

RATING STUDIES, PRIMARY PRODUCTION,
No. 3.

LAND VALUES RESEARCH GROUP STUDY

NOVEMBER
1956



PRICE
1/-

"FARM RATES" ON PRIMARY PRODUCING PROPERTIES

Reduced rates given on application from organisations for bulk distribution.

A Study of the Incidence of Municipal Rating on Primary Producing Properties showing the differences when the Basis of Rating is the Unimproved Capital Value of Land or Nett Annual Rental Value.

Prepared for the information of Municipal Councillors, Primary Producers' Organisations and Progress Associations.

LAND VALUES RESEARCH GROUP

For the collection, analysis and distribution of information upon the incidence and effects of public charges imposed upon land tenures.

RESEARCH PANEL:

G. A. BAKER B.C.E., A.M.I.E. Aust.	A. R. HUTCHINSON B.Sc., A.M.I.E. Aust.
F. OSWALD BARNETT M.Com. F.C.A. Aust.	D. W. JOHNS A.R.E.I.
D. L. BARTHOLOMEW, B.A., Dip.Ed.	C. G. MACKAY B.M.E.
H. E. BARTLETT A.R.I.B.A.	E. K. MACKAY A.R.I.B.A.
L. M. DONNELLY A.F.I.A.	S. MERRIFIELD L.S., M.V.I.S.
F. DOOLAN M.V.I.S., M.C.I.V.	B. B. MORRISS M.A.
G. A. FORSTER B.Sc.	L. M. PERROTT F.R.I.B.A.
S. S. GILCHRIST B.Sc.	E. R. PITT B.A., F.L.A.
R. H. GLADMAN A.C.I.V.	C. H. RICHARDSON B.E.E., A.M.I.E. Aust.
W. E. GOWER F.R.V.I.A., A.R.A.I.A.	A. G. SANDOW B.E., A.M.I.E. Aust.
K. N. GRIGG M.B., B.S.	L. E. STEVENS B.Met.E., B.Ed.
E. F. HALKYARD B.Sc., Dip. Ed.	W. H. TAYLOR M.C.E., A.M.I.C.E., A.M.I.E. Aust.
A. N. HAMBLY M.Sc., F.A.C.I.	N. A. WIGMORE L.S., A.C.I.V.

Hon. Research Director

A. R. HUTCHINSON, B.Sc., A.M.I.E. Aust.
32 Allison Avenue, Glen Iris, S.E.6, Victoria
BL 1372.

Hon. Secretary:

L. F. BAWDEN
52 Guildford Road, Surrey Hills, E.10, Victoria
WF 2973.

Hon. Treasurer:

G. A. FORSTER, Dip. Com.: A.I.C.A.
8 Leura Street, Surrey Hills, E.10, Victoria.

"FARMRATES" ON PRIMARY PRODUCING PROPERTIES

INTRODUCTORY

Councils which have changed to the unimproved capital value (i.e. site-value) basis of rating have an option for properties over 5 acres in area used for primary production to charge a "farmrate" lower than the rate payable on other types of property.

The decision whether to give such a "farmrate" and its amount should be based upon a factual analysis of the farms rather than arbitrary according to pressure of individuals.

This present survey has been made to provide councils with information to enable an informed decision to be made whether such a "farmrate" is warranted and if so how much less than the normal that rate should be.

BASIS FOR A "FARMRATE"

When a municipality containing both urban and primary producing properties adopts the site-value rating basis the council could apply the following principle to decide whether a "farmrate" be adopted and if so its amount.

If the majority of farms with dwellings on them resided in by the owner do not carry lower rates under the site-value basis without it a "farmrate" could be struck. The amount of that "farmrate" would be whatever lower rate is needed to bring a majority of such farms whose owners reside on the property into the group carrying lower rates under site-value rating.

The need for a "farmrate" would not exist if the majority of such farms already carry lower rates under the site-value basis without it. Rosedale, Dandenong, Eltham and Frankston and Hastings Shires are examples where surveys showed "farmrates" to be unwarranted.

