Pacific Rim Real Estate Society

19th Conference, January 13th -16th 2013

MELBOURNE, AUSTRALIA

Recurrent Property Taxation

Revenue re-alignment for State and local government in Australia

Vince Mangioni

Vincent.mangioni@uts.edu.au

Refereed Paper

Australia is one of the few jurisdictions internationally that imposes a recurrent tax on property at two levels of government. As one of the more visible taxes, the challenge facing government is managing taxpayer perceptions. This in turn impacts specifically on the level of government that is best perceived by the taxpayer to collect this tax.

This paper examines the emerging trends in revenue collected from recurrent property tax by state and local government across Australia over the past decade. It further examines the diverging rationale for its imposition across these tiers of government and how taxpayer perceptions are to be managed by government as it increases in importance as a source of tax revenue over the next decade.

Introduction

This paper commences by defining recurrent property taxation and distinguishes it from other taxes also commonly referred to as property taxes. It examines the resurgence of this tax across Australia over the past decade and the rationale for its continued ascendency over the next decade.

The rationale for its resurgence is supported through the analysis of revenues collected from state land tax and local government rates across Australia. It further examines the expansion of this tax through earmarking to services provided by government in the form of levies and charges and the emerging competition for this source of tax by state and local government across Australia.

Defining recurrent property taxation and its re-emerging importance

Recurrent property taxation is defined as a tax on capital and is divisible into two broad categories of state land tax and local government rating in Australia. Recurrent taxation exists in contrast to other forms of taxes on property levied on transactions in the form of stamp duty imposed by the States and a sub-set of income tax defined as capital gains tax levied by the Commonwealth.

Australia’s Future Tax System AFTS (2008) as set out in Figure 1 makes the distinction between conveyance stamp duty taxes and land taxes which are composite of land tax and local government rates. Figure 1 sets out the relativity of revenue from recurrent property tax as a percentage of total taxes collected within Australia. Land taxes which represent 5 per cent of the total taxes collected are an amalgam of state land taxes and local government rating as at 2008/09.

Australia in contrast to the United States, United Kingdom and Canada has capacity to increase tax revenue from recurrent property tax. This capacity was further identified by AFTS (2009), though it was not stated as to which level of government it should be assigned. It is suggested that the States broaden their base of state land tax by including the principle place of residence, currently exempt from land tax in each state of Australia (AFTS 2009).

Despite capacity to increase recurrent property tax revenue, it is highlighted in Table 1 in many OECD countries property taxes have decreased as a percentage of the total tax collected and also as a percentage of GDP. Since 1965, tax revenue sources have moved towards consumption based taxation, including the Goods and Services Tax (GST) in Australia and Value Added Tax (VAT) in the United Kingdom and United States.

The percentages used to measure taxes are defined by Bird and Slack (2004) as fiscal benchmarks for measuring the tax efforts of countries. It is noted in Table 1 in Australia, as a percentage of total tax collected, revenue from the property tax reduced by 18.5 per cent between 1965 and 2009, however has increased marginally by 6 per cent as a percentage of GDP.

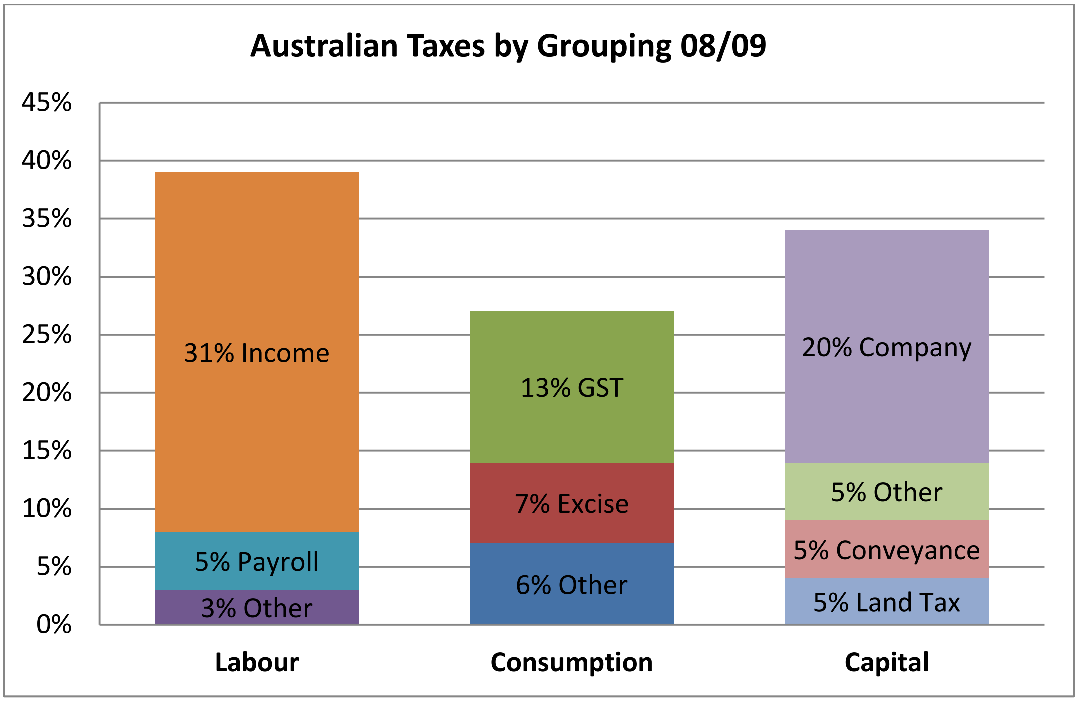
Unlike the United States, Canada and United Kingdom, where the property tax is imposed and retained by local government, in Australia this tax is split between states and local government. The narrow base of State land tax results from the exemption of the principle place of residence and thresholds expended by each state. As a result, less than 15 per cent of all taxpayers in Australia who are the subject to local government rating are dually subject to state land tax (NSW Treasury 2005).

