

LOCAL GOVERNMENT.

MUNICIPAL INSTITUTIONS.

PRIOR to 1840 no municipal institutions existed in Australasia. On the 31st October of that year the first municipal elections took place in Adelaide, which was the first of Australian cities to be placed under municipal government. On the 20th July, 1842, an Act of the Legislative Council of New South Wales (6 Vic. No. 3) was assented to, providing for the incorporation of Sydney; and on the 12th of the following month another Act (6 Vic. No. 7) was passed, which granted municipal government to Melbourne. In the former case the town was raised to the dignity of a city. Melbourne was, however, proclaimed a town, and remained as such till 1847, at which date letters patent were received conferring the same privilege as that enjoyed by Sydney. In New Zealand an Act was passed in 1852, dividing the Colony into six provinces, the local administration of which was vested in provincial Councils. This system remained in force till 1876, when the measure was repealed, and the whole Colony, except the area within the forty-one boroughs then existing, was subdivided into counties, and a system of local county government came into operation. In 1858 Hobart, in Tasmania, was incorporated, and in 1859 systems of local government were initiated in Queensland and Western Australia by the incorporation of Brisbane and Perth. In Victoria a general system of local government came into force in 1874. Queensland adopted a general system in 1879, and South Australia in 1887.

The power of corporate bodies to impose taxation for local purposes differs considerably in New South Wales, Tasmania, and Western Australia, from that existing in the remaining Colonies of the group. As will be seen in the following table, the Colonies mentioned have a considerable area outside local supervision; the disproportion between

the incorporated and unincorporated areas in New South Wales is specially marked. The incorporated and unincorporated areas and the various classes of municipal divisions for each Colony for which there is information were as follow :—

Colony.	Incorporated Areas, divided into—	Area of Incorporated Districts.	Area still under control of Central Government.
		sq. miles.	sq. miles.
New South Wales...	Boroughs and Municipal Districts ...	2,479	308,221
Victoria	Cities, Towns, Boroughs, and Shires	87,165	719
Queensland	Boroughs, Shires, and Divisions.....	668,262	235
South Australia proper.	Corporations and District Councils	42,527	337,543
Western Australia...	Municipalities.....	.....	.....
Tasmania	Municipalities, Town Boards, and Road Trusts.	11,160	15,056
New Zealand	Boroughs and County Councils, Road Districts and Town Districts	.....	.....

In New South Wales, Victoria, South Australia, Western Australia, and Tasmania, the rates are assessed on the annual value; in Queensland, on the capital value; and in New Zealand the property within counties and road districts is assessed on the capital value, while in boroughs and town districts both descriptions of assessment are adopted. The returns for each Colony were :—

Colony.	Capital Value.	Annual Value.
	£	£
New South Wales	150,938,000	8,929,475
Victoria	197,366,940	13,605,990
Queensland	44,188,698	*
South Australia	*	2,538,094
Tasmania	*	1,382,474
New Zealand	129,554,696	6,477,735

* No returns.

The annual value shown for Tasmania is to a certain extent overstated by the fact that the same property may be rated separately for one or more assessments, as for Municipal, Road Trust, or Town Board purposes. The New Zealand returns are similarly affected, some of the various divisions overlapping, but the error from this source can be but small. There are no returns from Western Australia.

The revenue and expenditure of local bodies previously particularised is given below. In the receipts, the amount of the Government endowment is specified, while in the expenditure the outlay on public works is similarly treated :—

Colony.	Receipts.			Expenditure.		
	Government.	Rates, &c.	Total.	Public Works.	Other.	Total.
	£	£	£	£	£	£
New South Wales.....	147,585	1,055,003	1,202,678	762,724	459,000	1,221,733
Victoria	515,316	1,251,636	1,766,952	1,077,393	957,510	2,034,903
Queensland	160,638	294,539	465,177	275,461	175,186	450,647
South Australia	113,583	262,123	375,706	208,990	166,716	375,706
Tasmania	19,905	173,094	192,999	.....	.....	189,864
New Zealand	129,326	952,323	1,077,649	557,223	462,930	1,020,153

Through the inclusion of the Loan Accounts in the general returns, the expenditure in some cases shows an excess over the revenue. A vigorous works policy must, however, be maintained till the various incorporated areas are improved to the extent that will satisfy the demands of permanent settlement.

