

CAMBERWELL CITY, VICTORIA

ITS PROGRESS UNDER SITE-VALUE RATING

Camberwell is now a beautiful city. Houses are modern, of pleasing design and, with very few exceptions, are kept in good condition. The citizens take pride in their gardens and the hilly nature of the country allows them good scope.

In 1922, Camberwell was a straggling city of 8,850 acres, with a total of 7,594 buildings and a population of 25,987. At this time it was largely landlocked, being in the hands of a relatively few large vacant landholders unwilling to sell at prices within reach of prospective home owners.

In that year the city adopted rating upon site-values as a result of a poll of ratepayers following a two years' campaign. From that time the development of Camberwell was meteoric. For twenty years it headed the building development figures both in numbers and values until displaced by Moorabbin in 1946 after that city also changed to site-value rating.

In the year following Camberwell's change in rating, dwelling construction jumped from the previous years' figure of 561 up to 1,109. The total dwelling permits for the first five years after making the change was 4,373 as against a total of 2,051 in the preceding five years.

It was not only in dwelling construction that activity was noted. In the five year period following the rating change, 2,033 permits were issued for other buildings and alterations and the total building activity was valued at £3,348,000.

Preceding and accompanying the development were sub-divisions of the extensive cow paddocks, bringing thousands of new citizens opportunity to get home-sites at reasonable cost.

The Burke Road junction, previously occupied by a few poor shops and extensive vacant lots, soon developed into one of the best and busiest shopping sites outside Melbourne City itself. As further extension occurred, other subsidiary shopping centres developed further afield.

In the annual report submitted to the Council by the building surveyor in 1941 a graphic description was given of what this phenomenal and sustained building development means during one year.

"The number of dwellings built annually and the indicated population are equivalent to more than half that contained in the City of Horsham — to considerably more than the total dwellings and population of the Borough of Daylesford, and nearly equal to that contained in the Shires of Donald or Whittlesea. The aggregate frontage of the allotments of land on which the 829 buildings of residential character have been erected greatly exceeded 8 miles which is the equivalent of a township with 8 double-sided streets each more than half a mile in length."

This development does not merely cater to the relatively small strata of persons of independent means. Camberwell is essentially a middle class workers' city.

Houses Carry Lower Rates

An exhaustive survey was made in 1944 covering 684 houses in various classifications. This showed that 75 per cent, of the houses are carrying lower rates under site-value rating than they would have carried under nett annual value rating.

The proportions of the single unit dwellings bene-fitting in lower rates were found to vary according to the range of the total value of land and improvements as shown below. The values quoted in the ranges are 1944 figures and would be more than doubled today.

Land & Bldg	No.	Lower Under NAV	Lower Under SV
400 - 900 pounds	154	20.8%	79.2%
901 -1350 pounds	134	31.5%	68.5%
1351-2000 pounds	183	31.5%	68.5%
2001-3500 pounds	89	16.0%	84.0%
3501-5000 pounds	23	26.5%	73.5%
5001 pounds+	24	59.0%	41.0%

Dwellings in the lowest range are mainly timber houses more generally occupied by the lower income groups. The numbers in the groupings are a fair cross section of the city, and it is seen that this group has the second-largest proportion in the gaining class. One other has a slightly higher proportion but the numbers in this category are much less.

It is significant that those in the £5,000 and upwards group, in the majority of cases, do not gain lower rates under site-value rating. This is important because it disposes of the suggestion, fostered by opponents of site-value rating, that this system lets off those with greatest ability to pay. This is the category which is thought to have the greatest "ability to pay" and it is seen to pay more under site-value rating in most cases.

Of the houses in this class, the minority that were found to benefit in lower rates under site-value rating, have average frontages of 131 feet. The majority which would pay less under annual value rating, have average frontages of 506 feet.

How beneficial the policy of exempting buildings and other improvements from municipal rates has proved can be seen from the table. The value of the buildings and improvements has increased almost eleven-fold since 1922 while the total site-values have increased four-fold. The outlay of some £48,000,000 in building construction in this city since adopting site-value rating has been an important factor in raising living standards over the whole of Greater Melbourne.