Resident-owner farms are not the only ones eligible to claim benefit of the "farmrate." There are other farms whose owners live elsewhere in the municipality or outside it. Such farms are generally less efficient and poorer-developed than when the owner lives on the spot and is able to give closer attention. Such farms would also benefit by whatever "farmrate" is decided upon by the council. **But in deciding the need for and amount of the "farmrate" only resident-owner farms should be used.**

HOW TO MAKE THE CHECK

Above provides a simple basis capable of being applied readily and quickly by municipal staff. Analysis is confined to farms over 5 acres in area whose owners dwell on them. It is not necessary that municipal officers actually work out the rates payable on each holding for decision (although these comparisons are shown for Mulgrave properties in the Appendix).

All that is necessary is to first list the assessment numbers for the farms studied and against each show the ratio obtained by dividing its nett annual value into the unimproved capital value. These pairs of figures are then re-arranged in their order from the lowest ratio down to the highest. Mere inspection of the list will show how many properties carry lower rates under the U.C.V. basis without a "farmrate," and the amount of the lower rate needed (if any) to bring the majority into that group can be simply calculated. (The computation sheet for Mulgrave Shire is shown with full working in Table A of the appendix.)

RESULTS APPLIED TO MULGRAVE SHIRE

The East Riding is mainly devoted to primary production and is in the "green belt." The North West Riding was once primary producing but has now been subdivided for residential or factory purposes so that there are only 13 farms over five acres with dwellings on them and a further 10 without dwellings. There are a few additional in the North-East Riding but analysis of those in the East and North-West Ridings was considered adequate for the survey.

The properties listed in the appendices cover more than would normally need to be analyzed since they include all the primary-producing properties with houses on them and not only those owner-occupied. Those where the farmhouses are occupied by tenants or employees are distinguished by the sign *. The value of the improvements for such properties is seen to be generally less than for owner-occupied farms.

For Mulgrave the total U.C.V. of the Shire is 7.4 times the N.A. Value. Hence properties whose U.C.V. does not exceed 7.4 times their N.A.V. will carry lower rates under the site-value basis, without a lower "farmrate." There are 15 such properties out of a total of 120 farms with houses on them (107 in the East and 13 in the North West Ridings). Hence if the principle set out above is accepted a lower "farmrate" would be needed to bring a majority into the lower-rate group under U.C.V. than under N.A.V.

KAWMAKI PRODUCTION PROPERTIES IN MULGRAVE SHIRE.

Showing properties over five acres in area devoted to primary production hence eligible for the lower "farmrate" applicable to such properties as compared with that applied to other classes of property. The "farmrate" has been computed below at two-thirds of the general rate upon unimproved capital value. Properties in the table are listed in order of their "degree of improvement" shown by percentage which the value in improvements bears to the total value of land plus improvements.

Comparative rates used are 3/6 in £ N.A.V. equals 5.635d. in £ U.C.V. "Farmrate" 2/3rds of that amount.