Table 1: Global trends in property tax revenues

	Percentage of total tax				**Percentage of GDP**			
	1965	**2010**	**% change**		**1965**	**2010**	**% change**	**Rank in OECD countries**
Portugal	0	1.9	…		0	0.6	…	20
Italy	1.7	1.5	-16.5%		0.44	0.62	40.4%	19
Finland	0	1.9	…		0	0.65	…	18
Netherlands	1.02	1.8	77.3%		0.334	0.7	109.6%	17
Korea	…	3.2	…		…	0.79	…	16
Sweden	0.025	1.7	-6868%		0.008	0.793	9812%	15
Ireland	12.2	3.2	-74.2%		3.05	0.87	-71.5%	14
Spain	0.45	2.7	511%		0,066	0.88	1235%	13
Poland	…	3.7	…		…	1.2	…	12
Belgium	0.027	2.8	10363%		0.008	1.229	15262%	11
Denmark	4.9	2.9	-41%		1.5	1.4	-6.2%	10
Australia	**6.8**	**5.5**	**-18.5%**		**1.4**	**1.42**	**1.1%**	**9**
Iceland	1.7	5.2	212%		0.4	1.9	320%	8
New Zealand	8.3	6.6	-20.9%		2.0	2.1	4.4%	7
Japan	5.2	7.7	49.3		0.9	2.1	131.6%	6
Israel	-	7.2	…		-	2.3	…	5
France	1.9	5.7	200%		0.7	2.5	268%	4
United States	13.7	12.2	-11%		3.4	3.0	-10.4%	3
Canada	11.9	10.1	-15.5%		3.0	3.1	2.1%	2
United Kingdom	11.2	9.8	-13%		3.4	3.4	-0.4%	1
Unweighted average								
OECD-Total	**3.8**	**3.25**	**-15.4%**		**0.95**	**1.05**	**9.9%**	**Ranking**

Source: OECD Revenue Statistics 1965-2010

Figure 1: Tax revenue in Australia by Labour Consumption and Capital



Source: Australia's Future Tax System 2008

In addition to the comparison made with international jurisdictions in Table 1, Figure 1 further distinguishes the grouping or division of taxation into the three categories of labour capital and consumption. These labels or grouping of taxes is in contrast to individual bases of taxation as viewed by many taxpayers and is important to government, particularly central government in maintaining taxation equilibrium across Australia. In addition to the traditional and historic economic rationale for taxing land due to its limited supply, neutrality and visibility (Tidman 1994), a further important rationale has emerged.

A factor impacting on tax revenue under the category of Labour as shown in Figure 1 results from Australia's aging population as is the case in all OECD countries. This has resulted in governments maintaining taxation on income steady and where possible to reduce taxes on labour to retain Australians in the workforce longer and to attract international labour from abroad. The impact of Australia's ageing population is summarised in Table 2 and highlights the need to maintain internationally competitive taxation on labour. This factor has further impacted on the need to increase taxes on consumption and capital, whilst retaining competitive tax levels on labour.

Table 2: Ratio of working Australians to number over 65

Year	No working : No over 65
1970	7.5 : 1
2010	5 : 1
2056	3 : 1

Source: ABS cat. no. 3222.0

Since the Global Financial Crisis 2007/08, the emerging importance of the recurrent property tax coupled with the question as to which tier of government should levy, collect and control this tax has become a priority in shaping fiscal policy in Australia. This is particularly important at the sub-national level in increasing tax effort from recurrent property taxation.

Whilst a trend is noted away from property tax revenue as a percentage of total tax revenue in Australia, AFTS (2009) has highlighted the importance of sub-national governments in Australia increasing recurrent property taxes as a form of own source revenue. This is in contrast to less efficient transaction taxes including stamp duty conveyance taxes (AFTS 2009). What remains unanswered in this recommendation is whether increases in property taxes are to be collected by state or local government or a combination of the two in Australia and which level of government is the actual beneficiary of this tax.

Responding to AFTS (Henry): Expanding property tax revenue by the States

Among the recommendations of Australia's Future Tax System AFTS (2009), was the expansion of state land tax to apply to the principle place of residence, a recommendation strongly opposed by the Local Government Association of Australia (2010). The imposition of any kind of levy imposed on the principle place of residence by State government in Australia is complicated by two factors. The first factor being that local government in Australia already collects a recurrent tax in the form of rates on the principle place of residence. The second is closely aligned with the first being that rate payers inherently relate rates paid to local government with services provided and hence perceive rates as a quid pro quo tax, (Franzsen *et al* 2005).

On these two points, the entry of State government in the imposition of a tax on the principle place of residence is complex in managing taxpayer perceptions. In most jurisdictions imposing a recurrent property tax the principle place of residence is by far the one category of property which causes most concern (Fisher 1996). In addressing this challenge, the Victorian State Government has introduced an earmarked Fire Service Levy to be collected by local government from mid 2013. This levy is an amalgam of a base amount of $100 per residence and a percentage of improved value and on non-residences, $200 per property plus a percentage of improved value (NSW Treasury and the Ministry for Police and Emergency Services 2012).