The revenue of local bodies per head of population in incorporated districts, and per square mile of territory in incorporated area, was, as far as could be ascertained, as follows :—

Colony.	Receipts per Inhabitant.			Receipts per Square Mile of Incorporated Area.		
	Government.	Other Sources.	Total.	Government.	Other Sources.	Total.
	£ s. d.	£ s. d.	£ s. d.	£	£	£
New South Wales.....	0 4 0	1 8 8	1 12 8	59·5	425·6	485·1
Victoria	0 9 0	1 1 10	1 10 10	5·9	14·4	20·3
Queensland	0 8 3	0 15 8	1 3 11	0·2	0·5	0·7
South Australia.....	0 7 3	0 16 10	1 4 1	2·7	6·1	8·8
Tasmania.....	0 2 8	1 3 1	1 5 9	1·8	15·7	7·3
New Zealand	0 4 0	1 9 2	1 13 2	...	...	...

The large revenue obtained per square mile in New South Wales is due to the circumstance already explained, that the area incorporated is small compared with the total territory of the Colony, and comprises for the most part only urban settlements.

The Country Towns Water Supply and Sewerage Act of New South Wales was passed in 1880. Under the provisions of this measure municipalities outside the area under the control of the Metropolitan

and Hunter District Water Supply and Sewerage Boards are entitled to construct, or to have constructed for them by the Government, works for water supply and sewerage, provided the construction of the same be approved by the Governor-in-Council, and the municipalities agree to pay back the original cost of the works, with interest at the rate of 4 per cent. per annum. The Government pays the certified cost of the works, and the municipalities repay the Government by instalments extending over a period of sixty years. Under the operations of this Act thirteen water supply works have been carried out by the Government and three by municipal councils, while works in sixteen other places were in course of construction during 1893. The amount advanced by the Government to local bodies under this Act to the end of 1892 was £370,549, and instalments to the amount of £85,886 were then overdue, so that the Government have been considering the advisability of altering the conditions of repayment so as to make the burden easier for the municipalities concerned.

The Government of Victoria, prior to the establishment of the Trusts for Water Works, Irrigation, and Water Supply, advanced money from the Public Loans Account to local bodies requiring assistance to construct these works. The amount advanced for the development of the services to June, 1893, was £1,627,521, which has to be repaid into a sinking fund, or by annual instalments. The amount so repaid is £59,914. The figures just given are exclusive of the advances to the city of Ballarat for the water supply works, as these are now under a special commission. The outstanding debt of the Ballarat Water Commission is given on page 383. Under a special Act, the Government have power to advance funds to shires for the construction of tramways, and £60,511 has been so advanced up to June, 1893. In Queensland and New Zealand the Governments have advanced £677,504 and £546,049 respectively for municipal purposes exclusive of loans for water works, &c. In the former Colony, the whole amount has been paid out of General Loans Account; and in New Zealand, out of Revenue and Loans Accounts.

The amount of outstanding municipal loans for each Colony furnishing returns is shown below. The figures include the liabilities to the Government:—

Colony.	Outstanding Loans.
	£
New South Wales	2,119,450
Victoria	3,287,036
Queensland	677,504
Tasmania	411,360
New Zealand.....	3,134,203

Against the gross liabilities shown on the preceding page sinking funds are established in some of the Colonies. The amount to the credit of local bodies in New South Wales, Victoria, and New Zealand, was £161,671, £264,756, and £221,365 respectively ; there is also a fund in Queensland, but the amount accumulated cannot be given.

BOARDS AND TRUSTS.

