

Rating Systems and Victorian Manufacturing

Researched by Economic Indicator Services, July 1995

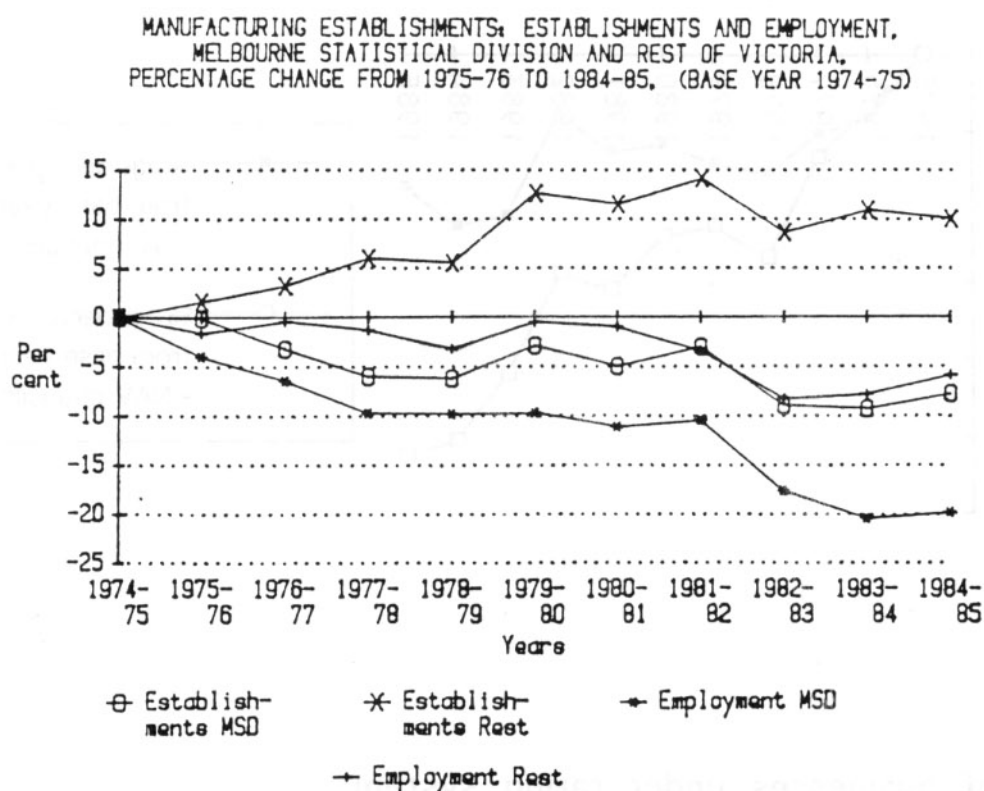
Brief summary of this study.

Australian Bureau of Statistics figures show that over the ten years 1974 to 1984 manufacturing steadily declined in Melbourne. EIS further examined the ABS figures to see whether the recorded decline differed, depending on the method of rating used at the Municipal level of government.

It was found that the decline in manufacturing was markedly different depending upon the rating system used by council.

In council areas rating site value, the number of manufacturing establishments actually increased by 10%. In council areas taxing buildings (CIV), manufacturing declined by 20%.

The chart below is extracted from page 2 of the ABS publication number 8203.2, Manufacturing Establishments; Small Area Statistics Victoria, issued 15th October 1986.



Quoting directly from this ABS release, the chart above shows;

