

KEY TO DECENTRALISATION ?

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Decentralisation of population and industry is the aim of a substantial section of citizens who believe there is something amiss when more than half of the Victorian population is concentrated in Greater Melbourne.

The decentralisation aim is general with members of rural and provincial councils, commerce and local development organisations but by no means confined to them. Much of the drive and direction for it comes from metropolitan citizens whose interest is unselfish, stemming only from their belief that the evident unbalanced growth will be altered only by direct action to remove its causes.

The recent report of the Distribution of Population Committee presented recommendations covering many contributory factors but surprisingly omitted some of the most important.

In a paper given at the National Conference on Balanced Development at Wagga Wagga in November, 1962, Sir Douglas Copland drew attention to the fact that certain large provincial towns had shown population growth rates since the 1954 census faster than that of Greater Melbourne. He suggested that we study these to learn the reasons and the lessons to be applied elsewhere. This was sound, practical advice for a new angle of approach to the problems. Let us see where it leads.

Between the census of 1954 and that of 1961 the population of Greater Melbourne increased by 24.6 per cent. There were eight provincial towns outside the Central District, each with population of more than 5,000 at 1954, which showed a growth of 24 per cent or more in the same period. These were Moe, Morwell-Yallourn, Portland, Shepparton, Traralgon, Wangaratta, Warrnambool and Wodonga.

Morwell-Yallourn form a single complex whose growth is directly tied with the State Electricity Commission and the Gas and Fuel Corporation. Its growth is not under normal conditions as with other towns where growth must be linked to private investment rather than the public purse. Hence it can be excluded in the search for lessons applicable elsewhere.

Considering the other seven fast-growing towns, one important characteristic stands out clearly. Six of the seven use the site-value basis for municipal rating under which industrial, commercial and residential buildings and improvements are not penalised by rates levied on their value. This could be significant since one of the specific claims made by advocates of that system is that it will help development of the building construction and other industries on which population growth is dependent.

Following this lead, the provincial towns where the 1954 population was 5,000 or more have been arranged in the accompanying table to show those where municipal rates are levied on bare-land value, separately from those where buildings and other private improvements are rated. The figures for population at 1954 and 1961 are taken from Census Bulletin No. 26 issued by the Commonwealth Bureau of Census and Statistics. They are the final figures adjusted to take account of boundary changes between census years so that the same area is compared at both periods. Where the rating system has changed between census years the town has been grouped according to which system operated for the longer period.

The conclusion is warranted that freedom from local taxes on buildings and other improvements is a major common factor in the towns showing high growth rates. Ten of the 14 towns where improvements are rate-free show growth of more than 18 per cent. This compares with only three of nine rating improvements.

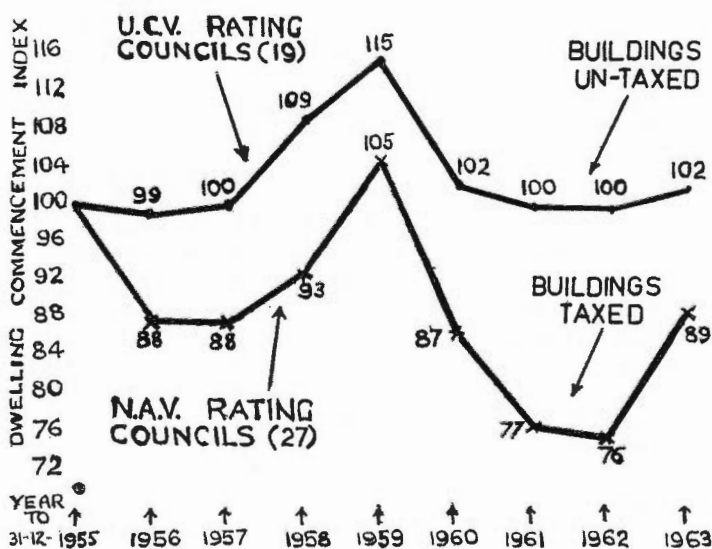
Indeed, it would surely be surprising if pursuit of a policy of tax-free buildings and other improvements did NOT stimulate growth markedly. Those engaged in the building construction industries are convinced that it does. Both the Building and Allied Trades Association and the Building Industry Congress (which together represent most of those engaged in the building industries) have endorsed this view and pressed for extension of rating on site-values with abolition of rates on buildings and improvements.