Assmt. No.	Name of Owner.	Nature of Usage	Area (acres)	Site Value (U.C.V.)	Improvements Value	Annual Value (N.A.V.)	Per cent. Impymts. on total value	Rates Payable Under		Locality of Property.
								N. A. V.	Farmrate	
EAST RIDING (Properties With Farmhouses)										
14587	Kennedy, F. E.	Poultry Farm	5½	1,152	2,778	197	71	£ 34 9 6	18 14 0	F.T. Gully Rd. (WH)
14590	Ireland, T. T. & A.	Dairy Farm	80	4,248	9,902	708	70	123 18 0	66 10 2	F.T. Gully Rd. (WH)
15005	*Whalley, A. D. & B.	Farm	20	1,800	4,000	290	69	50 15 0	28 3 8	Wellington Rd. (M)
14688	Lowen, W. N.	Orchardist	23	1,608	3,592	260	69	45 10 0	25 3 6	Gallaghers Rd. (GW)
14931	*Bailey, A.	Market Garden	6½	1,168	2,627	190	69	33 5 0	18 5 8	Watsons Rd. (GW)
15027	King, Mrs J.	Farm	13	2,080	4,720	340	69	59 10 0	32 11 3	Wellington Rd. (M)
14691	Matthews (Est.)	\$Farm	9½	615	1,324	97	68	16 19 6	8 18 6	Garnet Rd.
15015	Cameron, N. D. & M.	Market Garden	7	1,048	2,152	160	67	28 0 0	16 8 3	Wellington Rd. (M)
14728	Murdoch, F. L. & J.	\$Farm	5	1,248	2,452	185	66	32 7 6	19 10 9	Jells Rd. (WH)
14719	Sutton, A. M.	Market Garden	18	1,528	2,952	224	66	39 4 0	23 18 6	Jacksons Rd. (M)
14960	*Lauder, A. P.	Stud Farm	87½	10,496	18,379	1,444	64	252 14 0	164 6 4	Waverley Rd. (GW)
14684	Horne, G. A.	Farm	5	1,000	1,800	140	64	24 10 0	15 13 2	Gallaghers Rd. (GW)
14879	Tagell, Mrs.	\$Market Garden	14½	1,400	2,350	188	63	32 18 0	21 18 4	Springvale Rd. (GW)
14899	Hattwell, J. W.	Poultry Farm	17½	3,240	5,500	437	63	76 9 6	50 14 6	Springvale Rd. (GW)
14692	Medbury, W. (Est.)	\$Dairy Farm	20	1,295	2,154	173	63	30 5 6	20 5 10	Garnet Rd.
14714	*Syme, K. A.	\$Dairy Farm	20	2,800	4,600	370	62	64 15 0	43 16 8	Jacksons Rd. (M)
14596	O'Brien, R. J.	\$Poultry Farm	5	1,600	2,600	210	62	36 15 0	25 1 0	F.T. Gully Rd. (WH)
14751	Jones, R. C.	Farm	10	1,400	2,300	185	62	32 7 6	21 18 4	Jells Rd. (WH)
14717	Arnot, K. J. & C.	\$Market Garden	24	2,040	3,150	260	61	45 10 0	31 18 5	Jacksons Rd. (M)
14861	Mustard, A. P.	Dry Farmer	5½	1,040	1,525	120	59	22 11 0	16 5 7	Police Rd. (Sp)
14944	*Bailey, A. L. & A. G.	Market Garden	6½	1,144	1,640	146	59	24 10 0	17 17 10	Watsons Rd. (GW)
15031	Simmons, J.	\$Pig Farm	42	2,520	3,610	307	58	53 14 6	39 14 6	Wellington Rd. (M)
15032	Hateley, R. N.	Dairy Farm	84	4,616	6,034	531	57	92 18 6	72 5 4	Wellington Rd. (M)
14731	Jungwirth, L. V.	Dairy Farm	14½	2,096	2,704	240	57	42 0 0	32 16 2	Jells Rd. (WH)
14996	Parkinson, S. & H.	Market Garden	84	9,240	12,150	1,070	57	187 5 0	144 11 10	Wellington Rd. (M)
14738	*Stott, J. A.	Stud Farm	8	1,920	2,480	220	56	38 10 0	30 1 2	Jells Rd. (WH)
14739	*King, K.	\$Stud Farm	20	3,400	7,800	390	56	68 5 0	53 4 8	Jells Rd. (WH)