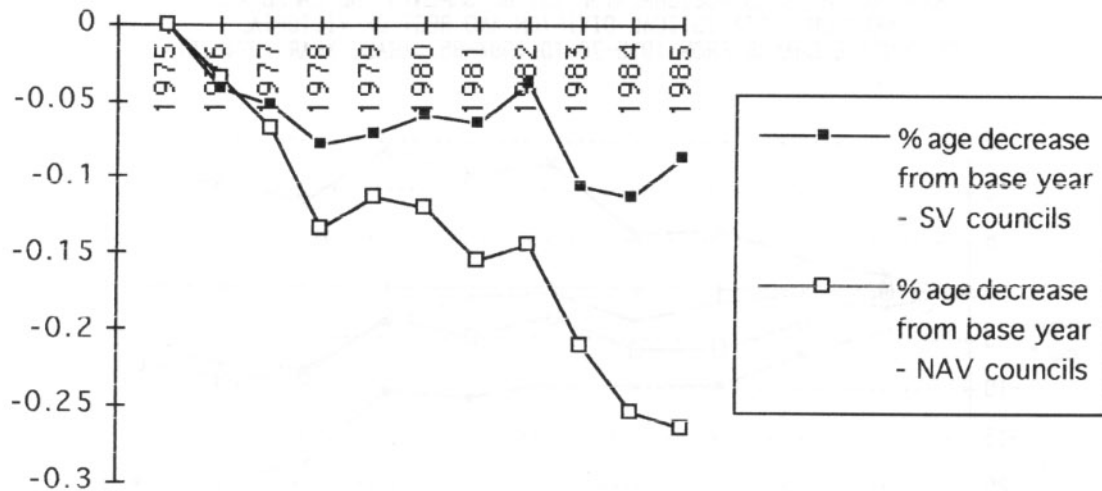
"Over a ten year period, taking 1974-75 as the base year, both (manufacturing) establishments and employment decreased in the Melbourne Statistical Division, with 1983-84 recording the greatest difference of 9.3% and 20.4% respectively.

The pattern in the rest of Victoria was somewhat different in that, although there was an overall increase in the number of establishments during this period, the level of employment declined by 5.9% from 67 941 persons in 1974-75 to 63,915 persons in 1984-85."

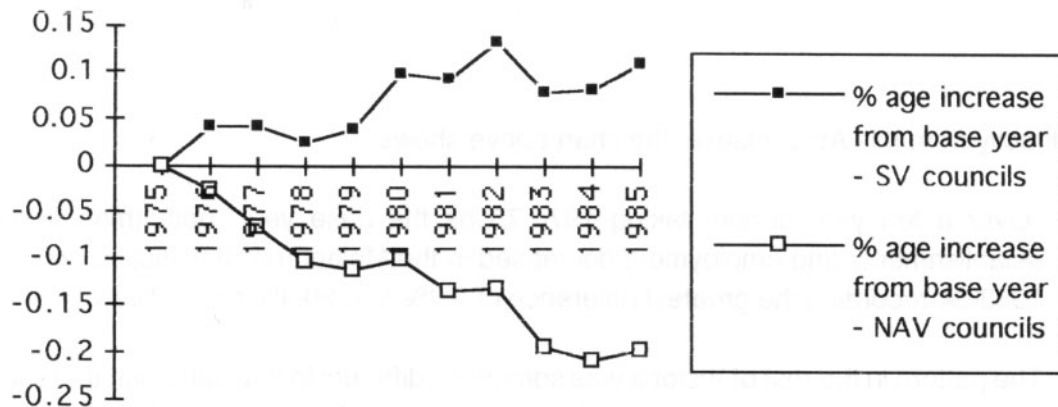
To show the effect of different rating systems, if any, EIS further broke down this chart, by plotting separately for the Melbourne Statistical Division, the same ABS data for site rated, as against NAV/ CIV rated municipalities. The Melbourne Statistical Division accounts for over 80% (ABS figure) of total Victorian industrial activity, so EIS did not continue further in breaking down the whole Victorian figures.

Results of the further breakdown;

No. of employees - different rating systems



No. of businesses under rating system



Over the same ten year period, 1974 to 1984, **the number of businesses in site rated councils increased by more than 10%.**

Over the same ten year period, 1974 to 1984, **the number of businesses in NAV rated councils decreased by about 20%.**

Over this period, the number of employees in site rated council areas decreased by around 9%.

Over this period, the number of employees in NAV rated council areas decreased by 27%.

Conclusions.

This study confirms there to be a measurable difference in economic performance between site rated and CIV councils. Economic performance is substantially greater in site rated areas, compared to CIV rated areas. Other studies by EIS have raised the possibility that development of Melbourne is following the site rate. This study adds weight to that view.

This study supports the view that site rating is a superior rating base to that of NAV or CIV in encouraging manufacturing and employment within a municipality.

Information about the ABS figures for catalogue number 8203.2.

The ABS collects data for each municipality based on a division of Victoria into twelve statistical divisions. For catalogue number 8203.2, the data were of the number of manufacturing establishments satisfying the ABS definition operating in a municipality for the year, and the number of employees in those establishments for that year.

The ABS disregards single establishments with less than four employees. ABS tests show that this immaterially affects final figures, whilst at the same time reducing the burden on both the ABS and small business in recording and submitting the data.

EIS graphs are of exactly the same data, merely summed separately into site rated or CIV taxed councils.

