (31)	—	—	14,370,000
South Australia	3,221,000 (25)	—	—	—	3,221,000
Western Australia	1,100,000 (25)	—	—	—	1,100,000
Tasmania	1,669,000 (25)	835,000 (25)	—	—	2,504,000
Totals	\$20,204,000	\$991,000	—	—	\$21,195,000

(B) By Commissions or Trusts for Special Purposes

State	Irrigation, Drainage, Water	Country Waterworks Trusts	Country Sewerage Trusts	Water and Sewerage Corps.	Total
New South Wales	—	—	—	14,754,000	14,754,000
Victoria	441,000 <sup>6</sup> (31)	1,048,000 <sup>7</sup> (31)	1,025,000 (31)	7,831,000 (44)	10,345,000
South Australia	— <sup>8</sup>	—	—	2,994,000 (25)	2,994,000
Western Australia	— <sup>8</sup>	346,000 (25)	35,000 (25)	1,564,000 (25)	1,945,000
Totals	\$441,000	\$1,394,000	\$1,060,000	\$27,143,000	\$30,038,000

<sup>6</sup>Victoria State Rivers and Water Supply Commission Urban Waterworks District rates site rent portion \$415,341. Flood Protection District rate portion \$26,000.

<sup>7</sup>Comprises site rental portion of Waterworks Trusts \$1,007,000 and River Improvement Trusts \$41,000

<sup>8</sup>These States have some irrigation rating content. The amount is not available but would be relatively small compared with Victoria and New South Wales.

APPENDIX B  
RATING SYSTEMS IN THE AUSTRALIAN STATES

(As at September, 1965)  
Number of Councils

State	Number of Councils rating on		Area in Acres rated on	
	U.C.V. (sites)	N.A.V. (improvements)	U.C.V. (sites)	N.A.V. (Improvements)
New South Wales	225	—	174,357,000	—
Victoria	53	156	13,326,000	42,784,000
Queensland	131	—	426,226,000	—
South Australia	45	97	15,153,000	21,334,000
Western Australia	132	13	624,541,000	48,000
Tasmania	—	49	—	16,885,000
Australian Capital Territory	1	—	601,000	—
Northern Territory	1	—	18,000	—
Totals	588	315	1,254,222,000	81,051,000

Notes:

- (1) U.C.V. means Unimproved Capital Value of the land only.
- (2) N.A.V. means Net Annual (Rental) Value of land-plus-improvements.
- (3) The acreages shown under U.C.V. are those in which one or more of the municipal, water, sewerage or irrigation rates is levied on that basis. They are areas with practical experience of that basis.

The acreage unincorporated into local government units and hence not subject to any form of rating in the various States are as follows:

New South Wales	23,680,000	Western Australia	nil
Victoria	136,000	Tasmania	nil
Queensland	nil	Australian Capital Territory	nil
South Australia	206,680,000	Northern Territory	332,961,000



APPENDIX C

LAND TENURE IN THE AUSTRALIAN STATES  
(As at 30 June 1966)

State or Territory	Freehold or in process (acres)	Leasehold or Licence (acres)	Other Crown (acres)	Total area (acres)
New South Wales	66,318,000	113,161,000	18,560,000	198,039,000
Victoria	34,160,000	6,185,000	15,901,000	56,246,000
Queensland	34,375,000	365,457,000	27,048,000	426,880,000
South Australia	16,502,000	150,422,000	76,321,000	243,245,000
Western Australia	45,415,000	246,038,000	333,135,000	624,588,000
Tasmania	6,824,000	1,291,000	8,770,000	16,885,000
Australian Capital Territory	105,000	279,000	217,000	601,000
Northern Territory	325,000	190,688,000	141,966,000	332,979,000
Totals	204,024,000	1,073,521,000	621,918,000	1,899,463,000

APPENDIX D

Summary of Land Taxation Rates, Australia, 1965/66  
(Table from Queensland Year Book, 1966.)

State	Rates of Tax (in \$ on unimproved taxable values)	Exemptions
New South Wales	0.4167c up to \$5,000; thence graduated to reach 0.6771c on \$20,000; 0.9115c on \$40,000; and 1.8671c on \$130,000. 3.3333c on each \$1 over \$130,000. A rebate of 5 per cent. applies on all assessments.	On primary producers' land \$33,000, diminishing by \$6 for every \$2 in excess of \$33,000. On other land \$16,500 diminishing by \$6 for every \$2 in excess of \$16,500.
Victoria	On primary producers' land, 0.4167c up to \$30,000, thence graduated to reach 1.875c over \$140,000. On other land 0.4167c up to \$17,500, thence graduated to reach 2.916667c over \$170,000. Absentees. Where land is not used for primary production or industrial purposes, 20 per cent. extra.	On primary producers' land \$10,000, diminishing by \$1 for every \$1 in excess of \$10,000. On other land \$6,000 diminishing by \$2 for every \$1 in excess of \$6,000.
Queensland	0.4167c up to \$1,999, thence graduated to 2.9167c on portion, from \$220,000 up to \$279,999. On taxable value from \$280,000, 2.5c on each \$1.	On primary producers' land, \$16,500. On other land, \$5,500. Absentees and companies, nil.

<i>State</i>	<i>Rates of Tax (in \$ on unimproved taxable values)</i>	<i>Exemptions</i>
<b>South Australia</b>	0.3125c up to \$10,000, thence graduated to reach 0.4688c on \$20,000; 0.7813c on \$40,000; and 2.1180c on \$180,000. 3.75c on each \$1 over \$180,000.	Land used for charitable, religious and educational purposes. Land used for primary production, graduated exemption where total value of all land held is less than \$12,500. Special concessions in certain areas.
<b>Western Australia</b>	0.625c up to \$10,000, thence graduated to reach 0.78125c on \$40,000, and 1.51041c on \$120,000. 2.916c on each \$1 over \$120,000. Surcharge of 0.416c on land not improved. Rebate of 10 per cent. on tax applicable to improved land.	Improved land used for rural purposes. Land owned by any public or religious body, provided land is not being used as a source of profit or gain. Mining properties. Land owned by pensioners.
<b>Tasmania</b>	Graduated from 0.20c on \$251 to reach 0.55c on \$10,000; 0.90c on \$25,000; 1.15c on \$50,000; 1.58c on \$100,000; 1.88c on \$150,000. 3.00c on each \$1 over \$150,000.	Rural lands \$10,000, reducing by \$2 for every \$1 by which unimproved value exceeds \$10,000 but does not exceed \$15,000. Pensioners' land subject to certain conditions. Churches, schools, hospitals, and charitable clubs pay reduced rates in certain cases.