

# GENERAL COUNCIL FOR RATING REFORM

## ADVOCATING THE RATING OF SITE-VALUES INSTEAD OF IMPROVEMENTS

July 1992

MUNICIPAL RATING POLLS IN VICTORIA

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### History

Before 1920, all councils in Victoria were required to use net annual value (NAV) rating. In December 1919 it was made possible for councils to change to site value (SV) rating (actually UCV at the time), and back again to NAV, by either of two methods: (i) Council resolution, or (ii) voter initiative in calling and winning a poll. Also, if Council resolved to change the rating system, voters had one month in which to demand a poll in order to attempt to reverse Council's decision.

By now, 50% of the people of Victoria are in SV-rating municipalities. (There is a larger number of NAV-rating than SV-rating municipalities, due to the many rural municipalities with small population using NAV. Currently, of the 210 municipalities in Victoria, 57 use SV rating.)

### Abolition of Historical Democratic Rights

The 1989 Local Government Act, when fully proclaimed (October 1992), will abolish the democratic right of voters to initiate a poll.

Also, by the "old" 1958 Act, Council was required, before a poll, to give each ratepayer a statement showing how much he/she would have to pay under each system; the 1989 Act does not require any information to be provided.

In addition, Council was required, for the next three years after the poll, to act in accordance with the result of a poll won by the voters. In the 1989 Act, a winning poll prohibits a Council from proceeding "with its decision", but allows a Council to move a motion to change the rating system again at any time.

### Past Use by Voters of their Power to Initiate Polls

Of the 114 changes and attempts to change the rating system in Victoria since 1920, 64 have been by voters initiating a poll to change to SV rating. A majority was obtained for SV in 48 of them, and for NAV in 16. The large number of polls for changing to SV is not surprising, of course, as all were on NAV to start with; it is the success rate of 75% which is remarkable. That is:

*Voters have exercised their democratic right to initiate a poll frequently and effectively.*

*Voters have shown that they are prepared to vote "Yes", even in order to adopt a system which is, to them at the time, untried.*

### Past Use by Voters of their Power to Challenge Councils' Decisions

From the not large number of Councils rating SV, there have been 29 attempts by Councils to revert towards NAV. ("towards" is used, to include the infrequent half-way case of composite ("shandy") rating.)

On 23 of those 29 occasions, 10% of the voters succeeded in demanding a poll, and reversed Council's decision in 21 of them, usually with an increased majority for SV. That is:

*It is typical for Councils to attempt to revert towards NAV rating, and for voters to very strongly resist.*

*A great majority of voters who have (in most cases) experienced both systems, show themselves as very determined to retain SV rating.*

VOTERS' and COUNCILS' USES of their POWERS under THE 1958 ACT and its PREDECESSORS

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Before 1920, all municipalities in Victoria used the net annual value (NAV) system of rating, as that was the only system made available for use by Victorian legislation. In this system, the rates are assessed on the value of the land, plus the value of the owner's own improvements.

From 1920, Victorian legislation allowed also the unimproved capital value (UCV) system of rating (practically the same as site value (SV)). In this system, the rates are assessed only on the value of the land occupied. The legislation treated both systems equally.

From 1968, collection of rates by the use of the NAV and SV systems in any proportion, uniform for the municipality, was made available. This was called the "shandy" system. To the present time, a "50/50" proportion has been the only one proposed or used.

The sections of the 1958 Act used have the following meanings:-

- s. 316 Council using NAV resolve to adopt the SV or a shandy system.  
If there is a poll, it is because, in one month, 10% of voters resist the Council resolution, demanding a poll.
- s. 317 10% of voters initiate a demand for a poll to change from NAV to SV or to shandy.
- s. 319 Council using SV or shandy resolve to change to shandy or to NAV.  
If there is a poll, it is because, in one month, 10% of voters resist the Council resolution, demanding a poll.
- s. 321 10% of voters initiate a demand for a poll to change from SV or shandy to another system.