14694	Forrest, W. E. & C.	\$Market Garden	25	3,000	3,700	385	55	58 12 6	46 19 4	Grandview Rd. (WH)
14943	Viggers, W. H.	Market Garden	6½	1,104	1,326	122	55	21 7 0	17 5 8	Watsons Rd. (GW)
14637	*Stott, A. P.	Farm	20	5,000	5,850	540	54	94 10 0	78 5 6	F.T. Gully Rd. (WH)
14878	Sutton, L. W. & R.	\$Dairy Farm	34	1,920	2,200	206	53	36 1 0	31 1 1	Police Rd.
15029	Garvey, W. (Est.)	\$Dairy Farm	39	2,728	3,082	290	53	50 15 0	42 14 0	Wellington Rd. (M)
14874	Wise, F. J.	Market Garden	15	1,800	2,000	190	53	33 5 0	28 3 9	Police Rd. (Sp)
14693	Armstrong, F. G.	Dairy Farm	79	5,528	5,952	574	52	100 9 0	86 10 10	Grandview Rd. (WH)
14741	*King, K.	\$Stud Farm	104	9,360	10,200	978	52	171 3 0	146 9 4	Jells Rd. (WH)
14754	Cox, E. A. & C.	Farm	10	952	998	93	51	17 1 6	14 18 0	Lea Rd. (M)
14780	*Norris, R. C. & P.	Market Garden	9½	1,200	1,264	124	51	21 14 0	18 15 8	Mackintosh Rd. (GW)
14932	Wilson, N. W.	Market Garden	6½	1,168	1,227	120	51	21 0 0	18 5 8	Watson Rd. (GW)
15006	*Whalley, A. D.	\$Farm	30	2,248	2,402	233	51	40 15 6	35 3 10	Wellington Rd. (M)
14869	Clarke, L. R. & I.	Market Garden	39	3,704	3,851	378	51	66 3 0	57 19 6	Police Rd. (Sp)
15022	*Arnot, A. R.	Market Garden	20½	2,048	2,102	208	51	36 8 0	32 1 4	Wellington Rd. (M)
14376	*Elinora P/L	Stud Farm	160	14,376	14,449	1,442	50	252 7 0	225 1 4	F.T. Gully Rd. (WH)
14961	*Lauder, A. F.	Stud Farm	41½	3,112	3,067	309	50	54 6 6	48 14 2	Waverley Rd. (GW)
14962	*Lauder, A. P.	Stud Farm	82	4,096	4,194	415	50	72 10 6	64 2 2	Waverley Rd. (GW)
14713	Forrest, C. & H.	Market Garden	50	6,088	5,752	592	49	103 12 6	95 6 2	Jacksons Rd. (M)
14997	Arnot, N. S.	Market Garden	28½	3,136	2,874	301	48	52 13 6	49 1 8	Wellington Rd. (M)
14589	*Cornell, J.	Market Garden	30	4,200	3,850	403	48	70 10 6	65 15 0	F.T. Gully Rd. (WH)
15024	Burrows, N. F. & I.	Market Garden	50	6,000	5,550	578	48	101 3 0	94 10 8	Wellington Rd. (M)
14588	Pollock, R. & P.	Market Garden	16½	2,650	2,415	254	48	44 9 0	41 6 3	F.T. Gully Rd. (WH)
14730	Frederick, L. (Est.)	Farm	40	4,200	3,650	393	47	68 15 7	65 15 0	Jells Rd. (WH)
14733	Belcher, D. W.	\$Farm	20	3,000	2,650	283	47	49 10 6	46 19 2	F.T. Gully Rd. (WH)
14615	Pickering, H. D.	Grazing	17	2,888	2,482	269	46	47 1 6	45 4 4	Jells Rd. (WH)
14734	Herring, G. W.	Pig Farm	160	8,000	7,000	750	46	131 5 0	125 3 8	F.T. Gully Rd. (WH)
14880	Tagell, G. B.	Market Garden	14½	2,848	2,377	262	45	45 17 0	44 11 6	Springvale Rd. (GW)
14989	Reid, E. M.	Farm	20	3,000	2,500	275	45	48 2 6	46 19 4	Wellington Rd. (M)
15011	*Armstrong, F. J.	\$Dry Farmer	19½	600	500	55	45	9 12 6	9 7 10	Wellington Rd. (M)
14870	Billing, H. V. & C.	Market Garden	41	4,104	3,346	373	45	65 5 6	64 5 0	Police Rd. (Sp)
14855	Crewther, L. J.	Dairy Farm	6	3,128	2,497	293	44	65 5 6	64 5 0	Police Rd. (Sp)

