office Co

N.P. 336.220991 LAN

LAUNCESTON RATING SURVEY

Conducted by the Land Values Research Group, Melbourne, on behalf of the Tasmanian Rating Reform League, to ascertain how the redistribution of rates under Unimproved Land Value Rating would affect various classes of property.



Launceston, Tasmania

1st January, 1946



#### THE BASIS OF COMPARISONS

This investigation has been made using the annual values listed in the Assessment Roll for the year 1944-45 and the unimproved land values and improvement values listed in the Government Valuation Rolls for the same period. Public attention has already been drawn to the fact that these rolls are not in a satisfactory condition and that a general revaluation is necessary to restore equity in treatment between individual ratepayers.

However, the rolls have been taken as they stand and the comparisons show how broad groups of properties would be affected were the site value (or unimproved land value) used as a basis for rating instead of annual value rating during the year 1944-45.

While the position of individuals within the groups may be very greatly altered as a result of a revaluation, the differences in incidence due to the rating systems themselves are so great that they are unlikely to be greatly modified by such a re-valuation.

#### THE DIVIDING LINE BETWEEN GAIN AND LOSS

The revenue to be raised under Site Value and Annual Value Rating is the same, but the distribution is fundamentally different. Some classes of property pay much more in rates under the one system than under the other. In others the rates may be substantially the same under either system.

The question of whether the rates on a particular property are reduced or increased depends entirely upon how the ratio of the unimproved value of the property to its annual value on the rolls compares with the average ratio of the district as a whole.

The unimproved land value of the district being £2,701,000 and the annual value £541,000, the ratio of the former to the latter is 5:1. This gives a very simple test by which everyone can tell whether he would have reduced or increased rates by a change; viz., divide the unimproved value of the property by its rated annual value; if the result is less than five the rates are lower on site value rating; if greater than five, rates are lower on annual value rating, while at this average value they would be the same under either system.

The proportionate gain or loss can be seen by comparing the figure for any property in question with the average figure, 5:1. If the figure for the property is 2.5:1 the rates would be cut in half by site value rating. If the figure for the property is 10:1 the rates would be doubled.

This figure applies only to Launceston, the corresponding figure for other districts may be very different according to their local conditions.

It will be evident that this simple test of gain or loss is quite independent of the rate in the  $\pounds$  which the Council imposes. This alters the actual amount of the rate payable but does not affect the relativity between the two systems.

In working the rates out the current composite rate of 4/7 in the £ of annual value was used, the corresponding rate upon unimproved land value being 11d. in the £.

#### HOW HOUSES WOULD BE AFFECTED

Of all classes of property houses are found to be the one most favoured by site value rating.

This is so overwhelmingly evident as to enable the general observation to be made that, outside the square bounded by Tamar, York and Wellington Streets and the river, all houses of average frontage and condition will be found to be benefited by site value rating.

Within the square bounded by these streets is the business section in which it is only to be expected that a lower proportion of houses would benefit by site value rating. Even in this section, of 239 houses studied, 139 (or 58 per cent.) carried lower rates under site value rating.

Outside of this inner section an intensive study was made in the purely residential streets in the course of which every house was studied in each of thirty-five streets. Of 1,633 dwellings examined in this process, 1,313 were found to benefit under site value rating and only 320 by annual value rating. These figures show that 80 per cent. of houses gain under site value rating. They understate the percentage for the whole city as, although approximately 25 per cent. of the total dwellings have been covered, they include a much higher proportion of the streets nearest the business centre where the gain is less marked than in streets further out.

For the city overall it may be taken that the percentage benefited by site value rating would be at least 85 per cent. which is in line with the results of similar studies conducted in Victoria in districts rating on land values.

Even in the extensions of the business streets—Brisbane, Charles, George, St. John and York Streets—where land values are high, the proportion gaining ranged from 60 per cent. in Charles Street to 82 per cent. in York Street, with an average of 70 per cent.

Although all residential areas gain under site value rating, the extent of the gain is greater in the purely working class areas than in the best residential areas due to the marked difference in price per foot. The best of the longer streets are High Street and Elphin Road, characterised by large frontages, high land values and good quality homes. Even here the percentage benefiting on site value rating is 59 and 56 respectively.

In the working class areas the percentage is well over 90, while in many streets not a single house would fail to get reduced rates. In one section of eleven streets named after military leaders of the First World War, of 118 houses not a single one would have a rate increase. It may be accepted that in such areas where rate increases are found they are due to the holding of frontages capable of further subdivision.

28.1.64

### HOW VACANT LAND WOULD BE AFFECTED

As the housing properties gain so overwhelmingly it is necessary to consider at whose expense the gain would be made. Vacant land is the only class of property which invariably pays more on site value rating.

In all other classes some gain and others lose depending upon the degree of improvement. The gain of householders being mainly at the expense of vacant holders it is important to consider the extent of such holdings.

The whole of the rolls have been examined and the holdings classified. It was found that of the 10,752 holdings on the rolls no less than 1,073 were vacant lots with a total unimproved land value of  $\pounds 205,000$ . This does not include the very large number of holdings upon which the improvements are a minor portion of the total value and a large acreage in subdivisional areas.

Vacant land generally would carry four times as much in rates under site value rating as it pays under annual value rating.

This large proportion of vacant land at present contributes only  $\pounds 2,400$  of the city's  $\pounds 124,000$  rate revenue, a very insignificant fraction. Under site value rating its contribution would rise to  $\pounds 9,600$ . It should be noted that vacant holders are largely benefiting, even more than they would normally do, through the out-of-date valuations. In a large proportion of cases the vacant holdings have remained in the same hands for many years and are rated at their values of thirty years ago, although they have appreciated considerably.