There are other contributory conditions but it seems clear that rural areas wanting the benefits of decentralisation and population growth have in their own hands the means to go a long way towards achieving it. This is for their municipal, water and sewerage authorities to stop rating improvements and to rate instead the bare-land value only. The Local Government Act gives councils and ratepayers the option on which system they use. Change can be made either by Council resolution or poll demanded by ratepayers.

The Distribution of Population Committee has recommended various forms of subsidies, concessions, incentives

and other measures to assist decentralisation of population and industry. These are valuable aids to supplement the rating change but are not a substitute for it. The recommendations and the cessation of rating of improvements are complementary. It remains basically true that the disease of unbalanced growth in rural areas is like alcoholism — largely a self-inflicted one — to which the basic remedy is STOP TAXING IMPROVEMENTS.

RURAL DWELLING CONSTRUCTION IN VICTORIA



GROWTH OF PROVINCIAL TOWNS

Between Census of 1954 and 1961

Below are details of population growth for all provincial cities, towns, boroughs and non-municipal towns (within shires) outside the metropolitan and central statistical districts, where the population was 5,000 or more at 1954 census.

They are arranged in two groups according to the municipal rating system in use. Where this has changed within the period the place has been grouped with that in force longest in the period.

POPULATION INCREASES 1954-61

Locality	1954 Census No.	1961 Census No.	Increase No.	Increase %
(A) WHERE IMPROVEMENTS ARE TAX-FREE				
Rating Unimproved Capital Value (Land only)				
Wodonga (N.M.)	5,259	7,498	2,239	42.5
Traralgon (B)	8,845	12,300	3,455	39.0
Wangaratta (B)	10,715	13,784	3,069	28.6
Warrnambool (C)	12,502	15,702	3,200	25.5
Portland (T)	4,809	6,014	1,205	25.0
Moe (B)	12,427	15,463	3,036	24.4
Benalla (B)	6,818	8,260	1,442	21.1
Sale (C)	6,537	7,899	1,362	20.8
Echuca (B)	5,405	6,443	1,038	19.2
Swan Hill (B)	5,197	6,186	989	19.0
Mildura (C)	10,972	12,279	1,307	11.9
Hamilton (C)	8,507	9,495	988	11.6
Castlemaine (T)	6,577	7,216	639	9.7
Ararat (C)	7,433	7,943	510	6.7
			Average growth	21.8%

(B) WHERE IMPROVEMENTS ARE TAXED				
Rating Net Annual Value (Land and Improvements)				
Shepparton (C)	10,848	13,580	2,732	25.2
Warragul (N.M.)	5,324	6,405	1,081	20.3
Horsham (C)	7,767	9,240	1,473	18.9
Colac (C)	8,032	9,252	1,220	15.1
Ballarat (U.A.)	48,030	54,880	6,850	14.3
Bairnsdale (N.M.)	6,398	7,427	1,029	11.6
Bendigo (U.A.)	36,918	40,327	3,409	9.2
Maryborough (C)	6,827	7,235	408	6.0
Stawell (B)	5,463	5,506	43	0.6
			Average growth	13.4%

(C) STATE ENTERPRISE TOWNS*

Morwell				
Yallourn (N.M.)	14,978	19,843	4,865	32.4

Source of figures is Census Bulletin No. 26 issued by Commonwealth Bureau of Census and Statistics.

N.M., non-municipal town; B., borough; C., city; T., town; U.A., urban area.

* Morwell rates N.A.V. while Yallourn is not subject to rating at all, being owned and operated by the State Electricity Commission.

Further copies are obtainable from:

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