In New South Wales a similar levy is being considered and earmarked to fire services levied per property, and a further probable component linked to the land value of property. Both

AFTS (2009) and IPART (2008) have recommended States increase recurrent tax revenue from property. In each instance, these taxes are to be collected by local government as tax agent for the States. A summary of the current collection arrangements for fire service on a state basis is provided in Table 3. The removal of taxes on insurance in place of a tax collected directly on property dedicated to fire services was further recommended by AFTS (2009).

Table 3: Fire service funding arrangements

State	Funding Arrangements
Victoria	Insurance contribution of 75 per cent of Metro & 77.5 per cent of Country Fire Authorities budget.
Queensland	68 per cent of funding is derived from the Queensland Fire and Rescue Service with the balance from State Govt.
Western Australia	80 per cent is derived from a levy collected on land values the balance is paid by State govt.
South Australia	$50 per property plus a percentage from the improved value.
Tasmania	80 per cent of the fire service levy is collected from three sources, local government 57.5 per cent, 30 per cent from insurance and 12.5 per cent from motor vehicles.
Australian Capital Territory	$101.80 per residential property p.a. & a percentage of land value for non-residential value.
Northern Territory	Funded from consolidated revenue.

Source: NSW Treasury & Ministry of Police and Emergency Services

The evolution of government and recurrent property taxation in Australia

In order to grasp the complexities surrounding inter-government fiscal funding, the following section explains fiscal financing arrangements in Australia which sets the foundations for the analysis and impact on revenues from recurrent property tax across state and local government. It reviews the evolution of government and recurrent property taxation in Australia and defines the challenges confronting two tiers of government which in essence compete for the same tax base. It is clear from the current structure of property tax collection that from perception local government is more closely associated with recurrent property taxes, which are viewed as a tax for services provided.

Property taxation commenced in Australia in 1884 (Smith 2005) and continues to predominantly operate in the form of a tax on land, also known as land value taxation. Australia is one of the few countries that impose a recurrent tax on property and more specifically a land value tax at state government level, without any financial cap or limit on the amount of revenue that it raises.

Table 4 sets out the evolution and structure of government in Australia, the evolving uses of land, planning law which governs its use and the taxation of land which facilitates its development as a neutral base. In the last column of this table, the rationale is important as it sets out the least defined but often most controversial rationale for the property tax.

In the top half of this table it is shown that in Australia between 1788 and the late 1880s, the property tax was administered by the States which was the initial single tier of government. This was a simple structure in which the property tax was established as a means of providing revenue for services and the settlement and expansion of Australia's colonies (Daly 1982). In the mid 1880s legislative provisions were enacted for local government to be formed (Municipalities Act 1884).

Originally, the taxes on land were introduced to fund the establishment of towns and associated infrastructure, including roads and community facilities (Brennan 1971). At the local government level, the tax may be perceived as a service or benefits tax directly linked or earmarked to services provided (McCluskey and Frenszen 2005). This in part arose from local government being created as an operational arm of state government. Despite two failed national referenda to establish local government as a constitutional level of government in Australia, it remains an instrumentality of the States (Pearson 1994).

The absence of constitutional recognition of local government has limited the revenue it raises and the taxes it imposes. In contrast to local government, state land tax whilst prior to 1901 was used for infrastructure and local services, post 1901 it had no direct or perceived link with services, as it coexisted with the local government property tax, also known in Australia as council rates.

Upon Federation in 1901 land tax was levied by each of the three tiers of government (Smith 2005). The second half of Table 4 sets out by purpose, mechanisms and rationale for the property tax across the tiers of local and state government in Australia. Whilst the overriding purpose of the property tax is as a source of revenue, a different rationale emerges for the imposition of this tax by state and local government.

For the States of Australia, land tax was never a major source of revenue in contrast to local government. In the case of New South Wales, in 1906 it abolished this tax, reintroducing it in 1956 when the Commonwealth relinquished their access to this base in response to States being forced to relinquish their access to the income base to the Commonwealth in 1942 (Smith 2005). As a result, Australia remains one of the few jurisdictions which still imposes a recurrent property tax both at both sub-national levels (Local Government Association of Australia 2010).

Table 4: Evolution and structure of government and property tax

<table>
<tr><th colspan="3">Gov’t</th><th>Period</th><th>Purpose</th><th>Mechanism / Base</th><th>Rationale</th></tr>
<tr><td colspan="3" rowspan="3">State</td><td rowspan="2">(1788 – 1850)
Initial use and development</td><td rowspan="2">Promote initial development / subdivision and break-up of large estates</td><td rowspan="2">Planning laws permitting development

Taxation mechanism (Land Value Tax) Reflects potential highest and best use)</td><td>Neutral facilitation of land use change</td></tr>
<tr><td>Encouragement of development and land use</td></tr>
<tr><td>(1850 – late 1800s)
Stable settlement</td><td>Finance provisions for existing and new services</td><td>Benefits tax</td><td>Earmarked to services</td></tr>
<tr><td rowspan="4">Commonwealth</td><td rowspan="4">State</td><td rowspan="4">Local</td><td rowspan="3">(1901 – Present)

Redevelopment / re-urbanization and expanding city</td><td rowspan="3">Redevelop and changes in land use patterns</td><td rowspan="3">Planning laws permitting changes in use and re-development

Taxation mechanism (Land Value Taxation Highest and best use)</td><td>Neutral facilitation</td></tr>
<tr><td>Transition</td></tr>
<tr><td>Distorted force land use change</td></tr>
<tr><td>Stable settlement</td><td>Finance provisions for existing and new services</td><td>Benefits tax (council rates)</td><td>Earmarked to services (perceived)</td></tr>
</table>

The evolution of fiscal arrangements across the tiers of government in Australia is set out in Table 5, which highlights the relatively small percentage of taxation raised by state and local government, this arrangement is known as fiscal federalism (Warren 2004). This fiscal imbalance is set out in Table 6, in which it is shown the States provide the majority of services and infrastructure in Australia, accounting for 55.2 per cent of all expenditure.