Although there are 1,073 holdings of vacant lots the actual number of separate lots considerably exceeds this figure as many are already subdivided. One holder has over 100 separate lots. There are in all only 789 distinct holders of vacant land, the remaining 224 having multiple holdings in various streets.

It is generally recognised that vacant lot holders are the least desirable class of ratepayers in any area and retard its development. Analysis shows that the nature of the holdings is strongly speculative, injurious to the better development of the district. No less than 176 (22 per cent.) of the holders are females with a total value of £30,890. A high proportion of these are unable or unwilling to develop their properties themselves and the community suffers accordingly.

There are 72 absentee holders who live in other places and hold an unimproved value on the rolls of  $\pounds 9,000$ , forming 9 per cent. of the number of distinct holders.

Of the vacant holdings a very high proportion is in the hands of deceased estates. There were 72 such estates with an unimproved value of £30,830. This class of holding has generally the financial ability to fully develop the holdings, but this is discouraged by high rating upon buildings as against low rates upon the vacant holdings. While many estates do hold highly improved property which would benefit under site value rating, others merely hold land idle to the general disadvantage.

The largest holding in this class is that of the A. and R. G. O'Connor Estates, which had land of an unimproved value of  $\pounds 4,560$  covering 68 lots. Since this roll was prepared this estate has acquired

a further 54 lots with unimproved value of £1,000. This estate has many improved properties and may intend an extensive building project in which its activity would be commendable. Such a project would be helped by site value rating. In any case it would be less likely to merely hold for speculation under site value rating when it would pay on the vacant land £2,560 yearly as against £640 under annual value.

How heavily the rating tips the scales against improvement of properties may be seen from cases noted in Eddington Crescent, where, merely due to putting a house upon the sites, the rates under annual value rating have been increased to 40 times those which the same site would carry if it had remained vacant.

#### HOW BUSINESS PROPERTIES ARE AFFECTED

In the business area the difference in the rates depends upon the degree of improvement of the site. Broadly, sites occupied by buildings commensurate with their site value would benefit by site value rating. Those inadequately improved would carry increased ratings.

The fundamental difference between the rating systems so far as city business properties are concerned will be seen from the following summary showing the aggregated values of improvements and their sites for the five properties most benefited under each system, for each of the business streets.

		5 Ma	st Benefi Site Valu	ited by	5 Most Ann	Benefite ual Valu	ed by ie
Street		Value of Impyts. £	Value of Sites £	Ratio of Impvts. to Sites	Value of Impyts. £	Value of Sites £	Ratio of Impyts. to Sites
BRISBANE		36,100	17,180	2.08	21,110	68,390	0.31
PATERSON		33,475	8,655	3.88	9,590	21,088	0.45
ST. JOHN		21,000	10,100	2.10	9,762	29,063	0.33
GEORGE		21,480	11,804	1.82	9,739	16,680	0.58
CHARLES		14,873	5,040	3.94	9,560	26,435	0.36
CAMERON		32,642	14,593	2.22	9,202	12,293	0.75
- 1	24	14	2	11-+ +1	man and images	torred me	amontion

In each case it will be seen that the most improved properties are benefited by site value rating and the least improved by annual value rating. This is the characteristic difference between the two systems.

0.000			Impyts. Value	Site Value	Benefit
30	Benefiting	Site Value Rating .	. £159,570	£67,372	£1,215
30	Benefiting	Annual Value Ratin	g £68,963	£173,949	£4,074

It will be seen that the two sets of figures are almost exactly inverted. Site value rating favours those in which the value of improvements exceeds that of the sites, and the annual value system favours those with least improvements. In those benefited by site value rating there are improvements worth £236 to every £100 in site value whereas the group favoured by annual value rating has only £40 in improvements per £100 in sites.

There can be no doubt that a high investment in improvements, which give better conditions to local employment and react favourably on the trade and general business conditions of the city, is more deserving of rate benefits than the reverse.

In bonussing the least improved properties at the expense of the better improved the annual value rating is evidently highly anti-social.

#### TENANTED PROPERTIES PENALISED

Another little-recognised difference between the systems of great importance to the business community emerged from the study. Some business sites in the main streets are owned and operated by the same person, while in others the buildings are let to tenants. Annual value rating treats these two classes of owners very differently.

Where the property is let to tenants the owner is rated on the actual rentals which work out commonly at about 10 per cent. of the capital improved value on the rolls, although in one case as high as 23 per cent. was noted. For owner-occupied properties where the rental value has to be inferred the assessments have usually been taken as 5 per cent., although several cases below this have been noted.

The difference means that under annual value rating the same property will commonly carry double the rates if it is let compared to what it would pay if occupied by the owner.

This has a most disturbing effect upon the competitive power of businesses. Owner-occupiers of business or shopping sites are at all times in a better competitive position than tenants of similar businesses, since in addition to their competitive trading profit a large part of their return is ground rent to themselves. But, in addition to this loading, the annual value system gives the owner-occupier an additional bonus in low rates as compared with those on tenanted properties.

Site value rating would put all properties, whether tenant or owner occupied, upon an equitable trading footing.

#### THE EFFECT UPON SPENDING IN SHOPPING CENTRES

The change in rate incidence would have a very important effect upon the shopping and business centres apart from the question of whether these properties carry reduced or increased rates.

The prosperity of the shopping centre is entirely dependent, and of other classes of business scarcely less so, upon the income of the ordinary householder. This class of citizen spends mainly in the shops upon consumable goods and social satisfactions.

The business centre bounded by Tamar, Cameron, Wellington and York Streets with all cross streets, contains many inadequately improved properties and the rates carried by this area would be increased from £24,888 up to £37,590, an increase of £12,702.