14870	Billing, H. V. & C.	Market Garden	41	4,104	3,346	373	65	5	6	64	5	0	Police Rd. (Sp.)
14855	Crewther, L. J.	Dairy Farm	6	3,128	2,497	282	44	7	0	48	19	4	Police Rd. (Sp.)
14876	Armstrong, Mrs. K.	Market Garden	5	648	502	58	44	10	3	10	2	10	Police Rd. (Sp.)
14868	*Arnett, W. J. & M.	Market Garden	55	4,952	3,898	443	41	77	10	6	77	10	Police Rd. (Sp.)
14629	*Allen, L. W. & E.	Market Garden	41	5,320	4,180	475	43	83	2	6	83	5	F.T. Gully Rd. (WH)
14639	Ryan, J. V.	Market Garden	20	2,800	2,200	250	44	43	15	0	43	16	F.T. Gully Rd. (WH)
15020	Reynolds, G. B.	Market Garden	20	2,000	1,550	178	43	31	3	0	31	6	Wellington Rd. (M)
14766	Arnett, Mrs. F.	Market Garden	10	2,400	1,850	213	43	37	5	6	37	11	Lum Rd (WH)
14995	Kennedy, R. J.	Grazing	25	2,752	2,098	243	43	42	10	6	43	1	Wellington Rd. (M)
14577	*Cotter, R. W. & L.	Market Garden	25	3,600	3,000	350	43	61	5	0	62	5	F.T. Gully Rd. (WH)
14821	Henry, M. & B.	Market Garden	27	4,000	3,000	315	43	55	2	6	56	6	Nantilla Rd.
14871	Arnett, W. J. & M.	Market Garden	58	6,960	5,300	613	43	107	5	6	108	18	Police Rd. (Sp.)
14883	*Cala, P.	Market Garden	6	1,320	1,000	116	43	20	6	0	20	13	Springvale Rd. (GW)
14906	Madigan, G. & R.	Market Garden	20	2,400	1,800	210	43	36	15	0	37	11	Springvale Rd. (GW)
14613	*Abrahams, H. T. & R.	Horse Breeder	20	3,400	2,500	295	42	51	12	6	53	4	F.T. Gully Rd. (GW)
14910	Parker, A. (Est.)	Market Garden	20	2,200	1,600	190	42	33	5	0	34	8	F.T. Gully Rd. (M)
15004	Park, R. G.	Farm	52	5,200	3,790	452	42	79	2	0	81	7	Springvale Rd. (M)
14823	Pollard, A. D. & E.	Market Garden	20	2,800	2,000	240	42	42	0	0	43	16	Wellington Rd. (M)
14980	Beggs, H. & E.	Market Garden	35	7,000	5,000	600	42	105	0	0	109	11	Springvale Rd. (GW)
14625	*Allen, L. W. & Mrs.	Market Garden	55	6,600	4,700	565	41	98	17	6	103	18	F.T. Gully Rd. (WH)
14632	Younger, A. M. (Snr.)	Market Garden	50	6,000	4,200	510	41	89	5	0	93	18	F.T. Gully Rd. (WH)
14762	Hall, H. A.	Market Garden	15	3,296	2,154	273	40	47	15	6	51	12	Lum Road (WH)
14883	*Cala, P.	Market Garden	26	4,544	2,940	375	40	65	12	6	71	2	Springvale Rd. (GW)
14591	Cornell, H. S.	Market Garden	28	3,080	1,970	253	39	44	5	6	48	4	F.T. Gully Rd. (M)
14816	Arnot, D. S.	Farm	78	7,800	5,900	640	39	112	0	10	122	0	May Road (NH)
15023	Lombardo, P. F. & R.	Market Garden	30	5,400	3,500	445	39	77	17	6	84	10	Wellington Rd. (M)
14618	*Allen, L. W., F. & R.	Market Garden	35	3,496	2,204	285	39	49	17	6	54	14	F.T. Gully Rd. (WH)
14903	Cornell, H. E.	Market Garden	20	4,000	2,350	318	38	55	13	0	62	12	Springvale Rd. (M)
14715	Fear, H. L.	Market Garden	10	3,280	1,000	130	38	22	15	0	25	1	Jacksons Rd. (M)
14942	Norris, B. J.	Market Garden	20	2,200	1,300	175	38	46	11	0	51	7	Watsons Rd (GW)
14945	Cooper, C. E.	Market Garden	20	4,000	2,300	315	37	30	12	6	34	9	Watsons Rd (GW)
14882	Dunscombe, J. W.	Market Garden	9	3,000	2,300	315	37	49	17	6	54	14	Springvale Rd. (GW)
