

## VICTORIA: FURTHER GAINS IN THE MUNICIPAL FIELD

### City of Sale and Eltham Shire Adopt Land Value Rating

By polls of ratepayers taken on August 28th the City of Sale and the Shire of Eltham have been won over to the Rating of Land Values. Hitherto local rates in these areas have been levied on the annual rental value of land and buildings taken together. In future the rates will be levied on the value of land alone (at its capital value) and thus buildings and other improvements will be exempt from rates. The voting at the polls was as follows:—

	For Land-Value Rating	Against Land- Value Rating
Sale City ... ..	1,932	736
Eltham Shire ... ..	3,418	3,128

The city of Sale, population 6,000 and area 5,442 acres, is situate in the county of Tangil in the Gippsland district, some 220 miles east of Melbourne. It is the centre of an agricultural, grazing, irrigation and dairying area. Eltham Shire, population 8,872 and area 190 square miles, lies some 16 miles north-east of Melbourne. It is residential and the industries are principally agricultural.

In an air-letter reporting the results, Mr. A. R. Hutchinson, the editor of the Melbourne *Progress* and secretary of the Land Values Research Group, writes that the margin of favourable votes in Sale was the largest of any adoption poll in Victoria since Dandedong in 1920; and in his memory the campaign was the best organized and most sustained of any. The *Gippsland Times* which has a very wide circulation gave good space over more than eighteen months and the cuttings of press reports, correspondence, etc., make an immense volume. The success in Sale is likely to have profound influence on local authorities further afield, as in Maffra and Moe in the Gippsland district.

*Progress* mentions Messrs. J. H. Morris and A. W. R. Wood as having taken a prominent part in the campaign; and very active as well as most helpful was Councillor G. L. Cameron under whose guidance the Land Values Research Group was able to prepare a survey showing how Land-Value Rating would affect the ratepayers of the City, this survey having been invited by the Council itself. This survey aided materially in influencing the good vote.

#### REASONS FOR THE CHANGE

In Eltham Shire, excellent publicity was given by the *Diamond Valley Local* and among the leading protagonists for the reform were Messrs. J. H. Morris, E. D. Rourke, D. Stuart, A. R. Hutchinson, D. K. Alexander and D. C. O'Brienne. In a pamphlet "for and against" issued by the Eltham Shire Council for the information of the citizens, the case in favour of "Site-Value Rating" (the levy of rates on the value of land apart from improvements) was fairly stated. These were some of the main points:

"Site-Value Rating is just and equitable in its treatment of ratepayers. Under it, the homes, farm buildings, fencing, cultivation and other improvements made by the owner are completely exempt from direct rating; these improvements are the work of the citizen himself and have no relation to the services offered by the Council.

"The site-value measures the extent of the services offered by the Shire to the owners; where those services are few, the site value per foot or per acre is low; where they are centralized, it is higher; by rating on site value the owner is left in exclusive possession of the values he has himself created . . .

"The Shire would receive the same total revenue, but spread more equitably over all the owners in proportion to the value of the sites held, instead of concentrating the rate-burden on those with farms, homes or other improvements.

"In the Shire, there are more vacant lots than lots with buildings, yet more than 90 per cent of the total revenue has been coming from those with homes, farms or other buildings. Site-Value Rating will relieve those (properties) of an unfair burden while the vacant lot-holders would simply be called on to pay their fair share towards the cost of the services offered by the Council to vacant and to developed sites alike.

"Vacant lot-holders who intend to build are best served by Site-Value Rating. Under the present (and now to be abandoned) system they might pay £1 per annum before building and £15 to £20 per annum after building. Under Site-Value Rating the above lot-holders would pay approximately £3 10s. a year on their lots and would continue to pay the same sum after they have built.

"Site-Value Rating will lead to a more compact development around the serviced area, as the higher rates on vacant land will discourage speculators and those lots will become available for genuine home-seekers, thus preventing premature subdivision further out with additional cost to the Council in extension of services before they are needed."

Summarizing the position in Victoria and including now Sale City and Eltham Shire, Land-Value Rating is the established system for local taxation in six shires and twenty-one urban municipalities of which sixteen are within the Melbourne metropolitan area. Fifteen of the boroughs within that area, including the City of Melbourne itself, have yet to be won for Land-Value Rating.

It is significant that in no Victoria local authority where Land-Value Rating has been adopted has there been reversion to the old system of charging rates upon buildings and improvements. Opponents of Land-Value Rating have attempted this reversion by polls taken for the purpose in Dandedong, Brunswick (twice), Sandriggihan, Oakleigh, Northcote, Kew, Rosedale and Frankston, and Hastings Shire, and on every occasion they have been defeated.

## Other Australian States

### Where Land Value Rating Applies

The principle of imposing local authority rates solely on the value of land and exempting improvements was first legalized in Queensland by the Valuation and Rating Act of 1890, following upon previous enabling Acts. The 1890 Act made the principle mandatory throughout the State and it is of interest to note that, since no buildings or improvements are rateable, no valuation is made of them (but Commonwealth Government properties are treated exceptionally).

### NEW SOUTH WALES

The rating of land values is in universal operation throughout the State. It derives with negligible exceptions the whole rate revenue of the cities, municipalities and shires. This is to except also the revenue collected by the autonomous Water and Sewerage Boards in the Sydney and Newcastle areas, which levy their rates on the annual