Further, Table 7 highlights the relative importance of the property tax to each state and local government across Australia. While comprising a higher proportion of own source revenue for local government, its importance is nonetheless for the States, who are under pressure to reduce revenue from less efficient property conveyance taxation and to minimise taxes on labour in the form of payroll taxation, (AFTS 2008).

With tax sources generated from consumption and labour the domain of the Commonwealth, capital, and namely property remains the one tax base from which state and local government may generate their own source revenues.

Table 5: Percentage share of taxation revenue by sphere of government past two decades

	Commonwealth	State	Local
1990-91	79.1%	17.4%	3.6%
2000-01	81.9%	15.2%	3.0%
2010-11	80.5%	16.2%	3.5%

Source: ABS Cat. No. 5506.0 Taxation Revenue Australia

Table 6: Taxes raised and spent by level of government, 2002-03

	Commonwealth	State	Local
Total taxation raised (A)	81.7%	15.3%	3.0%
Total tax-funded own-purpose expenses (B)	40.3%	55.2%	4.5%
Degree of VFI (=A/B)	2.03	0.27	0.71

Source: Access Economics 2004 cited by Comrie, 2012.

Table 7: Local government rates as a percentage of total revenue, 2008-09

Own Source Revenue	NSW	Vic	Qld	WA	SA	Tas	NT	Total
Rates %	33.6	43.7	27.0	41.3	55.2	32.7	17.1	35.6
Land Tax %	12	8.6	11	8.4	15	10.4	N/a	10.6

Source: 2008/09 Local Government National Reports cited by Comrie (2012).

Perceptions earmarking and limitations of property taxation

In Australia, the linking of property taxation to specific services is in its infancy in contrast to other jurisdictions including the United States where property taxes are closely linked to school funding (Kenyon 2007:4). The proposition that local property taxes are directly linked to the funding of school education has had its roots in the United States since the 1970s and has been the subject of litigation over the equity and quality of education in local communities in 17 States (Fischel 1998:2). The argument against this levy is the variability of taxation rates, values and tax systems across local jurisdictions which render the tax unconstitutional. This is compounded by the variability in educational services provided across states.

From a local government ratepayer perspective, the taxation of the principle place of residence causes the most angst and concern in levying the property tax in the United States. To this end, a tax tied to the capital value of one's home which correlates with the services available to the residence to some degree provides a nexus between value, taxation and the perceived quid pro quo return from the property tax (McCluskey and Franszen 2005). What is less clear from this point of view in Australia, are which services are perceived to be linked to the property tax. Sansom (2008) in contrast states that rates should be seen as a tax for general revenue purposes and not closely linked to benefits. Despite the dangers of earmarking revenue to specific services and provisioning of infrastructure, this form of taxation is gaining momentum in Australia, with local government as the tax collection agency for higher tiers of government (Municipal Association of Victoria 2012).

On the case of local government rates, arguments have been mounted against the use of value in fast evolving suburbs where values have outpaced inflation and surrounding lower value suburbs which change the relativity of rates and revenues raised across locations. This argument has been based on the 'ability to pay principle' resulting from variability of income within and across local government areas, also known as vertical equity. Further amplifying the case against value based rates is the provision and quality of services, of which services are often compared with those in adjoining locations (Ogilvie 2012). It is this misconception that impacts on local government rating being perceived as a general purpose local government tax.

In geographic isolation, the arguments of vertical inequity are mounted, however Fischel (1998:15-16) highlights that many local wealthy residents are particular about the development of non-residential uses in their locations. These uses provide a stronger recurrent property revenue base, but in the same argument whilst arguing for restraint of increases in property taxes, wealthier residents also argue against more intense and diverse land uses within their locations (Fischel 1998). At the local government level, property taxes and the broader issue of local government management are stated to be thwarted by certain weaknesses of the structure of local government in which Hague, Harrop and Breslin (1998:178) state:

> "The their best, local government represent natural communities, remain accessible to their citizens, reinforce local identities, act as a political recruiting ground, serve as first port of call for citizens with a problem and distributive resources in light of local knowledge and needs. Yet local government also have characteristic weaknesses.

> They are often too small to deliver local services efficiently, they lack financial autonomy and they are easily dominated by local elites.”

In response to this and in particular local fiscal management, local government rating is overseen by state government in Australia in achieving, and where necessary recalibrating local government recurrent property tax policy. However as highlighted in Table 3, the objectives of state government in the oversight of local government rating is duplicitous. This is evident from the fact that whilst recurrent property taxation makes up a smaller percentage of self source revenue compared with local government, State governments vertical fiscal imbalance is greater than local government as shown in Table 5. To this end, the demand for recurrent property tax revenue is in high demand by the two lower tiers of government in Australia.