Municipality	Year	Section	System of rating			Formal votes			% -age for SV
			Before	Proposed	Result	For SV	Not SV	Total	
Caulfield	1920	316	NAV	SV	SV				
	1969	319	SV	Shandy	Shandy				
	1985	319	Shandy	NAV	NAV				
Coburg	1920	316	NAV	SV	SV				
Dandenong	1920	316	NAV	SV	SV	632	167	799	79
Essendon	1920	316	NAV	SV	SV				
Newtown	1920	316	NAV	SV	SV				
	1978	319	SV	Shandy	SV	1245	806	2051	61
Portland	1920	317	NAV	SV	SV	197	76	273	72
	1968	319	SV	NAV	NAV	3444	3594	7038	49
Rosedale	1920	316	NAV	SV	SV				
	1953	319	SV	NAV	SV	1281	244	1525	84
Oakleigh	1921	316	NAV	SV	SV				
	1945	319	SV	NAV	SV	1761	587	2348	75
	1985	319	SV	NAV	SV	14426	10278	24704	58
Yea	1921	317	NAV	SV	SV	318	220	538	59
	1951	319	SV	NAV	SV	1072	502	1574	68
Brunswick	1922	316	NAV	SV	SV	2395	2107	4502	53
	1932	319	SV	NAV	SV	4120	1794	5914	70
	1982	319	SV	Shandy	Shandy				
Camberwell	1922	316	NAV	SV	SV	3399	2669	6068	56
	1970	319	SV	Shandy	SV	21890	13787	35677	61
Chelsea	1923	316	NAV	SV	SV				
Mordialloc	1925	317	NAV	SV	SV	809	509	1318	61
	1985	319	SV	NAV	SV	10026	4903	14929	67
	1991	319	SV	NAV	SV	8676	4136	12812	68
Sandringham	1926	317	NAV	SV	SV	2284	2098	4382	52
	1931	319	SV	NAV	SV	3069	1737	4806	64
Hamilton	1944	317	NAV	SV	SV	813	627	1440	56
Box Hill	1946	317	NAV	SV	SV	3378	2708	6086	56
Footscray	1946	317	NAV	SV	NAV	3161	11246	14407	22
Moorabbin	1946	317	NAV	SV	SV	3384	2159	5543	61

Municipality	Year	Section	System of rating			Formal votes			%age for SV
			Before	Proposed	Result	For SV	Not SV	Total	
Northcote	1946	317	NAV	SV	SV	7408	5626	13134	57
	1950	319	SV	NAV	NAV	6687	6815	13502	50
	1965	317	NAV	SV	NAV	10603	28827	39430	27
Preston	1946	317	NAV	SV	SV	7262	3527	10789	67
	1982	319	SV	NAV	NAV		No poll		
Kew	1947	317	NAV	SV	SV	3202	2996	6198	52
	1951	319	SV	NAV	SV	6027	5348	11375	53
	1975	319	SV	Shandy	SV	6206	2999	9205	67
Brighton	1948	317	NAV	SV	NAV	3547	6653	10200	35
Echuca	1948	316	NAV	SV	SV		No poll		
Collingwood	1949	317	NAV	SV	NAV	1454	4848	6302	23
Frankston	1949	317	NAV	SV	SV	2517	1175	3692	68
	1953	319	SV	NAV	SV	3112	2335	5447	57
Heidelberg	1951	317	NAV	SV	SV	14211	7382	21593	66
Ringwood	1951	317	NAV	SV	SV	1905	1396	3301	58
Bellarine	1952	317	NAV	SV	NAV	779	1687	2466	32
Nunawading	1946	317	NAV	SV	NAV	1188	2553	3741	32
	1952	317	NAV	SV	SV	5801	4033	9834	59
	1986	321	SV	NAV	SV	33691	11221	44912	75
Wangaratta	1952	316	NAV	SV	NAV	1525	1585	3110	49
	1956	317	NAV	SV	SV	2115	510	2625	81
Woorayl	1952	317	NAV	SV	NAV		Not available		
South Barwon	1953	317	NAV	SV	SV	3023	2284	5307	57
Eltham	1954	317	NAV	SV	SV	3418	3128	6546	52
Sale	1954	317	NAV	SV	SV	1932	736	2668	72
Warrnambool	1954	316	NAV	SV	SV		No poll		
Castlemaine	1955	317	NAV	SV	SV	1860	1175	3035	61
	1967	319	SV	NAV	SV	3484	1267	4751	73
Malvern	1955	317	NAV	SV	SV	11758	6339	18097	65
	1961	319	SV	NAV	SV	25681	10140	35821	72
	1986	319	SV	NAV	SV	13951	4005	17956	78
Springvale	1955	316	NAV	SV	SV		No poll		
Broadmeadows	1956	317	NAV	SV	SV	5575	1743	7318	76
Mildura	1956	317	NAV	SV	SV	4619	1276	5895	78
Waverley	1956	317	NAV	SV	SV	10735	2302	13037	82
Keilor	1957	317	NAV	SV	SV	3948	1155	5103	77
Swan Hill	1957	317	NAV	SV	SV	1032	668	1700	61
Traralgon shire	1957	317	NAV	SV	SV	2620	2323	4943	53
Wodonga	1957	317	NAV	SV	SV	1345	877	2222	61
Ararat	1958	316	NAV	SV	SV		No poll		
Benalla	1958	317	NAV	SV	SV	2067	251	2318	89
Daylesford	1958	317	NAV	SV	NAV		Not available		
Moe	1958	317	NAV	SV	SV	1784	876	2660	67
St. Arnaud	1958	317	NAV	SV	NAV	366	834	1200	30.5
Wonthaggi	1958	317	NAV	SV	SV	1328	418	1746	76
Bairnsdale	1959	317	NAV	SV	NAV		Not available		
Doncaster T'stowe	1959	317	NAV	SV	SV	6492	6034	12526	52
Maffra	1959	317	NAV	SV	NAV		Not available		
Maryborough	1959	317	NAV	SV	SV	2399	1174	3573	67
Stawell	1959	317	NAV	SV	SV	1818	777	2595	70
	1989	319	SV	NAV	SV	2521	845	3366	75

