

Site-Value Rating Questioned

Further extracts from submissions to the New South Wales Royal Commission on Local Government Finance and Valuation, adapted from Progress, Melbourne.

VICTOR WINTON (*Town Clerk, Fairfield Municipality*)

This witness and his own Council favoured retention of the unimproved value basis for rating. Development would be less with rating on improvements. They felt sure that site-value rating had an effect on the development of their commercial area and that people had been forced to do something about either developing or selling their land. He had discussed this with developers and owners of land and this confirmed that there was much less incentive to hold land.

CLIFFORD S. KEYWORTH (*Valuer, State Planning Authority*)

Income taxation for local government finance was favoured by this witness, but he could not see any likelihood of getting it and therefore proposed supplementing the rating system by development charges based on the increase in value of land following development. This would absorb a high proportion of the enhanced value for community purposes.

WILLIAM A. DALE (*Town Clerk, Municipality of Blacktown*)

Presenting his council's views, which favoured site-value rating, Mr. Dale said that rates on the improved value would have the effect of increasing the burden on the householder and could therefore not be recommended. He supported his argument with comparative figures. He added: "Rating on the improved value does in fact represent a tax on improvement, and anything that discourages development is to be avoided . . . It is suggested that a simple site valuation would give a fair basis of rating and be most economically determined." His council also favoured the use of this basis by the water authority.

DOUGLAS B. CARRUTHERS (*Deputy Mayor, Bankstown Municipality*)

Favouring site-value rating, this witness commented: "In regard to council rates, it is obvious that if these were to be assessed upon the improved capital value, the rating system would tend to deter full development of the property concerned. The more a man developed his property, the greater would be his rate levy."

JOHN K. MADDEN (*Town Clerk, Lithgow Municipality*)

The submission from this Council strongly favoured the principle of a rate on land for local government finance and for municipal, water and sewerage rating purposes.

This was strongly defended under cross examination where it was pointed out that the Council had power to rate improved capital value if it wanted to, but it had never used this power.

HECTOR J. DAWSON (*Town Clerk, Forbes Municipality*)

This witness presented a strong endorsement of the system of rating on the unimproved value. He said: "I consider that the present method of rating land on the unimproved capital value is the soundest, simplest and fairest method. A system whereby land is rated on the improved capital value could, and surely must, lead to people holding undeveloped land. In a developing area land is so scarce that it is not to the best advantage of the town to have people tie up land and scorn its development. Rating of land on unimproved capital value, possibly linked with a reasonably high minimum rate, compels people to utilise land to its best advantage . . . I favour the rate being levied on the unimproved capital value of the land, and consider for reasons stated that this basis is the most satisfactory for water, sewerage and general rates."

THE MISSING EUPHEMISM

WE ought not to be too hard on Mr. Douglas Houghton for his reference to direction of labour. It was just his bad luck that a suitably worded Wilsonian substitute for this measure has so far not been devised.

If he had only mentioned *guided redeployment* instead, all the fuss could have been avoided.

—Letter by J. A. INGRAM in *The Daily Telegraph*