14576	*Cotter, R. W.	Market Garden	25	4,000	2,350	318	37	55	13	0	62	12	F.T. Gully Rd. (WH)
14716	*Sutton, A. M.	Dairy Farm	47	13,480	7,705	1,059	36	185	6	6	211	0	Jacksons Rd. (M)
14819	Robinson, W. J.	Market Garden	49	17,280	9,720	1,350	36	236	5	0	270	7	McKenna Rd. (GW)
14620	*Webb, J. C. & F. M.	Dairy Farm	108	2,686	1,474	208	35	36	8	0	42	4	F.T. Gully Rd. (NH)
14611	Fear, N.	Dairy Farm	9	4,000	2,100	305	34	53	7	6	62	12	Wellington Rd. (M)
15021	Finger, E. F.	Market Garden	40	3,304	1,655	250	34	43	15	0	51	14	F.T. Gully Rd. (M)
14614	*Abrahams, H. P. & F.	Horse Breeder	20	600	600	90	33	15	15	0	18	15	F.T. Gully Rd. (WH)
14578	*Cala, P.	Market Garden	5	9,752	4,223	699	30	122	6	6	152	12	Wellington Rd. (M)
14992	*Allen, E. C. & L. W.	Market Garden	75	12,000	4,960	848	29	148	8	0	187	17	Springvale Rd. (GW)
14895	*Allen, E. C. & L. W.	Market Garden	80	2,200	830	152	28	26	12	0	34	7	Springvale Rd. (GW)
14898	Cooper, O. W.	Market Garden	10	9,896	3,644	677	27	118	9	6	154	18	F.T. Gully Rd. (WH)
14572	Dewar, J. K.	Market Garden	36	7,000	2,450	473	26	82	15	6	109	7	May Road (NH)
14790	Doig, A. L.	Dairy Farm	20	1,504	496	100	25	17	10	0	23	11	Lum Rd (WH)
14778	Begg, T. R.	Orchardist	10	19,632	5,693	1,257	23	221	14	6	307	7	F.T. Gully Rd. (NH)
14612	Fear, J. (Est.)	Dairy Farm	93	4,800	1,120	296	19	51	16	0	75	2	F.T. Gully Rd. (NH)
14617	Pickering, J. (Est.)	Farm	32	6,472	1,423	395	18	69	2	6	101	18	Mackintosh Rd. (NH)
14788	Gunther, J.	Market Garden	18	1,256	319	79	20	13	16	6	19	13	Springvale Rd. (GW)
14905	*Allen, L. W. & R. V.	Market Garden	10	20,000	2,900	1,145	13	200	7	6	312	19	May Rd. (NH)
14791	West, T. L. (Est.)	Dairy Farm	50	2,495	1,554	200	39	35	0	0	39	1	297/31 High St. Rd (Mt.W.)
NORTH WEST RIDING (Properties with Farm Houses)		Market Garden	5	4,200	2,390	330	36	57	15	0	65	1	Waverley Rd. (Mt.W.)
3453	Hore, J.	Market Garden	6	2,752	1,248	200	31	35	0	0	43	13	Essex Rd.
5881	Talbot, W.	Market Garden	5	11,496	4,524	800	28	140	0	0	179	18	215/21 Warrigal Rd.
2998	Cornell, A. G. & S.	Market Garden	10	20,464	6,316	1,389	24	234	6	6	320	7	Waverley Rd. (Mt.W.)
5146	*Stocks, J. H.	Market Garden	23	15,000	4,650	983	24	172	0	6	234	16	Waverley Rd. (Mt.W.)
5380	Australia. Hotel	Market Garden	25	4,000	1,203	260	23	45	10	0	62	12	High St. Rd. (Mt.W.)
5383	Marnecke, B.	Market Garden	4	6,248	1,852	405	23	70	17	6	97	16	Stephensons Rd (MW)
4719	*Stocks, J. H.	Florist	5	13,600	2,300	795	15	139	2	6	203	9	Highbury Rd (Bur.)
3631	Bridle, A. B.	Market Garden	16	2,316	2,316	763	14	133	10	6	202	11	Highbury Rd (Bur.)
3657	Graeger, V. W.	Florist	37	13,000	1,600	730	10	127	15	0	203	9	Highbury Rd (Bur.)
2382	*Stocks, D. M.	Market Garden	20	12,000	1,500	675	10	118	2	6	187	17	Bayview Rd.
4718	*Stocks, D. M.	Market Garden	20	7,504	646	408	8	71	8	6	117	9	Stephensons Rd (MW)
3030	*Davison, L.	Market Garden	9										Bayview Rd.