In addition to the various forms of local government already mentioned, there are bodies known as Boards or Trusts, whose function it is to construct and supervise certain works which, generally speaking, have been established for the benefit of districts differing from, and in most cases larger than, the areas incorporated for ordinary municipal purposes. These bodies are usually composed of members representing respectively the central government, the municipalities affected by the works in question, and other persons directly interested in the particular undertakings ; and as a rule they raise the funds necessary for carrying out the works they control, by means of rates on the assessed value of the properties benefited, just as is the case in regard to municipalities.

In New South Wales there are the following Boards :—Metropolitan Board of Water Supply and Sewerage, which commenced by taking charge of the Water Supply in 1888, and assumed control of the Sewerage system in 1889 ; Hunter River District Board of Water Supply and Sewerage, formed in 1892 ; and the Wollongong Harbour Trust, instituted in 1889. This last-named body is the only one of the kind in the Colony, the works connected with shipping, and the improvements to navigation at Sydney, Newcastle, and other ports, being still carried out at the expense and under the supervision of the central Government. An Act was assented to in 1890 empowering a private company, known as the Illawarra Harbour and Land Corporation, to construct works that would convert Lake Illawarra, some 50 miles south of Sydney, into a navigable port, by cutting a canal between the Lake and the sea. Nothing has yet been done, however, towards the actual carrying out of this work. There is also a Metropolitan Fire Brigades Board, on which the municipalities within the metropolitan area are represented, and towards the annual expense of which they contribute one-third.

In Victoria the port of Melbourne is under the control of a Harbour Trust, which was established as far back as 1877. A Tramway Trust, representing twelve of the metropolitan municipalities, has been formed under the provisions of an Act passed in 1883. This body was intrusted with power to construct tramways through the streets of the municipalities interested, the requisite funds being raised by loans on the security of the tramways and the revenues of the municipal bodies connected with the undertaking. The Trust had the option of either

working the tramways themselves or leasing them to a private company. They adopted the latter alternative, and the tramways are being worked on a thirty-two years' lease, commencing from 1884. In 1891 the Melbourne and Metropolitan Board of Works was established, to construct and supervise all works connected with water supply, sewerage and drainage, in Melbourne and its suburbs. The Government is not directly represented on this Board, while on the Board of a similar nature in Sydney three members are nominated by the State. The reason for this is that in New South Wales the Government constructed the works and is responsible for the debt incurred in order to do so, while in Victoria the Board carries out the work of construction, in addition to the maintenance and management to which the operations of the Sydney Board are confined. Throughout Victoria there are Water Works Trusts and Irrigation and Water Supply Trusts. During 1892 there were fifty-five of the Water Works Trusts, the work undertaken by whom was estimated to cost £863,870; and there were thirty Irrigation and Water Supply Trusts, by whom £812,859 was estimated to be expended. The amount authorised to be advanced by the Government for the former service was £792,046, and for the latter £1,363,731, and the amounts actually lent were £754,974 and £872,547 respectively. The annual value of the property liable to be rated by the Waterworks Trusts is £900,000, and by the Irrigation and Water Supply Trusts, £295,932. As in New South Wales, the municipal bodies are represented on the Fire Brigade Boards, and bear a proportionate share of the expenses.

In Queensland the water supply service forms part of the local government system; the works are proposed by the municipal bodies, but the Government constructs and supervises them, and when completed hands them over to the local authorities with their attendant liabilities. The latter form a debt to the State which is repaid in instalments.

In South Australia and Western Australia there are no Boards or Trusts of any importance beyond the municipal bodies already mentioned. In the former Colony, however, extensive municipal powers exist for the construction of important local works.

In Tasmania six Marine Boards, forming part of the local government system, have been established in different parts of the Colony. The rural police come under the local government system, as the ratepayers who enjoy the benefits of police protection are obliged to bear the cost of administration. The control of the police is, however, under officers appointed by the central government.

