

Land Policies — a Telling Contrast

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PROOF OF THE effectiveness of the measure of land-value rating achieved in New Zealand is given in a comparison with Victoria, Australia. Both are comparable in size with 65,466,000 acres for New Zealand to 56,245,000 acres for Victoria. Population in 1963 was 2,500,000 for New Zealand and 3,000,000 for Victoria.

It is in the radically different pattern of distribution of the population that the superiority of the practice of rating land value instead of building value is demonstrated. To some extent centralisation of population in urban areas is an inevitable and desirable part of progress. But planners agree that this urbanisation should be spread among many cities and towns distributed through the provincial centres and not simply confined to a single metropolitan colossus.

This aim is being achieved in New Zealand but not in Victoria. In the latter, of the total 3,000,000 population, 2,000,000 was concentrated in the Metropolitan area of Melbourne. By contrast the Auckland Metropolitan area contained only 482,000 (25 per cent) of the total New Zealand population.

The difference between the patterns is not coincidental but the inevitable result of diametrically opposite policies operating for many years. In New Zealand, by 1919 more than two-thirds of the cities and boroughs had exercised their option to rate land values and cease taxing buildings. At that year every Victorian local unit still taxed buildings. It was only in that year that legislation was passed giving Victorian optional powers to rate land and cease taxing buildings. Some fifty-four have now made this change (forty of them since World War II).

Taxing buildings and other improvements penalises and discourages investment in buildings. This is more serious in provincial than metropolitan areas because it deprives the rural areas of potential local avenues of employment for sons and daughters of the farmers. These are driven to the metropolis to find the employment denied locally.

Simultaneously, the under-taxation of land which is bound up with the policy of taxation of buildings gives a premium to vacant land holding and raises the price of land against would-be builders. Under these conditions, centralisation is inevitably fostered in a country following such a practice, as compared with one which places no penalty on building and the related industries which go with it.

These contrasting policies have been pursued for at least fifty years. The period is long enough to expect the

differences in the development pattern to become evident.

It is found that at the 1961 census New Zealand had twenty-three cities, boroughs and towns with populations exceeding 10,000, outside the Auckland metropolitan area. By contrast outside the Melbourne metropolitan area, Victoria has only twelve.

Thirteen New Zealand towns have more than 20,000 population compared with only two in the Victorian list.

Extending the comparison to smaller size towns down to populations of 1,000 the position for all cities, boroughs, towns and non-municipal towns is shown below:

Population of Town at 1961 Census:	Number of Towns:	
	New Zealand	Victoria
Over 10,000	23	12
5,001-10,000	24	16
4,001-5000	13	5
3,001-4,000	20	13
2,001-3,000	17	17
1,001-2,000	32	37

The population distribution pattern shown above is far healthier for New Zealand than Victoria. The long term conditions have enabled many more and a higher proportion of the New Zealand towns to develop and sustain populations of 3,000 upwards than in Victoria. A high measure of decentralisation is being achieved in New Zealand where the tendency is for centralisation in Victoria.