* Indicates other holdings of same owner appear elsewhere. \$ Indicates owner does not reside in house on property. U.C.V. (Unimproved Capital Value); NAV (Nett Annual Value); WH (Wheelers Hill); GW (Glen Waverley); MW (Mount Waverley); NH (Nott ing Hill); Sp. (Springvale).

Of the properties listed on Table A there are seen to be 60 in the East Riding above the line drawn where the U.C.V. is not more than 11.1 times the N.A.V. There are 47 properties below that line in the East Riding and a further 13 in the North West, making a total of 60 with U.C.V. more than 11.1 times the N.A.V.

The "farmrate" needed to ensure that the top 60 carry lower rates under the site-value basis is given by dividing 42d. (which is the equivalent rate under N.A.V.) by 11.1, giving 3.756d. per £ of U.C.V. **This works out for Mulgrave Shire almost exactly to a reduction by one-third of the rate levied on other types of property.**

Further examination restricted to those cases where the owner resides on the property shows 42 which would carry lower rates under the "farmrate" determined above compared with 32 which would still carry increased rates over N.A.V. (including 8 in the North West Riding). **Thus with a "farmrate" one-third less than the normal U.C.V. rate 66 per cent. of the owner-farmers resident on their holdings would carry lower rates than under nett annual value basis.** (The following rate comparisons have used a "farmrate" at two-thirds of the rate payable on other types of property.)

AVERAGES FOR FARM PROPERTIES IN GROUPS

Group	Number Averaged	Average Area	Average Value (U.C.V.)	Average Value of Impvmts.	Average Impvmts. per cent. on whole	Average Annual Value (N.A.V.)
Holdings With Houses						
East Riding						
A	15	19	2,230	4,420	66	335
B	15	26	2,550	3,700	59	315
C	18	46	4,210	4,250	50	420
D	12	34½	3,335	2,818	45	308
E	21	28½	3,900	3,034	42	335
F	26	35	5,350	2,760	34	474
North West Riding						
G	13	15	9,600	2,450	20	600
Holdings Without Houses						
East Riding						
H	5	71	4,000	4,100	50	444
I	33	24	2,970	1,020	25	200
North West Riding						
J	10	18	12,970	1,447	11	726

TOTAL RATE PAYMENTS SUMMARIZED

Summarized totals for the properties with farmhouses as detailed in the appendix are as follows:

East Riding	Number of Properties	Total U.C.V. £	Value of Impvmts. £	Total N.A.V. £	RATES Payable Under:		
					N.A.V. £	U.C.V. Farmrate £	U.C.V. Ordinary £
Gp. A	15	33,928	66,682	5,033	881	530	797
Gp. B, C, D.	45	156,602	170,300	16,182	2,832	2,452	3,679
Gp. E, F	47	251,910	131,229	19,159	3,353	3,943	5,915
North West Riding							
Gp. G	13	125,704	32,026	7,888	1,380	1,968	2,951
	120	568,144	400,237	48,262	8,446	8,893	13,342

Corresponding figures for properties without houses on them are:

East Riding							
Gp. H	5	23,816	20,474	2,219	388	372	559
Gp. I	33	95,000	32,826	6,448	1,128	1,487	2,230
North West Riding							
Gp. J.	10	129,704	14,476	7,261	1,270	2,042	3,063
	48	248,520	67,776	15,928	2,786	3,901	5,852

The detailed list of individual properties attached as appendix are seen to follow the order of the percentage of the value of the improvements to the total value of the property. Farms where value of improvements is 44 per cent. or more of the whole property will carry lower rates under the U.C.V. "farmrate" than under N.A.V. Those which do not benefit in this way are poorly-developed with improvements ranging from 3 to 43 per cent. of the total value of the property.

WHAT THE "FARMRATE" WOULD COST

Without the "farmrate" the East and North West Riding primary producing properties detailed in the survey would contribute under the U.C.V. basis a total of £19,194 out of the total revenue of £107,813 from rates.

A "farmrate" struck at two-thirds of the normal rate would reduce the contribution of the farms by £6,400 to a total of £12,794 (which is only £1,562 more than they would pay under N.A.V.). This extra amount would be contributed by the least improved farms only.

Rate payments of other types of property would be increased pro rata to make up the difference of £6,400 between the normal and "farmrate." Without the "farmrate" these other properties would contribute a total of £88,619 between them. This would be increased by approximately 7½ per cent. due to the adoption of the "farmrate."

Allowing for a few additional primary producers eligible for the "farmrate" in the North East Riding the "farmrate" could increase the contribution otherwise necessary from persons subject to the normal rate by up to 10 per cent. for Mulgrave Shire.

A. R. HUTCHINSON, B.Sc., A.M.I.E. Aust.,
Hon. Research Director.

TABLE A.
METHOD OF COMPUTING "FARMRATE" FOR MULGRAVE.
Farms with dwellings on them arranged in order of their U.C.V. divided by their N.A. Value.