Development Statistics of Camberwell

Year	Population	Assessments	Buildings vacant		Rate Revenue	Unimproved Capital Value of Land	Value of Buildings & Improvements	NAV	Proportion of Improvements to total value
			No.	No.					
1923	25,987	17,060	7,594	9,466	106,300	£'000	£'000	£'000	%
1930	49,130	27,584	12,724	14,860	115,500	3,165	4,955	418	60.4
1938	58,775	27,656	16,042	11,614	147,700	5,638	10,707	901	65.0
1946	71,657	29,927	20,257	9,670	221,966	5,823	12,934	997	69.0
1950	85,245	30,688	23,290	7,398	441,360	7,946	17,957	1,505	69.0
1955	91,568	31,205	26,835	4,370	£	9,662	23,091	1,811	71.0
					53,300	12,086	53,113	3,282	81.0

Transport Services Follow Development

If Camberwell had shown the same development but still used the old system of rating the value of improvements, £358,000 of its rate revenue would be borne by buildings and only £83,000 would come from land values. That would be a most substantial penalty upon the building industry. But the comparison is empty because it would not have shown such rapid development. Other surveys have shown that building activity per acre available in districts rating site-values is more than double that in their counterparts rating annual value.

Improved Municipal Services

With the rapid increase in population and dwellings the Council has been able to provide Municipal services of a high order. In many municipalities citizens have some complaint at the lack of visible services for their rates. This cannot be said of Camberwell. Fine roads have been provided, lined with ornamental trees, concrete side-walks and nature strips. The cost of constructing these roads has been met by the ratepayers individually by special charge spread over some years. But it is the soundness of the financial position of this city, due to its rating system, that has made their provision possible. There are other municipalities where ratepayers would be willing to pay for such services but the councils cannot finance them.

In many of the older parts of the city, asphalt pavements to the side-walks have been torn up and replaced by the modern concrete side-walks, in keeping with the newer part of the city. This has been done as part of normal maintenance, without special charge to the ratepayers. In many other cities, ratepayers would consider themselves lucky to have had the old surfaces, despite deterioration.

Camberwell was not among the cities fortunate enough to have large reserves of crown lands for parks and gardens. In fact it was nearly the poorest provided in this respect, with only 9 acres of crown reserves. It has had to obtain the freehold for all its parks and reserves, and it is all the more creditable that it has now acquired nearly twice as much of freehold reserves as any other municipality. It has 564 acres in this class compared with 319 for Malvern, its nearest rival.

With the growing population and settlement there was rapid growth in transport services. Tramways were extended, bus services commenced. The old outer circle railway which had been almost derelict for decades was restored and the services increased. These extensions of transport have been pointed to in some quarters as the cause of Camberwell's development. In fact, they are consequences of it.

Transport services must pay their way whether run by public or private operators. They are not provided merely as developmental agents to open up vacant land. Where there is sufficient extension of settlement to make them worth while, they are provided. The improved transport always followed the extending margin of settlement. As the feeder population grew, tramways were extended. This is the normal routine of progressive development.

The Financial Basis of the Council

The secret of the Camberwell Council's financial strength is that the Council has shared to a much greater extent in the increased land values attending the development than would have been the case under annual value rating.

This is seen by comparing 10 holdings of land still vacant at 1943 with their rate position at 1922. These ten holdings then had unimproved value of £13,860. By 1943 the unimproved value had increased to £32,860 — a substantial increase of 132 per cent, to which the owners had contributed nothing. The annual value at 1922 was £693 and had increased by £920 to 1943. Had net annual value rating been in force, these holdings would only have increased council rate revenue by £68/10/5, despite the enormous increase in value of the sites. Under site-value rating they increased the council revenue by £406/19/4. This meant that the council had absorbed to itself 31 per cent, of the increase in land values due to community development. Under annual value rating it would only have shared in the increased land values to the extent of 5.2 per cent., the other 94.8 per cent, being absorbed by private persons who have done nothing to develop their properties.

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