In New Zealand there are, in addition to the ordinary forms of municipal government, River and Harbour Boards, which are established throughout the Colony. The number of each at the end of 1892 was respectively twenty-eight and twenty-one. There is also a Drainage Board at Christchurch.

Complete returns of the Boards and Trusts for each Colony are not readily obtainable; the following table, however, gives important details in connection with some of these bodies:—

Board or Trust.	Receipts.			Expenditure.	Out-standing Loans.
	Government.	Other.	Total.		
New South Wales—	£	£	£	£	£
Metropolitan Board of Water Supply and Sewerage .....	...	243,813	243,813	240,269	5,001,529
*Hunter District Water Supply and Sewerage .....	...	26,868	26,868	26,784	417,322
Wollongong Harbour Trust	5,000	2,632	7,632	5,717	.....
Victoria—					
Melbourne Harbour Trust .....	...	154,714	154,714	344,890	2,000,000
Melbourne and Metropolitan Board of Works .....	...	190,202	190,202	186,008	4,029,934
Melbourne Tramways Trust .....	...	407,929	407,929	...	1,650,000
Water Works Trusts .....	...	...	...	...	754,974
Irrigation and Water Supply Trusts .....	...	...	...	...	872,547
Ballarat Water Commission .....	...	...	...	...	287,439
Queensland—					
Water Works	58,068	83,370	141,438	151,776	741,121
Tasmania—					
Marine Boards	34,031	18,409	52,440	49,858	.....
Light-houses	1,308	8,467	9,775	12,301	.....
Water Trusts .....	...	7,227	7,227	9,947	.....
Road and Bridge Trusts	11,943	15,432	27,375	26,785	.....
Town Boards	1,557	5,635	7,192	5,730	.....
New Zealand—					
River Boards	64	11,909	11,973	12,616	46,305
Harbour Boards	7,125	444,347	451,472	422,597	3,369,410
Drainage Board .....	...	17,278	17,278	17,183	200,000

* Water supply only.

The amounts shown in the foregoing table under Road and Bridge Trusts and Town Boards in Tasmania are included in the two tables on page 379.

The outstanding loans of Boards and Trusts for New South Wales constitute part of the Public Debt; the same is true also with regard to the amounts for Victoria, except the loans of the Tramway Trust, the Melbourne Harbour Trust, and the Melbourne and Metropolitan Board of Works, which are not guaranteed. The liabilities shown for Queensland also form part of the Public Debt of that Colony, but the amounts given for New Zealand are not advanced from the General Loan Account. In the foregoing table the advances made by the Governments to the borrowing bodies are included.

INDEBTEDNESS OF LOCAL BODIES.

The following table shows the total indebtedness of local bodies for each Colony furnishing returns. The figures include the liabilities to the Government :—

Colony.	Outstanding Loans.		
	Municipalities.	Boards, Trusts, &c.	Total for local purposes.
	£	£	£
New South Wales	2,119,450	5,418,851	7,538,301
Victoria	3,287,036	9,594,894	12,881,930
Queensland	677,504	741,121	1,418,625
Tasmania	411,360	.....	411,360
New Zealand	3,134,203	3,615,715	6,749,918

For the amounts that have just been given the local bodies are responsible directly to their creditors in part, and the general governments hold themselves directly liable for the balance. In the following table is given a division of the indebtedness of local bodies into the sum due to the State and the amount due to the public. It may be mentioned that the amount due to the State is included with the general debt of the Colony; and in order to estimate the total State and municipal indebtedness the figures in the second column only have to be added to those on page 362. Further reference to this subject will be found in the last pages of "Public Finance":—

Colony.	Amount of Corporation Indebtedness included in the Public Debt.	Loans of Local Bodies floated in open market.	Total Municipal Indebtedness.
	£	£	£
New South Wales	5,418,851	2,119,450	7,538,301
Victoria	4,892,837	7,989,093	12,881,930
Queensland	1,418,625	.....	1,418,625
Tasmania	54,200	357,160	411,360
New Zealand	213,800	6,536,118	6,749,918