Together with the extra £7,200 contributed under site value rating upon vacant land these two items give approximately £20,000 more in the hands of the householders who form the customers of Brisbane Street and the other shopping centres. To this amount must be added an unascertained but considerable amount of rates transferred to inadequately improved properties outside this business square. There would be an offset of some £2,200 rate savings made by industrial properties.

The increased spendings by householders of monies which under annual value rating remain largely with investment groups is of considerable importance to the operators of the shops and other businesses whether in the capacity of tenants or owners.

#### THE EFFECT UPON INDUSTRIAL CONCERNS

Launceston has comparatively few large industries giving employment to a great number of people. There are, in fact, only three concerns with improvements valued at more than  $\pounds 20,000$ . There is a great desire to attract new and solid industries to the district and, induced by various concessions made, Patons & Baldwins A/asia Ltd. established a fine spinning mill there.

The rating treatment of this firm exemplifies the harmful principle of annual rental rating in working against the objective aimed at. This firm has a most modern and attractive factory which is a credit to the city. The improvements at the mill are valued at £157,600 and the site value at £4,400. The rates on the mill are £1,850 under annual value rating as against £200 on site value rating, a difference of £1,650.

The rate difference is equivalent to loading the concern with an additional outlay of the difference capitalised, that is  $\pounds 33,000$  upon which it must find interest, beyond the actual outlay. In other words the rating system increases its capital cost by 21 per cent. which is reflected in cost of production. It may be remarked that in England factories are regarded as so important that they are entirely de-rated. The difference due to annual value rating is therefore very important in any competitive business and may make its establishment quite uneconomic.

The injurious nature of this rating is shown further by the fact that in its desire to become a model undertaking this firm has established a splendid welfare centre for its employees. The buildings are valued at  $\pounds$ 7,025 with a site value of  $\pounds$ 666. Such an elaborate and commendable project is not necessary to the running of the factory and firms do not always display the same zeal for their employees' welfare. This firm is rewarded by having to pay  $\pounds$ 90 in annual value rates as against  $\pounds$ 30 under site value rating upon the welfare centre.

On the other hand the same firm holds unimproved land valued at £1,280 upon which it pays only £15 in rates as against £59 under site value rating. It may be noted that before this firm built upon the sites the land would have contributed to the Council in rates only £72 annually as against the £289 the firm would pay under site value rating over all its holdings.

All of the industrial firms have been classified and grouped according to whether they benefit under site value rating, have about the same rates under either system, or benefit in rates under annual value rating. Within these groups they have been arranged according to their degree of improvement compared with the value of the sites. The results will be seen in the following summary from which the fundamental differences between the two forms of rating will be evident. The details concerning each firm are given in a table in the appendix to this study. Only established firms have been included in order that those compared are of undoubted financial standing so far as ability to make improvements is concerned.

## SUMMARY OF RATE INCIDENCE UPON GROUPS OF INDUSTRIAL PROPERTIES

	Benefit Under Site Value Rating			Same Under Either	Benefit Under Annual Value Rating	
Item Compared	1	10 Most Improved Firms	10 Well 10 Improved Firms	) Average Improved Firms	10 Poorly Improved Firms	10 Least Improved Firms
Total Annual Values Total Value of Sites Total Value Improve-	£	14,555 17,424	6,184 25,641	2,792 14,248	1,939 18,647	1,594 19,578
ments Ratio Improvements/	£	266,194	76,217	35,570	15,928	6,912
Site Value Rates under Annual		15.3	2.96	2.50	1.16	0.35
Value	£	3,307	1,416	637	446	367
Rates under Site Value	£	795	1,173	650	721	906
Rate Difference	£	2,512	243	13	275	539

The financial ability to make improvements and to pay rates is quite comparable in each of the above groups, yet it is evident that the annual value rating operates to penalise those firms making capital outlay on improvements and to bonus those which fail to improve their holdings.

It will be seen that the value of the sites involved is much the same in each group. The value of the improvements in the most improved group, however, is 38 times as great as that in the least improved group. From the viewpoint of the community in general there can be little doubt as to which group is the most deserving of a rate bonus.

The poorly improved groups contain two brickworks and two potteries. This class of business imposes heavy wear on roads and is an extractive industry presenting the municipality with future problems and demanding more services than are required of the municipality from most of the more highly improved firms. The annual value rates of £11 and £25 respectively are quite incongruous for these industries which are not unprofitable. The list also includes four timber handling firms, two pipe works and two foundries, all of which have heavy road usage and disproportionately small rates under annual value rating.

Of 55 firms included in the detailed list, the 31 whose rates would be reduced or unaltered by site value rating gain to an aggregate amount of £2,808 while the poorly improved industrial concerns contribute £1,005 extra between them. The difference of £1,803 is made up at the expense of vacant and poorly improved sites elsewhere in the city.

#### EFFECT UPON HOTEL PROPERTIES

An interesting study is afforded by the 42 hotel properties which were specially investigated. The same principles of classification according to degree of improvement were followed as with previous groups but the results have additional interest in that all the properties are engaged in the same industry. Of the properties, 15 are found to be benefited substantially by annual value rating, three have rates about the same under, either system, while 24 are favoured by site value rating. However, although numerically fewer, the 15 favoured by annual value rating receive an aggregate saving of  $\pounds 1,491$ , while the 24 favoured by site value rating receive an aggregate saving under that system of  $\pounds 488$ . Over the hotels as a whole there is thus an aggregate increase of  $\pounds 1,003$ .

The relative investment in site values and in improvements and the rates payable are compared in the summary below:—

Item Compared	15 Hotels Gaining by Annual Value Rating	24 Hotels Gaining by Site Value Rating
	£	£
Total Values of Sites	. 68,789	20.289
Total Values of Improvements	. 55,789	62,542
Improvements per £100 of Site Value	e 81	308
Total Annual Values	. 7.152	6,326
Rates under Annual Value Rating .	. 1,631	1,425
Rates under Site Value Rating	. 3,122	937
Rate Difference	. 1,489	488

It is a most desirable condition that, on the average, equal outlay of capital on improvements will return equal return for that outlay. If that condition is not met the balance of investment is disturbed. Obviously, there is a very differential treatment of the operators in the two groups by annual value rating.