In contrast to local government rating, the rationale for state land taxation is detached from any services provision, it is a consolidated revenue tax. State land tax is largely seen as a non-earmarked tax and is strongly opposed by those who pay it (Nile 1998). This opposition is founded on two bases, the first being the select and limited base on which the tax is imposed, being less than 15 per cent of property owners in Australia. This underpins the second reason, being that the tax is perceived to be targeted at the wealthy, rather than at all property owners per se. It is at this juncture that the current structure for recurrent property taxation in Australia is faulted. Not because it is spread across two tiers of government, but because of its narrow base at the state level and the reluctance to expand this tax to all property owners as recommended by AFTS (2009).

Whilst issues have been identified in local government rating, greater issues of perception confront the States which now move to purse an increased stake of this tax under the guise of its operational arm of local government. What is now emerging is the selling of recurrent property taxation by state government as an increased share collected by local government for earmarked state purposes, a move strongly opposed by local government.

Trends in property tax revenue across Australia

In monitoring the trends in tax revenue collected by state and local government in Australia over the past decade, data has been sourced from the Office of State Revenue Annual Reports and tax revenue statistics compiled by Australian Bureau of Statistics between 2001 and 2010. The three sources of tax revenues examined are state land tax, local government rates and state stamp duty on property conveyances. These are compared over ten years from 2000 to 2010 with the percentage change in revenue measured at 2005 and 2010. These results are set out in Table 8. The relativity of each States revenue over this ten year period are set out in the graphs following Table 8 in the annexure.

Results and commentary

The overall trend across Australia and each State is that stamp duty is an important source of revenue for state government and in the main with the exception of South Australia, is the dominant source of revenue derived from property transactions. Further noted from trends in stamp duty is the volatility and fluctuating source of revenue of the three compared with rates and land tax. It is clear from the volume of revenue generated from this tax, that it is not easily replaced with land taxes by the states and would require the land tax.

State land tax produces the lowest amount from all three sources of revenue. Despite being the lowest amount, it is the narrowest in its application to property, applying to less than 15 per cent of all property in Australia. The narrow application of the tax is attributable to the principle place of residence exemption and the threshold allowed by the States. The total land tax revenue derived from residential property is less than 30 per cent of the total tax revenue collected from this source across Australia. Despite being the lowest of the three taxes, it is the most revered and challenged by taxpayers. In the New South Wales Land and Environment 47 per cent of appeals were rating and taxing matters.

Local government rates in contrast to land tax is paid by over ninety eight per cent of all property in Australia, it has the broadest base and lowest tax expenditure. It is a visual tax, however in Australia it is generally accepted as a quid pro quo tax for services rendered. Revenue from rates is the least volatile of the three sources of revenue as the revenue source is not strictly tied to annual values. That is, the rates applied to land, site or improved value in each state and local government area may be varied annually to ensure rate revenues remain steady and reliable.

A further level of contrast is now made between state land tax and local government rates across the five states. Table x sets out the relative changes in revenue between state land tax and local rates at the beginning, middle and end of the period of analysis. It is noted that over the ten year period, in each state with the exception of Victoria, state land tax has increased as a percentage of revenue compared with local government rates. Between 2001 and 2005 this trend was noted across all states. The largest increases in revenue from land tax as a percentage of local rates are noted in the states of South Australia and Queensland. In these two states the increases over the ten year period are in excess of one hundred per cent.

It is clear from this analysis that increases in revenue from recurrent property taxation across Australia over the past ten years, has been in favour of state land taxation with the exception of Victoria in 2005. This trend will likely continue over the next decade in states where local government rates are capped or pegged. Further, it was identified that based on the OECD tax comparison, Australia may have scope to increase revenue from the property tax, however, whilst this revenue may be spread more evenly as a property levy and possible ad valorem component, this will likely be collected by local government for the States.

Conclusion

In view of the recommendations of AFTS Henry (2009) in which state land taxes defined as levies would be collected by local government in conjunction with local government rates, the distinction made in this paper between these sources of revenue would narrow. The operational transparency of property taxes, under the present system provides some distinction of own source revenue collected by these two tiers of government. If state land tax were to be collected by local government, greater opportunity would exist for state government to impose a base amount or levy per property and broaden its tax base under such reforms. If local government does not maximise opportunities to broaden its revenue from property taxation, it may have little choice but to allow the states to broaden their revenue streams further from this source. Such a move would allow the total tax revenue collected from property as a percentage of GDP and total tax collected, to be brought into line with the larger OECD economies.

It further highlights that due to the fiscal vertical imbalance of state and local government, with consumption and labour taxes the domain of the commonwealth, property taxation will grow in importance for sub-national government. There is little scope under the present fiscal arrangements and tax structures for revenue derived from this tax to move to local government as has been the case in Canada, United States and United Kingdom. If increases in recurrent property taxation are to move in line with these countries, in which the property tax is predominantly the domain of local government, local government in Australia will need to re-examine its rating policy in arguing for control of this tax revenue. It is clear that limitations exist in the imposition of taxes on capital and in particular property, based the ability to pay on the principle place of residence. To this end, local government will need to work closely with the Commonwealth in means testing income in the revision recurrent property tax policy.

References

Australia's Future Tax System 2008, Consultation Paper, Dec 2008 Commonwealth of Australia.

Australia's Future Tax System 2008, Final Report, Dec 2009, Commonwealth of Australia.

Bird, R.M. and Slack, E. (eds), *International Handbook of Land and Property Taxation* (2004). Edward Elgar Publishing Ltd, Cheltenham UK.