The ABS used 1974-75 as their base year, we did the same, plotting the percentage change from that base year, up to 1984, as did the ABS.

The ABS did not collect the data in a similar format for 1985-86. For further years, the data has not been presented by the ABS using a Victorian statistical division breakdown. Therefore, EIS charts cannot be continued past 1984. Catalogue number 8203.2 was discontinued at this time and replaced by the collection of data under catalogue number 8221.0.

EIS is presently liaising with the ABS as to why this was the case. It is our view that such information would certainly assist relevant parties in making a far more informed decision about municipal rating.

EIS research.

EIS gratefully acknowledges the assistance of the LVRG in the early research of this document.

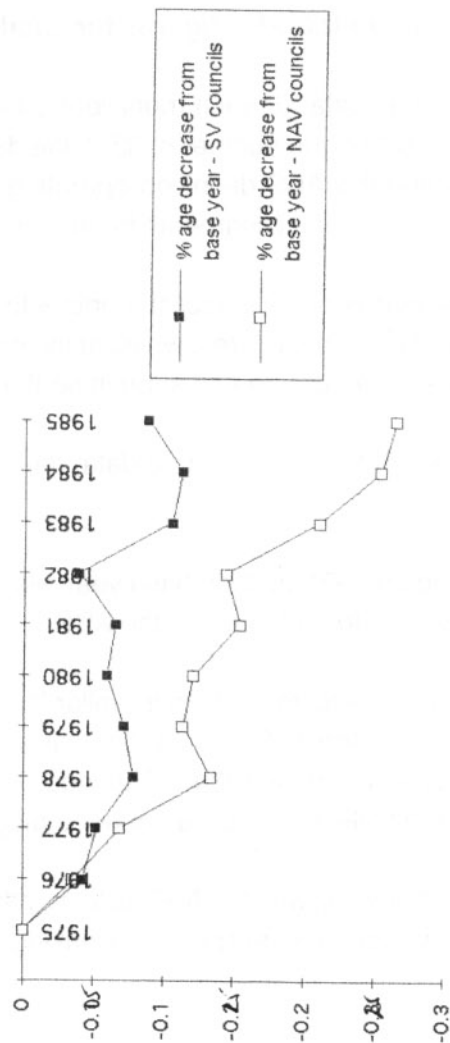
Supervised by Phil Anderson
Economic forecaster
Economic Indicator Services

No. of employees

MSD No. of establishments

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	calculation
total for all councils	364730	350262	341541	324723	329193	329679	321799	327099	300741	290624	292772	A
total for SV councils	147452	141162	139771	135932	136918	138718	137816	141678	131851	130859	134527	S
total for NAV councils	177488	171203	165267	153720	157311	156044	150068	151846	140090	132308	130461	N
SV + NAV	324940	312365	305038	289652	294229	294762	287884	293524	271941	263167	264988	S+N=B
total for councils excluded	39790	37897	36503	35071	34964	34917	33915	33575	28800	27457	27784	A-B
% age of base year - all councils	1	96.03%	93.64%	89.03%	90.26%	90.39%	88.23%	89.68%	82.46%	79.68%	80.27%	A/A(1975)=A%
% age incr. from base year- all councils	0	-3.97%	-6.36%	-10.97%	-9.74%	-9.61%	-11.77%	-10.32%	-17.54%	-20.32%	-19.73%	A%-100
% age of base year - SV councils	1	95.73%	94.79%	92.19%	92.86%	94.08%	93.46%	96.08%	89.42%	88.75%	91.23%	S/S(1975)=S%
% age decrease from base year - SV councils	0	-4.27%	-5.21%	-7.81%	-7.14%	-5.92%	-6.54%	-3.92%	-10.58%	-11.25%	-8.77%	S%-100
% age of base year - NAV councils	1	96.46%	93.11%	86.61%	88.63%	87.92%	84.55%	85.55%	78.93%	74.54%	73.50%	N/N(1975)=N%
% age decrease from base year - NAV councils	0	-3.54%	-6.89%	-13.39%	-11.37%	-12.08%	-15.45%	-14.45%	-21.07%	-25.46%	-26.50%	N%-100