The second group has a much higher actual investment in improvements than has the first and a much lower proportion in site values. The first group is in a very fortunate competitive position as compared with the second in that  $\pounds 4,270$  of its annual rental value is really a ground rent whereas for the more highly improved group only  $\pounds 1,560$  represents ground rent and  $\pounds 4,766$  is return from its improvements.

The portion due to improvements is the result of the actual efforts of the undertaking but the ground rental portion is really a social product due to the community as a whole and not to the undertaking itself.

The first group occupies very valuable sites and its contribution in rates under annual value works out at  $\pounds 2/7/6$  per  $\pounds 100$  of site value. The second group contribution under annual value rating works out at  $\pounds 7$  per  $\pounds 100$  of site value. It will be evident that the operators in the second group are much more harshly treated by the present rating system than are their more fortunately situated competitors.

Under site value rating both of these two groups would be paying uniformly at the rate of  $\pounds 4/11/-$  per  $\pounds 100$  of site value on the present valuation. They would thus both be placed upon an equal footing with equal encouragement to improve their properties.

The hotels in the first group are for the most part occupying valuable sites within the main city block, whereas those in the second group are distributed over the rest of the city.

## SUMMARY AND CONCLUSION

In all classes of property a change to site value rating would benefit in rates those which are most improved at the expense of sites which are least improved. It would thus encourage investment in improvements rather than in vacant or poorly improved properties. Investment in improvements is most desirable in itself as this class of investment gives demand for materials and labour forming the basis of the prosperity of all classes.

At least 85 per cent. of the houses would carry reduced rates under site value rating. Some 60 per cent. of industrial concerns would benefit under site value rating at the expense of the poorly improved industrial concerns and of the hotels as a group. Of the hotels, 64 per cent. benefit under site value rating, although their gains are exceeded by the increases upon the minority. Highly improved city business properties gain rate reductions under site value rating at the expense of the poorly improved city properties. Vacant land in all cases pays substantially increased rates. The increased rates upon this class of property should tend to stimulate improvement or lead to disposal to others able and willing to improve.

# Appendix

## LISTING THE LARGEST HOLDINGS OF VACANT LAND

	Annual	Unimproved
Holder's Name	Value	Value
	Held	Heid
	£	£
A & R. G. O'Connor's Est. (60 lots)	219*	4,560
(Now further 54 lots, valued £1,000)		
Freeland Bros.' Syndicate		
(4 localities 104 acres)	156	3,150
Wood, Major Hobart (20 lots, 11 Sts.)	127	2,180
Green, H. J., and others (3 areas)	108	1,980
Cameron, J. E (39 lots, 4 Sts.)	73*	1,820
Cleveland, Wm., Estate (35 lots & acge)	90	1,800
Smith, L. W (3 areas)	86	1,690
Dean, G. & E (61 acres)	44*	1,600
Walker, J. A. & E. H (2 areas)	1057	1,600
Fawkner, E. P. & K. J (2 areas)	78	1,570
McHugh Bros. Pty. Ltd (4 areas)	10	1,520
Manzoney, J. B	101-	1,000
Jowett, C. E. (4 areas, total 111 ac.)	74	1,400
Matthews, G. I., Estate	64	1 380
Cartwright, A. J. H (7 areas)	64	1,300
Goyne, Kate, Estate (2 areas)	64	1.200
Frager I C Estate (2 proper 35 pc)	60	1 150
Pitchia W Estate (20 lots 3 areas)	59	1 150
Davies Mabala B (4 areas)	53	1,125
Buscoll A T (4 areas)	56	1,120
Morice D L & H (50 lots)	50	1.000
St Andrew's Church Trust	50	1.000
Luck A H Estate (3 areas)	47	995
Genders A. G. Estate	48	955
Peddle, Georgina	52	950
McKenzie, Janet Estate (4 areas)	57†	945
Knowles, M. W., Estate (2 areas)	47	927
Coogan, W., & Coy. Ltd (3 areas)	58†	920
Gee, R., Estate (3 areas)	45	900
Peddle, Geo., Estate (2 areas)	46	862
Barrett, Eliz., Estate	44	850
Thomson, D., Estate (5 areas)	41	850
Martini, Counsel, M. P., & Others	41	810
Ralph, F. H (3 areas)	46	805
Smith, Charlotte M.	40	800
Launceston Golf Links	40	800
Ferrall, W. H., Estate (2 areas)	27*	800
Mitchell Motors Pty. Ltd	39	775
Salisbury Foundry Co. Ltd.	38	750
Jack, Peter (4 areas, 75 ac.)	407	088
Nichelle W.C.	34	087
Christman II B. Estate	32	670
Christmas, H. R., Estate	50÷	655
Genders F B Estate (2 lota)	33	655
Franch I Estate (5 1018)	52	650
Nicholle C Estate (2 areas)	35	650
Wright Fliz	38	642
McGrath I T	31	620
Hawthorn Annia (2 proce)	31	615
von Alwyn Ethel (8 areas 32 lots)	35	600
TOLS/		

Potter, Beryl (9 lots)	26*	600
St. Peter's Church Trustee	30	600
Holy Trinity Church Trustees	35†	600
Ramsay, A.	30	600
Wood, Hanna (8 lots)	28 1	600
Dean, J. S	30	545
Roman Catholic Church Trustees	24	520
Maddern, P. R (15 lots)	24	529
Mackay, A. D	28	525
Harrison, L. J.	25	500
Humphrey, J. N.	25	500
Oliver, W. A.	25	500
Titmus, K. R	25	500

\*These lots rated below the legal minimum of 5 per cent. of unimproved value.