Brennan, F. 1971, *Canberra in Crisis*, Dalton Publishing, Sydney

Daly, M.T. 1982, *Sydney Boom Sydney Bust*, Unwin and Allan, North Sydney.

Fischel, W.A. 1998 *School finance litigation and property tax revolts: How to undermine local control turn voters away from public education*. Working Paper 98WF1. Lincoln Institute of Land Policy.

Fisher, G.W., 1996, *The worst tax: A history of property taxes in the United States*. University Press Kanvass.

Hague, R. Harrop, M. & Brelsin, S. 1998 Comparative government politics: and introduction 4th Ed. MacMillian Press Ltd. London.

Haveman, M. and Sexton, T.A., 2008 *Property Tax Assessment Limits - Lessons from Thirty Years of Experience*. Lincoln Institute of Land Policy, Massachusetts.

IPART 2008, *Revenue framework for local government*, Independent Pricing and Regulatory Tribunal, Sydney.

Kenyon, D. 2007. *The property tax – School funding dilemma*, Lincoln Institute of Land Policy, Massachusetts.

McCluskey, W.J. and Franzsen, R.C.D. 2005, (eds), *Land Value Taxation An Applied Analysis*. Ashgate Publishing Ltd.

Moore, M. 2012, *Ratepayer levy urged to relieve developers*, Sydney Morning Herald 9 March 2012.

Municipalities Act 1858 (NSW)

Municipal Association of Victoria, 2012 *State Levies collected through council rates: Fact Sheet*, Melbourne

Nile, F. 1998. *Report on inquiry into changes in land tax in New South Wales*, July 1998, Parliament of New South Wales, Legislative Council.

NSW Treasury 2005/06, Budget-Review Half yearly, Sydney.

NSW Treasury and Ministry for Police and Emergency Services 2012, Funding our emergency services: A discussion paper July 2012, NSW Government.

OECD 2010, Organisation for Economic Cooperation and Development Revenue Statistics 1965-2010, Table 22-23

Ogilvie, C. 2012, *Councillor Statement*, Redland Shire Council, Queensland.

Pearson, L. 1994, *Local Government Law in New South Wales*. Federation Press, Sydney.

Smith, S. 2005, Land Tax: An Update Briefing Paper No 5/05 NSW Parliamentary Library Research Service.

Sansom, G. 2008, What's the point: Australian Local Government Reforms, UTS Centre for LG.

Tideman, N. 1994, Land and Taxation, Shepheard-Walwyn Ltd. London.

Warberton, R.F.E & Hendy, P.W. 2006, International comparison of Australia's taxes, April 2006, Commonwealth of Australia, Canberra.

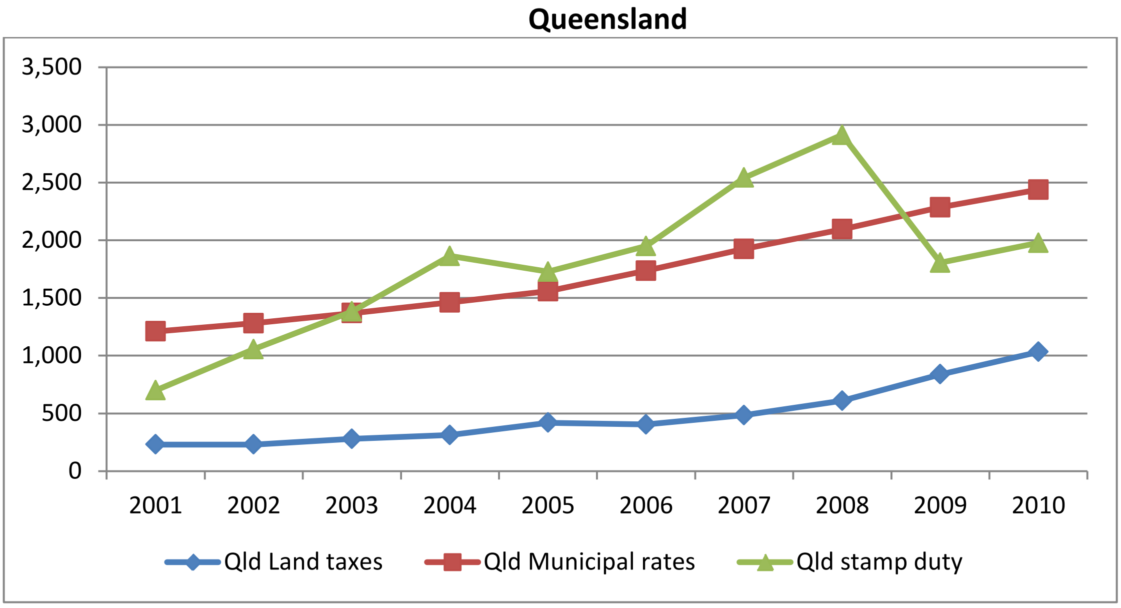
Warren, N. 2004, *Tax facts and tax reforms*, Australian Tax Research Foundation, Sydney.