No. of employees - different rating systems

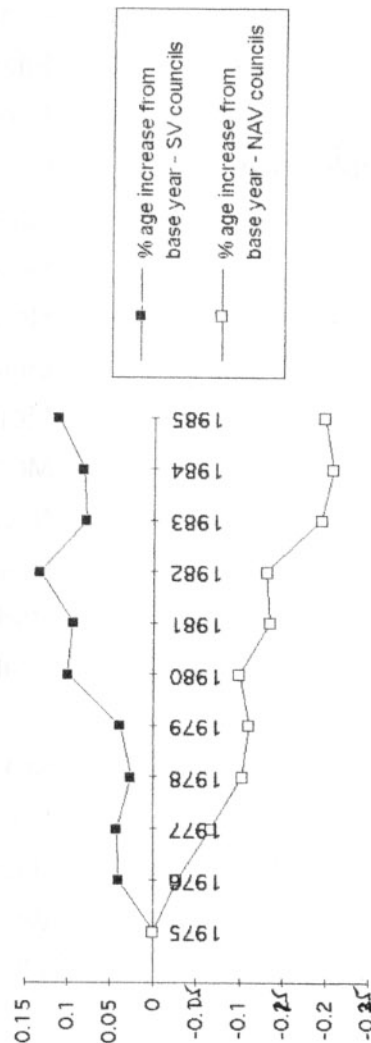


No. of mfg establishments

MSD No. of establishments

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	calculation
total for all councils	7297	7322	7159	6953	6937	7182	7024	7174	6734	6711	6820	A
total for SV councils	3163	3291	3297	3245	3285	3478	3458	3582	3409	3422	3515	S
total for NAV councils	3217	3129	3000	2884	2859	2894	2781	2794	2590	2548	2580	N
SV + NAV	6380	6420	6297	6129	6144	6372	6239	6376	5999	5970	6095	S+N=B
total for councils excluded	917	902	862	824	793	810	785	798	735	741	725	A-B
% age of base year - all councils	1	100.34%	98.11%	95.29%	95.07%	98.42%	96.26%	98.31%	92.28%	91.97%	93.46%	A/A(1975)=A%
% age incr. from base year- all councils	0	0.34%	-1.89%	-4.71%	-4.93%	-1.58%	-3.74%	-1.69%	-7.72%	-8.03%	-6.54%	A%-100
% age of base year - SV councils	1	104.05%	104.24%	102.59%	103.86%	109.96%	109.33%	113.25%	107.78%	108.19%	111.13%	S/S(1975)=S%
% age increase from base year - SV councils	0	4.05%	4.24%	2.59%	3.86%	9.96%	9.33%	13.25%	7.78%	8.19%	11.13%	S%-100
% age of base year - NAV councils	1	97.26%	93.25%	89.65%	88.87%	89.96%	86.45%	86.85%	80.51%	79.20%	80.20%	N/N(1975)=N%
% age increase from base year - NAV councils	0	-2.74%	-6.75%	-10.35%	-11.13%	-10.04%	-13.55%	-13.15%	-19.49%	-20.80%	-19.80%	N%-100

No. of businesses under rating system



Municipalities

on site value	on NAV/ CIV	excluded (rating change during period examined)
Box Hill	Altona	Brunswick
Broadmeadows	Berwick	Caulfield
Camberwell	Brighton	Preston
Chelsea	Bulla	Sth Melbourne
Coburg	Collingwood	
Croydon	Cranbourne - part A	
Dandenong	Fitzroy	
Diamond Valley	Flinders	
Doncaster Templestowe	Footscray	
Eltham	Hastings	
Essendon	Hawthorn	
Frankston	Healesville	
Heidelberg	Lilydale	
Keilor	Melbourne	
Kew	Mornington	
Knox	Northcote	
Malvern	Pakenham - part A	
Melton	Port Melbourne	
Moorabbin	Prahran	
Mordialloc	Richmond	
Nunawadding	St Kilda	
Oakleigh	Sunshine	
Ringwood	Werribee	
Sandringham	Whittlesea	
Sherbrooke	Williamstown	
Springvale		
Waverley		

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BUSINESS.VICTORIA 5

Manufacturing is Victoria's top employer

At 48 hours a week, employers rack up the longest hours at work.

By DAVID M. WALKER

Manufacturing continued to employ more Victorian workers than any other industry in August, and a regional area pipped metropolitan Melbourne to win the state's lowest unemployment rate, according to recent labor force figures.

The statistics released by the Australian Bureau of Statistics for August showed the manufacturing sector gave work to 340,900 Victorians, followed closely by the retail sector, which employed 307,300 people. Together these fields provided jobs for about 30 per cent of Victoria's 2,336,700 workers.

