

Land Reform in Queensland*

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QUEENSLAND MAY BE COMPARED with the Pacific states in the western United States, at least in natural conditions and its area of 669,520 square miles. Its area is about equal to the region including the states of Washington, Oregon, Nevada, Arizona and California, together with the Mexican province of Lower California as far as the Equator. The population is far less, of course. Irrigation also is more urgently needed. It is not provided as efficiently as in the irrigation districts of California; the possibilities for agricultural development are about equal.

Queensland was made a separate colony in 1859. It was never a convict area, so magistrates and police have not (as in some other states) the taint of origin from gaol governors and warders. This is the only authentic "Australian birth-stain."

The early Parliaments were dominated, as in the modern state of New York, by an endless struggle between the metropolitan area of Brisbane, the capital, with two-fifths of the total population, and the country towns and areas, with a bare but unstable majority. Usually the City vote was called Liberal, or Socialist, and the Rural vote Conservative, or Reform. These were merely labels. As a rule, Brisbane has desired great public services, chiefly in Brisbane, with any losses to be shared by other areas; such a policy has often been described as Labourite or Socialist, but it has little to do with ideology.

The first attempt in the British Empire to secure the value of social progress for the Treasury was made by a Queensland

* An essay presented to Francis Neilson, Litt.D., on the occasion of his eightieth birthday.

Act of about 1865. Grazing leases were let at an agreed rental for thirty years, and renewed for another thirty at an advance of 50 per cent; with a further renewal of 50 per cent for a third thirty years. So rents rose to $2\frac{1}{4}$ times the initial rate, no matter whether values had done so or not; and no penalty or danger fell on the occupier for making improvements. It is the best statute ever enacted before Henry George publicized land value taxation as the practical method of socializing rent, and the model of the over-praised McGregor Native Land Code of Papua or "Australian New Guinea."¹

About 1885, when Henry George's ideas had reached Australia, the Queensland Conservatives or rural party had suffered a crushing defeat in which the sympathies of City voters with the Industrial Workers of the World had a notable part. The Conservative leader, McIlwraith (in a way comparable to a Matson shipping magnate in Honolulu) accepted advice from Philip Tozer, a disciple of the American social reformer. The Conservatives went to the next election with a one-plank program: to lay all local taxes ("Rates") without exception on unimproved land value, and to impose a small graduated state tax, with a low exemption, also on land value in relief of other taxes. They won *almost every seat* and the McIlwraith-Tozer Cabinet took office on June 13, 1888, and enacted the Rating Law which has stood ever since.

The Conservatives were naturally terrified at their success; and when Sir Philip Tozer advocated that the capital cost of the state railways should be charged to increment of land value in relief of fare and freight charges the Cabinet collapsed on November 30, 1888. Sir Philip Tozer was sent as "Agent General" to London, where he lived and died eating his heart out in well-paid and ornamental exile.² The Liberals

¹ Dutch New Guinea is also part of Papua, and the Australian "New Guinea" mandate is composed chiefly of other island groups.

² This was exactly the same story as of Prime Minister McBride of British Columbia; though Queensland Cabinets have *not* exerted pressure on civic bodies, as in British Columbia, to restore taxes on improvements to help "realtors."

and Socialists swore revenge and repeal of the Act; but they never have dared to attempt to carry out their vows.

The population of the state is about 2,750,000 persons, a tenfold increase in fifty years. About 1,250,000 live in Brisbane. There are 144 civic bodies which levy rates. Valuation for rates is done by the civic valuers, by the state valuers for state taxes, and by federal valuers for federal taxes. Appeals are to the Councils, to State Land Courts and to Federal Commissioners, respectively; and no heed is given by any to directions of others. Here is a rich field waiting cultivation! As a matter of fact, New Zealand is the only Australasian area with a real valuation office as in Denmark; that in New South Wales, though very competent, is crippled by lack of funds by Parliaments hostile to making any fiscal distinction between land and improvements. During the war, the Socialist Federal Cabinet took over the Queensland and other *state* land value taxes and gave an equivalent grant from federal *trade* taxes to the state treasury. It is not known if the transferred tax is collected or written off by Canberra, the federal capital, which allows a remission of many thousands of pounds in its trifling land value tax and does not publish its own valuations.

It is not easy to get any data as to the *results* of Land Reform in Queensland. Certainly there is negligible poverty in the state and homes are cheap to secure and cheap to hold. In the capital city, Brisbane, for the twelve months ending June 30, 1942 (under the threat of invasion), there were 4,829 properties which changed hands.³ Their unimproved or "rateable" value (say £1 Australian = \$3.50 U.S.A.) was £169,764, or say \$120 on the average. The selling price was £2,133,243 or \$1,560 average, showing average improvements on developed, neglected and vacant properties of \$1,440. The site value rates on a *vacant urban* lot of this average value

³ *Progress*, Melbourne, Victoria, December, 1945, p. 5.

(£35A) would be £1.19 general rate; minimum water rate for a vacant lot £2.6.8; minimum for sewerage £1.8.0 or £5.13.8 or say \$20, absorbing \$400 of capital. The rateable or site values of Greater Brisbane when set up in 1925 were £17,021,355; or say \$60 millions.⁴ In 1935-36 the total was £21,709,032, or say \$75 millions. A 25 per cent increase in ten years *in spite* of the sobering effect of (inadequate) taxation on privilege! Improvements are not assessed or taxed and as to these there are no official data, but the standard of comfort and amenity is very high for a frontier region. The *average* area occupied by house allotments in Brisbane is overall a fifth of an acre "which exceeds the figure for all but the best residential districts of Melbourne." This answers the unwarranted contention that land value taxation tends to overcrowding.

A further point may be noted. Australian federal law does not allow a new state to be formed (as in "Southern California" of hopeful memory, or in Swiss Unterwalden). The city and other conflicts, however, were settled in 1925 by setting up a Greater Brisbane of about twenty miles square. Because of its size, this area was able to support itself. Provision was made that no civic legislation or by-law would be subject to review in the state courts. This had a very sobering effect on municipal trading and enterprises, from which other areas do not now bear any loss or take any gain.

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⁴ *Loc. cit.*