Some improvements of small value.

## LAUNCESTON CITY PROPERTIES

Comparing the five properties in each business street most benefited under site value and annual value rating respectively.

	Site Value Ratir	Under		Annual Value Rating				
Street No.	Owner	Impyts. Value £	Site Value £	Street No.	Owner	Impyts. Value £	Site Value £	
BRISE 54/60 51 59 61 33 Tot	BANE STREET W. Holyman & Sons . J. & T. Gunn Pty. Ltd. F. J. Gunn Pty T. S. King M. L. Wells tals, 5 Holdings	28,000 1,150 2,750 3,200 1,000 36,100	8,500 1,410 2,700 3,450 1,120 17,180	131/5 139 118/24 102/6 111	J. C. Field Estate N. I. Bruce Estate Atkins, M. M F. L. Hogg Bank of A/asia	4,700 6.410 2,000 2,500 5,500 21,110	15,300 12,190 14,500 13,860 12,540 68,390	
<b>PATE</b> 56 16 55/7 62 51	Aggregate Benefit, J <b>RSON STREET</b> Aust. T. & G. Life D. & W. Murray Ltd. P. B. Grubb's Est Replacement Parts Co. R.S. Anzac Hostel	9,725 8,500 2,750 3,000 9,500	2,275 1,500 900 2,000 1,980	41/9 59/63 9/17 1/7 21/8	Aggregate Benefit, £ D. & W. Murray Ltd G. T. Matthews' Est. James French Est. J. Waldron's Estate Tas. Perm. Exors.	21,613 290 1,300 5,000 800 2,200	5,310 3,690 5,000 4,288 2,800	
Tot <b>ST. JC</b> 101 1/15 100/2 103 90 Tot	Als, 5 Holdings Aggregate Benefit, 4 OHN STREET A. K. Cullen Allan Stewart Pty. Ltd C. T. Crabtree Tasmanian Insurance. Launceston Gas Co als, 5 Holdings	33,475 2242 4,000 4,4000 6,500 2,000 5,000 21,000	8,655 2,000 1,500 3,300 1,400 2,000 10,100	38 50/4 44/8 88 115/7	Aggregate Benefit, a Union Bank Ltd Commercial Bank L. Fairthorne Pty McLennan & U.F.S C. Walker, Hobart	9,590 £ 576 2,500 4,600 2,662 	9,375 5,400 8,838 3,350 2,100 29,063	
	Aggregate Benefit, #	2137			Aggregate Benefit, a	£719		

11

Street No.	Owner	Impyts. Value	Site Value	Street No.	Owner	Impvts Value	. Site Value	
		e	£			£	£	
GEORGE S	TREET	~	~			-		
59 A. J.	& R. M. Green.	3.000	3,055	73/5	McDonough's Estate	. 1,000	2,800	
79/83 Tas.	Amusements Pty.	. 8,000	4,850	47/55	Wells & Archer	1,500	2,600	
106/10 North	nern Motors Pty.	. 1,920	1,080	76/84	J. Waldron Estate .	3,000	5,720	
112/4 Pard	ey, G. J., Gge	3,561	869	71/87	Peter Barrett Est	1,750	2,900	
93/7 G. R.	McLean	5,000	1,950	81/5	David Scott Est	2,489	2,660	
Totals, 5	Holdings	21,480	11,804			9,739	16,680	
Ag	gregato Renefit f	2 122			Aggregate Renefit	£304		
CHARLES S	STREET				inggregate Dentin,	~~~~	1	
11/15 W. H	olyman & Sons .	2.678	1.000	147/59	Wherrett's Estate	. 3,150	9,520	
105/9 Natio	nal Hall Co	5,785	1,750	171/7	J. C. Field Estate	1,940	5,920	
40 Hy. J	Iones & Co. Pty.	2,460	840	99/101	Foot & Playsted	. 1,300	3,350	
38 R. L.	Mayhead	2,950	1,250	98	A. L. Bonner	. 500	2,540	
34 H. Bu	utton's Estate	1,000	200	90/2	Cleavers Pty. Ltd	. 2,670	5,105	
Totals, 5	Holdings	14,873	5,040			9,560	26,435	
Ag	gregate Benefit, á	2.50		Aggregate Benefit, £623				
CAMERON	STREET							
92/6 G. L.	Sidebottom	4,280	3,180	78/86	A. Harrap & Son	. 2,502	3,498	
45/53 W. &	G. Genders Pty.	9,460	4,540	52/60	E. H. Hart's Estate .	. 850	2,950	
63/5 F.L.	Hogg, Whses	3,020	1,980	28/32	Boswell Dean's Est	. 1,500	1,300	
97/119 D. J.	Robertson	10,782	2,493	98/104	M. Bennell's Estate	. 2,350	2,145	
66 A.M.F	P. Society	5,100	2,400	29/33	J. R. Sidebottom	. 2,000	2,400	
Totals, 5	Holdings	32,642	14,593			9,202	12,293	
Age	regate Benefit, £	262	.0X0.		Aggregate Benefit,	£239	- 1997	
30 Properties	3			30 Prop	perties			
Improvement	ts Value	£1	159,570	Improv	ements Value	£	68,963	
Sites Value		£	67,372	Sites V	alue	£1	173,949	
Improvement	ts/£100 Site		£236	Improv	ements/£100 Site		£40	
Aggragata R	onofit		£1.215	Aggreg	ate Renefit		£4.074	