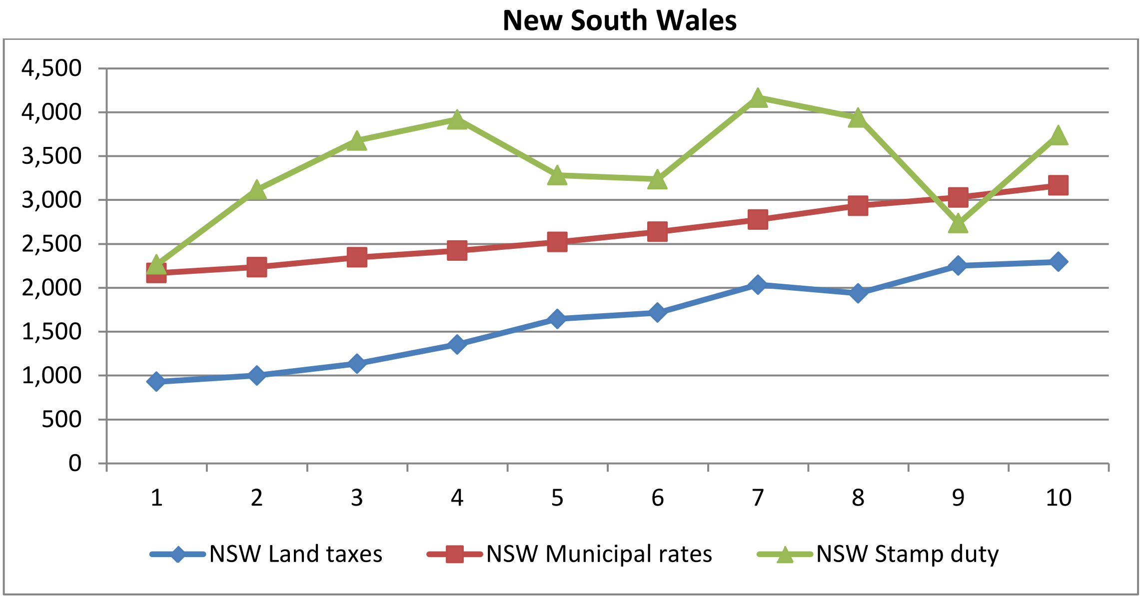
Table8: Percentage change in Land tax revenue as a percentage of local government rate revenue in Australia 2000 – 2010.

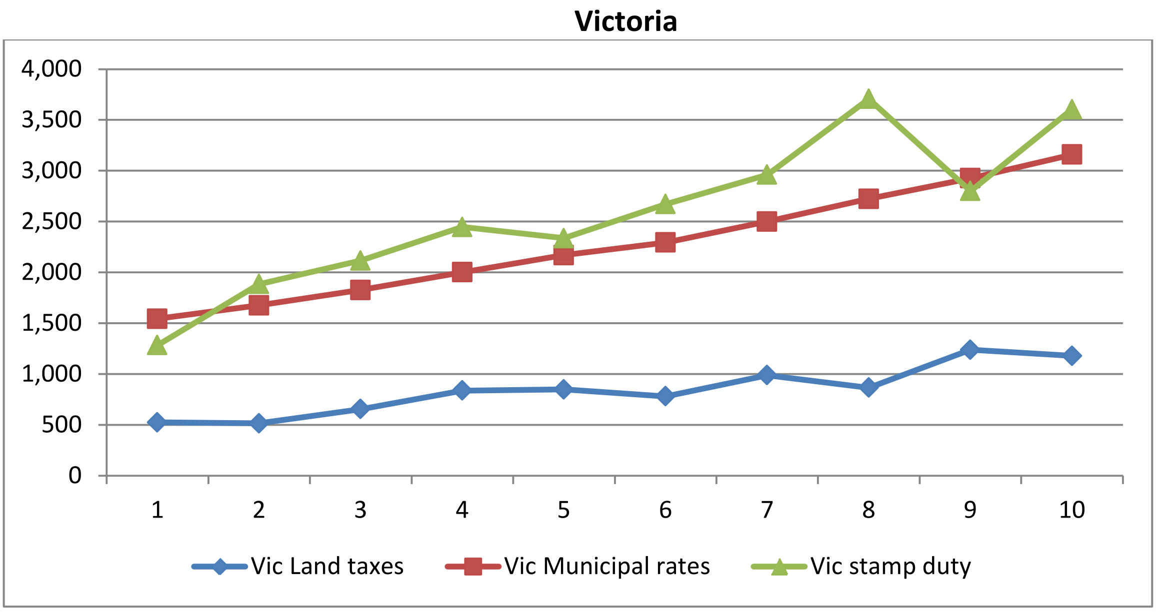
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Qld stamp duty	700	1,056	1,382	1,863	1,728	1,949	2,542	2,912	1,806	1,978
Qld Land taxes	230	231	279	313	419	404	485	610	838	1,033
Qld Municipal rates	1,210	1,281	1,369	1,461	1,559	1,736	1,925	2,096	2,285	2,438
% change in revenue	**19**				**26**					**42**
Vic stamp duty	1,284	1,885	2,116	2,446	2,337	2,671	2,961	3,706	2,801	3,604
Vic Land taxes	525	515	655	837	848	780	989	865	1,238	1,178
Vic Municipal rates	1,543	1,676	1,827	2,001	2,170	2,294	2,500	2,724	2,927	3,159
% change in revenue	**34**				**39**					**37**
NSW Stamp duty	2,267	3,119	3,677	3,918	3,282	3,237	4,166	3,938	2,736	3,739
NSW Land taxes	929	1,001	1,136	1,355	1,646	1,717	2,036	1,937	2,252	2,296
NSW Municipal rates	2,168	2,236	2,347	2,424	2,521	2,638	2,776	2,935	3,030	3,166
% change in revenue	**43**				**65**					**73**
WA Stamp duty	624	647	833	1,207	1,218	1,906	2,037	2,243	1,008	1,615
WA Land tax	221	226	260	280	315	313	386	415	562	519
WA Municipal rates	669	705	754	801	869	928	1,001	1,088	1,220	1,317
% change in revenue	**33**				**36**					**39**
SA Stamp duty	295	354	428	578	561	600	721	909	721	787
SA Land tax	140	140	157	198	256	291	332	375	510	553
SA Municipal rates	545	589	641	683	738	785	834	886	958	1,019
% change in revenue	**26**				**35**					**54**
Aust Stamp Duties	5,340	7,283	8,745	10,388	9,472	10,788	12,923	14,289	9,526	12,294
Aust Land taxes	2,103	2,172	2,553	3,059	3,583	3,613	4,358	4,346	5,565	5,767
Aust Municipal rates	6,441	6,808	7,276	7,726	8,237	8,788	9,476	10,194	10,938	11,645
% change in revenue	**32.7**				**43.5**					**49.5**