For those marked (*) the owner does not live on the farm.

EAST RIDING.							
Assessmt.	Ratio	Assessmt.	Ratio	Assessmt.	Ratio	Assessmt.	Ratio
14587	5.8	*14694	8.9	14989	10.9	15023	12.1
14590	5.9	14943	9.0	*15011	10.9	14618	12.2
15005	6.1	14637	9.1	14855	11.0	*14903	12.3
14688	6.1	*14878	9.3	14870	11.0	14942	12.4
14931	6.15	*15029	9.3	14876	11.0	14945	12.4
15027	6.2	14874	9.5	14868	11.1	14882	12.5
*14691	6.35	14693	9.6	14639	11.2	*14715	12.5
15015	6.5	*14741	9.6	14629	11.2	14576	12.6
*14728	6.6	14754	9.7	15020	11.2	*14716	12.6
14719	6.8	14780	9.7	*14766	11.3	14819	12.6
14960	7.25	14932	9.7	14995	11.3	*14620	12.7
14684	7.3	*15006	9.7	14577	11.4	14611	12.8
*14879	7.4	14869	9.8	*14821	11.4	*15021	13.0
14899	7.4	15022	9.8	14871	11.4	*14614	13.1
*14692	7.4	*14376	10.0	14883	11.4	*14578	13.3
*14714	7.5	14961	10.0	*14906	11.4	*14895	14.1
*14596	7.6	*14962	10.0	*14613	11.5	*14992	14.0
14751	7.8	14997	10.0	*14910	11.5	14898	14.5
*14717	7.8	14713	10.2	15004	11.5	14572	14.6
14861	8.0	14589	10.3	14625	11.6	*14790	14.8
14944	8.1	15024	10.4	*14632	11.7	14773	15.0
*15031	8.6	*14730	10.5	14823	11.7	*14612	15.7
15032	8.6	14588	10.6	*14980	11.7	14788	16.2
14731	8.6	14733	10.6	14762	11.9	*14617	16.2
14996	8.6	14615	10.7	*14897	12.0	14905	16.8
14738	8.7	14734	10.7	14591	12.1	*14791	18.5
*14739	8.7	14880	10.9	*14816	12.1		
NORTH WEST RIDING							
5381	12.7	5383	15.3	3631	17.0		
2998	13.8	4719	15.4	3657	17.0	*3030	18.4
5146	14.3	*3423	15.5	*2382	17.7		
*5380	15.3	3452	15.8	*4718	17.7		

COMPUTATIONS.

(1) **Formula**

The formula to compute the rate per £ of unimproved capital value required to ensure that all properties tabulated with ratios less than any chosen one above carry lower rates under the U.C.V. than the N.A.V. basis is:

U.C.V. Farmrate in £ (pence) = N.A.V. rate in £ (pence) divided by ratio selected.

(2) **Application**

There are 60 properties listed ratio less than 11.1 and same number with ratios of more than that figure. Hence U.C.V. Farmrate = N.A.V. Rate (42d.) ÷ 11.1 = 3.756d. in £ of U.C.V.

(3) Properties with ratios 7.4 or less carry lower rates under U.C.V. general rate without need for a farmrate.

(4) The higher the ratio above the less improved is the property. Vacant land without any improvements will have a ratio of 20.0 and this is the highest possible.

Other studies conducted by the Land Values Research Group are listed below:

Rural No. 1—Shire of Rosedale (4d. each)

Urban No. 2—City of Oakleigh (3d. each)

Rural No. 2—Town of Hamilton (4d. each)

Urban No. 3—City of Launceston (1/- each)

Urban No. 4—Social Effects of
Municipal Rating (City of
Footscray) (2/6 each)

Urban No. 5—Reclamation of an
Industrial Suburb (City of
Fitzroy) (2/6 each)

Interstate Study—Public Charges
on Land Values (6d. each)

Rising Municipal Costs—Finance
Study (8d. each)

Provincial—City of Warrnambool (6d. each)

Rural No. 3—Morwell Shire (9d. each)
Plus postage for single copies.

Available from Hon. Sec.—
Mr. L. F. Bawden, 52 Guildford Road,
Surrey Hills, E.10, Victoria.