## INDUSTRIAL FIRMS

Classified According to the Degree of Development of Their Sites

## Ten Most Highly Improved

						Ratio:	Rates Payable Under		
		Name of Firm.	Annual Value £	Impvts. Value £	Site Value £	to Site	Annual Value £	Site Value £	Diffe
(3)	1.	Patons & Baldwins Ltd.	8,557	164,625	6,346	25.4	1,955	289	1,666
	2.	Kelsall & Kemp (Tas.)	2,700	51,365	2,635	19.4	620	120	500
	3.	Peters Ice Cream Ltd	400	7,330	670	11.0	92	31	61
	4.	Worth's Pty. Ltd	188	3,300	470	7.0	43	22	21
(2)	5.	Humphrey Bros. Pty	703	11,881	2,019	5.85	160	92	68
	6.	Thyne Bros. Pty. Ltd	390	5,500	1,000	5.5	89	46	43
(2)	7.	Allan Stewart Pty. Ltd.	760	13,100	2,400	5.45	174	109	65
	8.	Bender & Co. Pty. Ltd.	343	3,093	584	5.3	79	27	52
	9.	Lochiel Ligrs. (Fysh)	214	2,800	600	4.7	49	27	22
	10.	Irvine & McEach'n Mlls	200	3,200	700	4.5	46	32	14
		Group Totals	14,555	266,194	17,424	15.3	3,307	795	2,312

## Ten Highly Improved

					Ratio:	Rates	Payable 1	Under
	Name of Firm.	Annual Value	Impvts. Value	Site Value	to Site	Annual Value	Site Value	Diffe
		£	£	£		£	£	£
11.	Wilcox, Mofflin, Mur-							
	phy Street	197	3,200	700	4.5	45	32	13
12.	Tas. Woolgrowers' Ag-							
	ency Co. Ltd. (4 sites)	1,773	26,550	6,150	4.3	405	283	122
13.	C. G. Baragwanath	116	1,870	450	4.2	27	21	6
14.	F. W. Roden Pty. Ltd.	90	1.450	350	4.15	20	16	4
(2)15.	Alexander Racket Co.	322	5,000	1,430	3.47	77	65	12
(2)16	L E Smith Pty Ltd	829	12,000	3 780	3 17	190	173	17
17	W R Rolph & Sons	0.00	10,000	0,100	0.11	100	1.0	
	Pty. Ltd	425	5,155	1,845	2.8	97	84	13
(2)18.	D Ritchie & Son Mills	360	4.700	1.800	2.6	82	82	
(2)19	Launceston Gas Co.	1.469	12,404	6.596	1.9	334	301	33
(2)20.	W. Holyman & Sons	603	3,888	2,540	1.53	139	116	23
	-							
	Group Totals	6,184	76,217	25,641	2.96	1,416	1,173	243

## Ten Firms Whose Rates Are Substantially the Same Under Either System

21.	P. O. Fysh & Co. Ltd.	121	2,000	480	4.15	23	22	1
(3)22.	Monds & Affleck Pty.	655	10,200	3,300	3.1	150	150	-
23.	Willow Products Co	169	2,500	875	2.85	39	40	1
24.	T. S. Adkins	218	3,150	1,200	2.60	50	55	5
25.	Vacuum Oil Coy. Ltd	230	3,300	1,275	2,6	53	58	5
26.	Abbotts Pty, Ltd.	288	3,750	1,488	2.5	66	68	2
27.	N.Z. Union S.S. Coy	100	1,060	540	2.0	23	24	1
28.	Tas. Produce & Cool							
	Storage Co-op. Ltd	627	5,550	3,100	1.8	145	143	2
(2)29.	Henry Jones Pty. Ltd.	200	2,460	1,040	2.2	46	47	1
30.	Jackson Lock & Brass	184	1,600	950	1.69	42	43	1
	Group Totals	2,792	35,570	14,248	2.5	637	650	13
	and second in second and the second			and the state			and the second second	and the second

## The Ten Least Improved Properties

		Group Totals	1,594	6,912	19,578	0.35	367	906	539
	10.	John Campbell, Pottery	192	1,020	2,180	0.47	44	110	66
(2)	9.	Salisbury Foundry Co.	163	1,000	2,250	0.45	38	103	65
(4)	8.	J. & T. Gunn, Timber	448	2,142	4,608	0.46	102	210	108
	7.	Foot & Playsted Pty.	234	1,300	3,350	0.35	54	153	99
	6.	Hume Pipe Co. Aust.	91	250	850	0.29	21	39	18
(2)	5.	F. A. Russell Timber Co.	141	550	1,500	0.36	33	69	36
		Mill	138	400	1,800	0.22	31	82	51
	J.	W L. Sidebottom Bark		100	000	0.10	10.00		20
	2.	Termonian Bottlewks	45	100	800	0.12	11	37	26
	2	Tos Brickworks Ptv	68	100	800	0.12	16	37	21
		(Younger Brown Stone-	74	50	1 440	0.03	17	66	40
	1.	Matthews' Estate							

