

New Support and Endorsement for



Site Value Rating

AT THE Victoria municipal elections held at the end of August this year, the principle of site-value rating and tax-free improvements was endorsed in several municipalities, reports *Progress* (Melbourne), October 1970.

The rural Shire of Kilmore carried a poll to change from rating the improved to the unimproved value of the land and this brings the number making this change in Victoria to 59.

An attempt in Camberwell to restore the "shandy rate" system of property tax, which levies half the rates on the unimproved value of land and half on land plus buildings and improvements, was soundly defeated.

The voters evidently preferred the strong beverage of site-value rating to the adulterated brew.

Says *Progress*, "This proposal to revert to taxing buildings was the most dangerous attack on the principle of untaxed improvements in Victoria since ratepayers were first given the powers to choose their own rating basis in 1920.

"Had it been accepted there would have been a rash of similar moves initiated in other councils rating land values. It had already been foreshadowed that similar proposals would be made in the adjoining cities of Box Hill, Doncaster-Templestowe and Kew if the change was accepted at Camberwell.

"To underline the lesson, candidates standing on the site-value rating issue were elected in opposition to others identified with advocacy of rating on improvements in these areas.

In the four wards of Camberwell, the "No" vote at the referendum was 60 per cent or more of the total vote and Mr. Allan Hutchinson, proponent of site-value rating in Victoria for many years, displaced the Chairman of the Finance Committee, who had held his seat for 20 years and was opposed to site-value rating.

Not only was a majority recorded against the proposed change in every ward, but a feature of the voting was that at none of the twenty-four polling places in the city was a majority given in favour of rating improvements. Camberwell has 34,259 rateable properties in an area of 7,765 acres and a population of 100,200.

The Camberwell Council were criticised strongly for distributing, at public expense a few days before the poll,

a pamphlet giving support to the proposed change of reverting to the taxation of improvements.

The Case Against Change To "Shandy" Rating

Advocates of site-value rating, in presenting their case against the taxing of improvements, included the following points:

Present basis is equitable. The basic principle of the present rating basis is that nobody should be penalised for outlay on the home or other improvements on his site. People are rated only on the value given to their sites by the community. The relative justice in treatment between neighbours can be easily seen by comparing the frontage-value of the properties.

Proposed basis is in-equitable. The proposed two-part shandy rate abandons the principle of untaxed improvements and is therefore inequitable in its nature. Those most subsidised are least deserving of specially favoured treatment.

Properties most penalised by change. Properties penalised most by the shandy rate are new villa units and flats. With these the increases average 80 per cent. above the present rate. At least three-quarters of the ratepayers in these units are elderly persons, widows, pensioners and others living on fixed incomes. Many of them have been able to purchase units only by selling large homes now beyond their powers to maintain.

Homes built by charitable bodies. Heavily penalised are people's homes built by various church and other charitable bodies with funds donated by their members. The magnitude of the shandy rate imposed on these is shown by the threatened increases which are between 57 per cent and 274 per cent, averaging 105 per cent.

New Houses and other Buildings. New houses and other buildings would be penalised by the change only a little less severely than the villa units and flats. The increase noted for single houses is 100 per cent.

Properties most subsidised by change: Vacant Land. Vacant land is the class of property most subsidised by the proposed change with a reduction of 25 per cent in rate

Kilmore Shire Changes To SVR

This Shire of 125,750 acres, whose township of Kilmore is some 36 miles north of Melbourne, has now changed over to rate the unimproved instead of the improved value of land. Its development has been hampered for years by the blighting incidence of taxation on improvements and by the premium given to holdings held in an under-developed condition.

Support for land-value rating with un-taxed improvements was not confined to the township area, but was even more evident in the rural parts; all polling places recording majorities for this change.

SVR Poll For Buninyong Shire

The Buninyong Shire Rating Reform Committee has succeeded in getting the necessary signatures to a demand that a proposal to change to the site-value rating basis be put to a poll of ratepayers. The demand has now been presented and it is hoped that the poll will be taken in 1971.