Source: Local Government Association of Australia, ABS Taxation Statistics 2000-2010

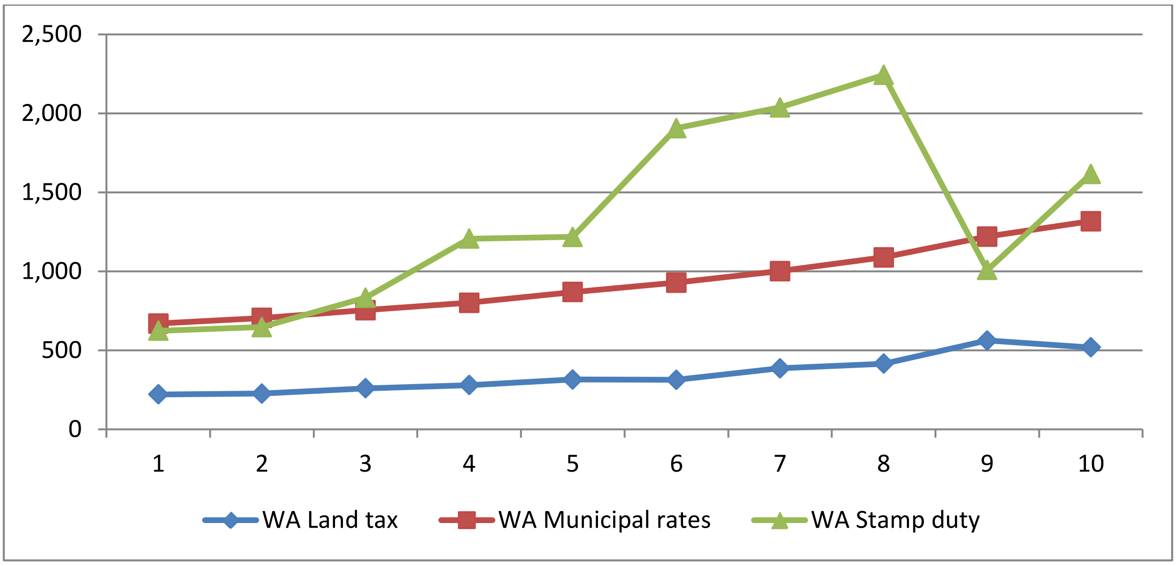
Property Tax Revenue State Comparative Figures



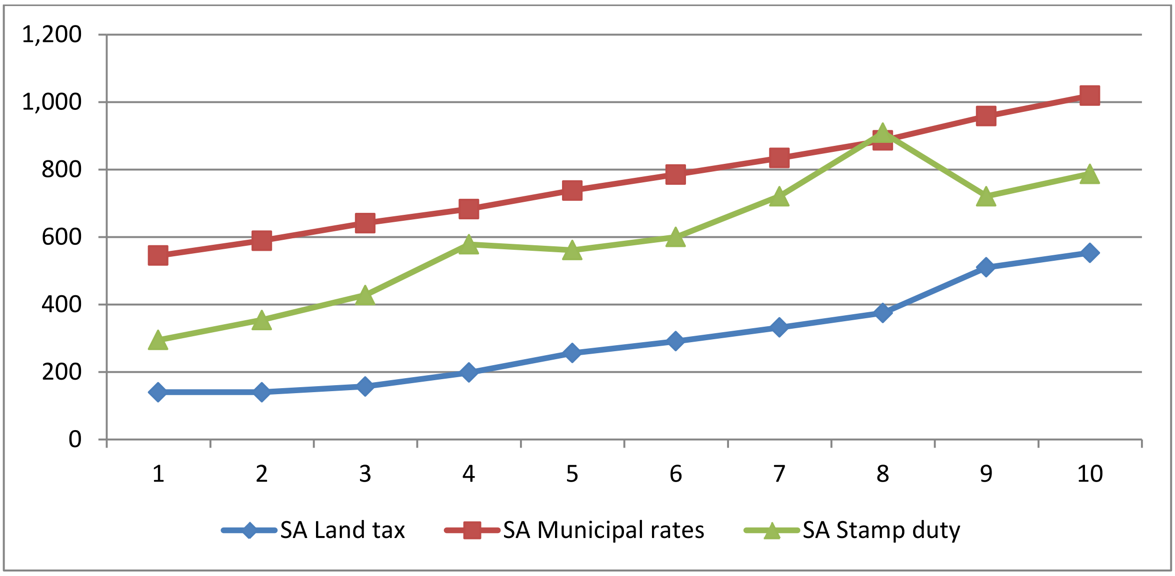




Western Australia



South Australia



Australia (All States Combined)