Municipality	Year	Section	System of rating			Formal votes			%age for SV
			Before	Proposed	Result	For SV	Not SV	Total	
McIvor	1961	317	NAV	SV	SV	635	385	1020	62
Tallangatta	1961	317	NAV	SV	SV	1302	1034	2336	56
	1971	319	SV	NAV	SV	713	388	1101	65
Traralgon	1961	316	NAV	SV	SV		No poll		
Hastings	1962	317	NAV	SV	NAV	2868	3636	6504	44
Croydon	1963	317	NAV	SV	SV	8152	6203	14355	57
	1968	319	SV	NAV	SV	15040	9950	24990	60
Korumburra	1963	317	NAV	SV	SV	3211	2859	6070	53
Diamond Valley	1964	316	NAV	SV	SV		No poll		
South Melbourne	1964	317	NAV	SV	SV	10949	6506	17455	63
	1978	319	SV	Shandy	Shandy		No poll		
	1981	319	Shandy	NAV	NAV	Demand	for a poll frustrated		
Bacchus Marsh	1965	317	NAV	SV	NAV		Not available		
Knox	1965	317	NAV	SV	SV	17432	11583	29015	60
Morwell	1965	317	NAV	SV	NAV	3673	7280	10953	34
Sherbrooke	1965	317	NAV	SV	SV	10617	5622	16239	65
Sunshine	1965	317	NAV	SV	NAV	14164	17763	31927	44
Cohuna	1967	317	NAV	SV	SV	2340	1594	3934	59
Healesville	1967	317	NAV	SV	NAV	1878	2975	4853	39
Kerang	1967	317	NAV	SV	SV	2408	2014	4422	54
	1967	316	NAV	SV	SV	2515	844	3359	75
(Note: Change of boundaries involved)									
Horsham	1969	317	NAV	SV	SV	2649	1437	4086	65
Kilmore	1970	317	NAV	SV	SV	338	311	649	52
Buninyong	1971	317	NAV	SV	SV	735	646	1381	53
	1979	319	SV	NAV	SV	1147	564	1711	67
Orbost	1972	317	NAV	SV	SV	1053	684	1737	61
	1986	319	SV	NAV	SV	2358	509	2867	82
Melton	1973	317	NAV	SV	SV	2682	2010	4692	57
Lilydale	1979	316	NAV	SV	NAV	10495	11683	22178	47
Broadford	1981	316	NAV	Shandy	Shandy		No poll		
Seymour	1981	317	NAV	SV	SV	1216	1158	2374	51

Note: A sharp decrease in the total number of votes which may be observed in a few cases about 1969 is due to the elimination, then, of multiple voting based on property qualifications.

#### ANALYSIS

- S.316 Used 20 times; that is, on 20 occasions, a Council using NAV resolved to go to SV (19 times) or to shandy (once, Broadford 1981).  
On 6 of those occasions, 10% of voters demanded a poll, and on 2 of those 6 Council's decision was reversed.
- S.317 Used 64 times; that is, on 64 occasions, 10% of voters under a Council using NAV initiated a demand for a poll with the aim of moving to SV rating.  
In 48 of the polls, a majority of voters voted for SV; in 16 of the polls, for NAV.
- S.319 Used 29 times; that is, on 29 occasions, a Council using SV or (in two cases) shandy resolved to go to shandy (6 times) or NAV (23 times).  
On 23 of those occasions, 10% of voters demanded a poll, and on 21 occasions, reversed Council's decision.
- S.321 Used once, that is, on one occasion (Nunawading, 1986) 10% of voters in a municipality using SV initiated a demand for a poll to move to NAV. In the poll the majority for SV was 75%, increased from 59% in 1952.