## Ten Poorly Improved Properties

				Ratio:	Rates Payable Under		
Name Street of Hotel Location	Annual Value	l Impvts. Value	Site Value	to Site	Annual Value	Site Value	Diffe
	£	£	£		£	£	£
Glasgow Engrng Co	. 150	1,000	1,800	0.55	34	82	48
Aust. Woodpipe Co	. 130	(1,300)	1,265	1.0	30	58	28
Hinman, W. & Manse	r 380	2,750	2,650	1.04	87	121	34
Phoenix Foundry Pty	. 250	2,500	2,250	1.10	58	103	45
Telegraph Printery	. 168	1,194	1,056	1.12	39	48	9
Machen's Est., Brickwl	k 112	1,500	1,100	1.37	25	50	25
McHugh Bros., Potter;	y 216	2,403	1,747	1.38	50	73	23
Craig Paine, Coachwk	s 103	1,220	840	1.45	24	39	15
H. Bills & Co. Pty. Ltd	. 325	3,280	2,220	1.45	75	101	26
Clements & Marshall	. 105	1,500	1,000	1.50	24	46	22
			-		atter and	and the second	
Group Totals	. 1,939	18,647	15,928	1.16	446	721	275
	Name Street of Hotel Location Glasgow Engrng Co Aust. Woodpipe Co Hinman, W. & Manse Phoenix Foundry Pty Telegraph Printery Machen's Est., Brickwi McHugh Bros., Potter, Craig Paine, Coachwk H. Bills & Co. Pty. Ltd Clements & Marshall Group Totals	Name of HotelStreet LocationAnnual Value £Glasgow Aust.EMust.Woodpipe Co.130Hinman, Phoenix Foundry Ptoenix Foundry180Phoenix Foundry Pty.50Telegraph Printery Machen's Est.168Machen's Est.Brickwk Bros. Potery 216 Craig Paine, Coachwks 103 H. Bills & Co. Pty. Ltd.Group Totals1,939	Name of HotelStreet LocationAnnual Impvts. Value££GlasgowEngrng Co.150Aust.Woodpipe Co.130Aust.Woodpipe Co.130Hinman,W. & ManserBoom 2000800PhoenixFoundry Pty.2502,500Telegraph Printery168Machen's Est.,BrickwkMcHugh Bros.,Pottery2162,403Craig Paine,Coachwks1031,220H.Bills & Co.Pty.Ltd.2253,280Clements & Marshall105Group Totals1,93918,647	Name of Hotel Street Location Annual Impvts. Value Site Value   £ £ £   Glasgow Engrng Co. 150 1,000 1,800   Aust. Woodpipe Co. 150 1,000 1,800   Aust. Woodpipe Co. 130 (1,300) 1,265   Phoenix Foundry Pty. 250 2,500 2,250   Telegraph Printery 168 1,194 1,056   Machen's Est., Brickwk 112 1,200 1,400   McHugh Bros., Pottery 216 2,403 1,747   Craig Paine, Coachwks 103 1,220 840   H. Bills & Co. Pty. Ltd. 325 3,280 2,220   Clements & Marshall 105 1,500 1,000	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Ratio:Ratio: Impts.Name of HotelStreet LocationAnnual Impvts. ValueSite Valueto ValueAnnual Value $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ Glasgow Engrng Co.1501,0001,8000.5534Aust. Woodpipe Co.130(1,300)1,2651.030Hinman, W. & Manser3802,7502,6501.0487Phoenix Foundry Pty.2502,5002,2501.1058Telegraph Printery1681,1941,0561.1239Machen's Est., Brickwk1121,5001,1001.3725McHugh Bros., Pottery2162,4031,7471.3850Craig Paine, Coachwks1031,2208401.4524H. Bills & Co. Pty. Ltd.3253,2802,2201.4575Clements & Marshall1051,5001,0001.5024Group Totals1,93918,64715,9281.16446	Rates Payable 1Name of HotelStreet LocationAnnual Impvts. ValueSite ValueName ValueSite ValueAnnual SiteSite Value $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ $\pounds$ Glasgow Aust. Woodpipe Co1501,0001,8000.553482Aust. Woodpipe Poenix Foundry Pty.2502,5002,2501.0487121Phoenix Foundry Pty.2502,5002,2501.1058103Telegraph Printery Machen's Est., Brickwk I121121,0001.372550McHugh Bros., Pottery 2162,4031,7471.385073Craig Paine, Coachwks Marshall1031,2208401.452439H. Bills & Co. Pty. Ltd.3253,2802,2201.4575101Clements & Marshall1051,5001,0001.502446Group Totals1,93918,64715,9281.16446721

Figures in brackets indicate the number of properties included as (4)

## HOTELS

#### A.

## Gain Under Annual Value

1.	STAR, 113 Charles	266	1,000	3,000	0.30	61	138	77
2.	*CRITERION, St. John	678	3,400	6,600	0.51	155	302	147
3.	†ROYAL, George	572	2,730	4,520	0.60	131	206	75
4.	IMPERIAL, Brisbane	400	3,000	5,000	0.60	91	228	137
5.	*LAUNCESTON, Brisbane	1,200	9,200	14,800	0.62	271	678	407
6.	‡CITY, St. John	312	1,300	1,820	0.71	71	83	12
7.	CENTRAL, Charles	312	2,530	3,240	0.78	71	148	77
8.	tENFIELD, Charles	806	5,500	6.984	0.79	184	319	135
9.	<b>‡BRISBANE</b> , Brisbane	1,050	10,000	11,900	0.84	240	525	285
10.	<i>†</i> RIVERVIEW, Charles	162	2,000	1,750	1.14	37	80	43
11.	TAMAR, William	156	1.300	1.000	1.30	36	46	10
12.	CORNWALL, Cameron .	425	5.000	3.500	1.42	97	160	63
13.	HIGHFIELD, Wellington	156	1,500	1,000	1.50	36	46	10
14.	\$SYDNEY, Elizabeth	285	2,825	1.675	1.70	65	71	6
15.	TERMINUS, William	. 372	4,500	2,000	2.25	85	92	7
	-				100 (K)	-		-
	Total of 15	7.152	55.785	68,789	0.81	1.631	3.122	1.401

Rates greater under site value rating by £1,491 or 91 per cent.