Buninyong Shire is essentially a rural shire based on mining, agricultural and grazing potential. It covers 192,000 acres and has a population of 4,940, of which only 900 are located in the township area. There are 2,734 rateable properties only about 1,400 of which have buildings on them so that nearly half the holdings are of vacant land.

payments. There are 673 such holdings in Camberwell. They would be the major beneficiaries of this change.

Decadent houses on development Sites. There are about 640 old houses in poor condition which would receive reductions of 20 per cent or more by change. The administration advised these are almost exclusively on sites with development potential for new flats and houses. Some of these have already been pulled down and are in the process of redevelopment. At least one large mansion would have its rates reduced by \$879, a major benefit. The change would subsidise land speculators, thus allowing them to withhold these properties from the market, awaiting increased prices.

Business Properties in Burke Road. Reductions of \$2,596 would be shared by owners of 157 assessments in the Burke Road shopping centre. By contrast the 1576 business assessments in other less favoured centres would have to pay increases totalling \$19,311. Another anomaly

No Punches Pulled

A WRITER who describes himself as "unco-operative as a child, a non-conformist deviant thinker and the despair of teachers and family," shows his long-standing consistency of attitude in the editorial he has written in a North American magazine, *Car and Driver*. Part of the editorial is as follows:

"In fact, I was probably the only person in the country to take umbrage at J.F.K.'s oft-quoted, celebrated request that Americans 'ask not what your country can do for you, but what can you do for your country.' Fine ringing words, to be sure, but did they mean anything? I think not. I think my country is me, and you and you. It makes more sense to ask what we can do for us.

America is not an abstraction, it is people, and it seems that every time we are asked to do something for the good of the country, it involves either a gun's point defence of investment abroad or an encroachment on personal liberty at home. We are told, again and again, that in the interest of one cause or another, some will have to yield this or that for the common good. And that "common good" always seems to require a trimming off of rough edges, which all of us have in some measure. I have more than the average, and perhaps that is what makes me sensitive to any threat of trimming. I rather enjoy being a square peg, as a matter of fact, and do not appreciate being whittled down to fit the standard round hole.

"I think it is every man's right to be a damn fool if that is what

pleases him and his foolishness does not constitute a clear danger to his fellows.

"I think that what I want counts for something even if it makes no contribution to the Common Good. And I think that you count, even if you don't want to contribute to the Common Good anything more than a willingness to keep your thumb out of your neighbour's eye.

"It is, or should be, the government's function to protect one man from the transgressions of another (as in the anti-smog regulations) and not to protect man against himself. For a man so protected is somehow diminished, and I am still fool enough to resist this even when told it is for the Common Good."

(We are indebted to *Freefolk* of British Columbia, July 1970, for the above.)

is that 13 petrol stations owned by major oil companies would get reductions averaging \$93, while other business with substantial investment in buildings would have to subsidise them with higher rates.

Concessions to Whom?

AN ORDER laid before Parliament on November 4, implements on January 1, 1971 the third instalment of the reductions in import duties undertaken by the United Kingdom in the Kennedy Round of international tariff negotiations.

The results of the Kennedy Round which took place in Geneva from May 1964 to June 1967 are summarised in White Paper (Cmnd 3347) which was published on July 12, 1967.

The Import Duties Order, implemented the first stage of the United Kingdom's "concessions" by reducing the full rate of duty (and, where applicable, the Commonwealth preferential rate) on a very wide range of industrial goods and on some agricultural goods with effect from July 1, 1968.

The second stage of these "concessions" was implemented on January 1, 1970 and the present Order implements the third stage.

We cannot but welcome these duty reductions but why do we persist in calling them "concessions" when we are doing ourselves a favour by getting our goods cheaper? We know what is meant of course but the talk of concessions to foreign exporters gives the wrong emphasis. When a man buys from another he does not do so as a favour to him or as a concession to him although the seller benefits as well as the buyer.