Property and business services employed 256,800, while about

195,000 Victorians worked in health and community services.

The state had 78,600 agriculture, forestry and fishing workers and 75,800 Government and Defence Force employees.

About 407,000 Victorian workers were in the professions in August and 349,600 were intermediate clerical, sales or service workers.

Tradespeople took up almost 300,000 jobs, while 158,100 Victorians were working in management or administration positions. Laborers filled about 208,000 positions.

The state's August unemployment rate was 8.3 per cent, comprising 185,000 jobless, a fall of 0.1 per cent since May. The state's unemployment rate has fluctuated between 8.3 per cent and 8.4 per cent since January, and fallen from a high of 9.2 per cent in June 1997.

Melbourne suffers from 7.2 per cent unemployment, 9.9 per cent of Victoria's regional population is unemployed.

But the Goulburn-Ovens-Murray region had the state's lowest unemployment rate of 6.8 per cent.

All other regional areas had higher unemployment than Melbourne. Joblessness rates was the highest in the 15-24-year-old bracket for all regional areas except for Gippsland, where unemployment was fairly evenly distributed across age groups to produce Victoria's highest overall unemployment rate of 12.5 per cent.

But in the Loddon-Mallee district 27.2 per cent of 15-24-year-olds were unemployed.

Melbourne has created 78,700 jobs in the past year for its workforce of 1,732,300, compared to 14,900 jobs created in regional Victoria for its 609,400 workers.

The 1.2 million males in employment in Victoria in August outnumbered the 950,000 females.

Overall unemployment for males aged 15 and over was 7.8 per cent, while 7.9 per cent of females were out of work.

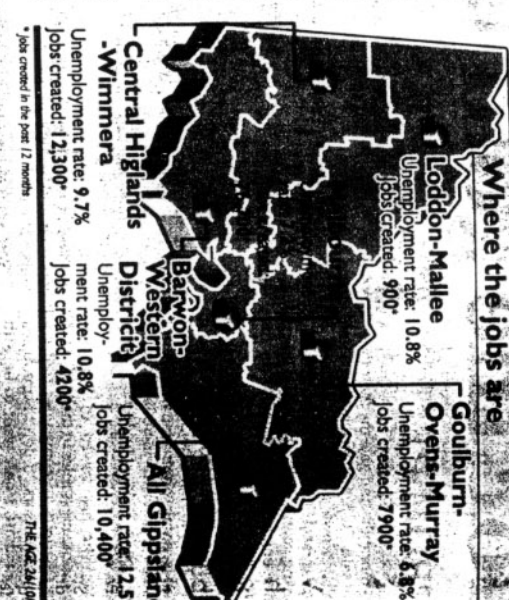
Within the Melbourne metropolitan area, inner Melbourne had the highest unemployment rate of 9.9 per cent and south-eastern Melbourne failed to provide jobs for 9.4 per cent of its population. The inner eastern suburbs had only 5.5 per cent out of work.

Victorians out of work were most prevalent in the mining industry (7.6 per cent of former miners). The highly competitive arts field had 6.3 per cent unemployment.

About 6.4 per cent of intermediate production and transport workers had no job, outnumbered by laborers and related workers, who had 6.7 per cent of their ranks looking for work.

Finance and insurance employees had only 0.5 per cent of their colleagues hunting for work.

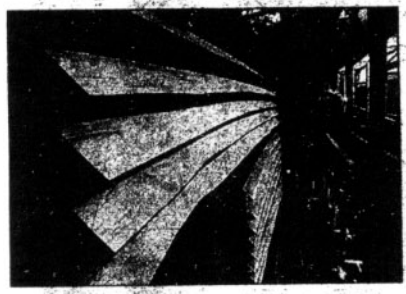
Almost 100,000 Victorian workers had not been in a full-time job for at least two weeks in the past two years. About 41,400 were looking for their first job and nearly 6000 of the state's



Radial cut gives edge in sawmill industry

By DAVID M. WALKER

A revolutionary way of sawing logs developed in Gippsland could save rainforests and help solve housing shortages in the developing world. Known as radial sawing, the



Weather slashes harvest

High temperatures and strong winds in September have pushed Victorian forecast grain production well below the average yield over the past 10 years.

The Australian Bureau of Agricultural and Resource Economics and the Mallee and northern Wimmera had suffered.

Because of an increase in the grain area planned in 1997-98, Victorian should harvest 3.3 million tonnes