#### B.

\$

## Same Under Both Systems

1.	COMMERCIAL, George.	240	1,750	1,250	1.40	55	57	2
2.	*METROPOLITAN, S. John	335	2,365	1,635	1.45	76	75	1
3.	*ORIENT, Wellington	305	3,500	1,500	2.32	70	69	1
	Total of 3	880	7,615	4,390	1.74	201	201	_

### Gain Under Site Value Rating

	There are deliver a photop in the start				Ratio:	Rates Payable Under		
	Name Street of Hotel Location	Annual Value £	Impvts. Value £	Site Value £	to Site	Annual Value £	Site Value £	Diffe £
1.	<b><i>†CENTENNIAL</i></b> , Balfour	156	3,400	350	9.70	36	16	20
2.	Not Stated, Hobart Road	160	1,800	200	9.00	36	9	27
3.	*INVERESK. Dry	312	1,570	230	6.80	71	11	60
4.	ALL THE YEAR, Wellngt	n 225	3,900	600	6.50	52	27	25
5.	TRENOWN, Lawrence	208	1,500	250	6.00	47	12	35
6.	Not Stated, 254 George T	n 274	4,640	826	5.60	63	38	25
7.	Not Stated, 321 George T	n 156	1,800	200	5.15	35	16	19
8.	ESPLANADE, Lindsay	182	2,250	500	4.50	42	23	19
9.	PARK, Invermay	250	4,000	1,000	4.00	57	46	11
10.	*T.R.C., Paterson	258	3,165	835	3.80	59	38	21
11.	VICTORIA, Brisbane	272	3,900	1,100	3.55	62	50	12
12.	CROWN, Elizabeth	156	1,750	550	3.20	35	25	10
13.	*SPORTSMAN'S HALL,							
	Charles	200	2,500	800	3.12	46	37	9
14.	\$BRIDGE, Tamar	338	3,000	1,000	3.0	77	46	31
15.	DUKE OF WELLINGTON	N 260	2,992	1,008	2.96	59	46	13
16.	*PRINCE OF WALES, Wilt	n 182	1,600	600	2.66	41	27	14
17.	COURT HOUSE, Paterson	n 312	3,000	1,180	2.54	71	54	17
18.	<sup>†</sup> UNION CLUB, George	312	1,500	600	2.50	71	28	43
19.	*EXCHANGE, York	280	2,200	1,060	2.03	64	49	15
20.	*ROYAL OAK, Brisbane	273	2,300	1,175	2.03	63	54	9
21.	<b>‡GLOBE</b> , George	260	2,075	1,125	1.85	60	52	8
22.	*NATIONAL, Paterson	546	3,500	2,100	1.66	105	96	9
23.	MARINE, Charles	286	1,500	1,000	1.50	66	46	20
24.	‡VOLUNTEER, Brisbane	468	2,700	2,000	1.35	197	91	16
	Total of 24	6,326	62,542	20,289	3.08	1,425	937	488

‡ Owned by an Estate.

Estate. #Owned by an Absentee. \* Owned by a Syndicate or Company.

Rates greater under annual value rating by £488 or by 52 per cent.

Comparison of the Groups A and C shows that the annual value rating is out of all proportion to the capital investment involved. The total value of assets in Group A is £124,544 as against £82,831 in B, yet the rates paid are only slightly greater.

C.

#### FACTS ABOUT RATING ON SITE (UNIMPROVED LAND) VALUES

The unimproved land value is the value of bare land, regardless of any improvements made upon it. This value arises, not from the enterprise of any individual, but simply from the activities and existence of the community as a whole. It rises or falls with the prosperity of the community and is the direct result of the outlay of communal funds on services such as roads and footpaths, lighting, water supply, sewerage, tram and bus services, etc.

Having been created by the community these values should be collected by the community in order to defray the costs to which the community is subjected by their creation.

As is proven by the survey published herewith, the collection of rates based on site values relieves householders and enterprising businessmen and manufacturers of the unjust rate burden imposed on them by any rating system which taxes improvement values.

This method encourages development, enterprise, employment and production and discourages speculation, stagnation and the non-improvement of properties.

Rating on site values is not a new or untried experiment. It is the established principal of municipal taxation in 90 per cent. of the incorporated area of Australia and more than 60 per cent. of New Zealand. It has been in use in Queensland since 1890 and in New South Wales since 1908.

Tasmania is the only State which has not adopted site value rating. The Australian Capital Territory of Canberra has never employed any other system. No municipality in Australia, once having adopted site rating, has ever reverted to the system of rating on annual value, although many attempts to revert have been made by speculators and other interested parties. In every reversionary poll the ratepayers have insisted on the retention of site rating.

One of Tasmania's acutest problems is housing and this survey reveals one reason why houses are scarce—because 10 per cent. of the rated holdings in Launceston are withheld from use.

It is obvious that while a tenth of the city's rated holdings are held out of use available land must be short and, while unused land is relieved of rates, its price must be forced up unduly high. At the same time the heaping of rates on to improved properties is discouraging building.

The rating system is therefore a potent factor in the housing problem. This is proven by the fact that in Melbourne, in those municipalities which rate on site value, building activities in the twenty years prior to the war were more than twice as great per available acre as in those suburbs which still rate on annual value.

Municipalities in Tasmania have the right to change their system of rating by a simple decision by the Council concerned or by a poll of ratepayers. In the interests of the ratepayers, to promote prosperity and development, to facilitate the solving of the housing problem and post-war reconstruction generally, the change should be made promptly.

The Tasmanian Rating Reform League, Box 21, P.O. Launceston, will be glad to supply literature and information on the subject and requests the co-operation of all persons prepared to assist in achieving this simple, just and far-reaching reform.



This survey, carried out by an inde-pendent, scientific and experienced agency, gives factual information which cannot be discounted. It is published in the interests of the City of Launces-ton and its ratepayers by the Tasmanian Rating Reform League, P.O. Box No. 21, Launceston, Tasmania. This survey, carried out by an inde-pendent, scientific and experienced agency, gives factual information which cannot be discounted. It is published in the interests of the City of Launces-ton and its ratepayers by the Tasmanian Rating Reform League, P.O. Box No. 21, Launceston, Tasmania.

