

LOCAL GOVERNMENT.

MUNICIPAL INSTITUTIONS.

PRIOR to 1840 no municipal institutions existed in Australasia. On the 31st October of that year municipal elections were held in Adelaide, which was the first Australian city to acquire the right of self-government. On the 20th July, 1842, an Act was assented to, providing for the incorporation of Sydney; and on the 12th of August of the same year Melbourne was constituted a municipality. In the former case the town was raised to the dignity of a city; Melbourne, however, was proclaimed a town, and continued to be so styled until 1847, when letters patent were received according to it the privilege 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 continued until 1876, when the provincial system was abolished, and the whole colony, except the area within the forty-one boroughs then existing, was subdivided into counties, each county having full control of its local affairs. In 1858 Hobart was incorporated, and in 1859 Brisbane and Perth were erected into municipalities. 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.

New South Wales, of all the colonies, is the most backward in regard to local government. The privilege of self-government is on all sides recognised as a sound one, and various measures to secure its establishment have from time to time been placed before Parliament, but so far the Legislature has not succeeded in giving effect to the manifest wishes of the constituencies. As the following table shows, a large area still remains under the control of the central government in other colonies than New South Wales, but for this ample justification exists in the largeness of the territory and the sparseness of the population residing in the unincorporated areas, and it may be said that in all the colonies except New South Wales local governing bodies have been established

in all places where the population is sufficient to make the introduction of the municipal system desirable.

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 ...	2,742	307,958
Victoria	Cities, Towns, Boroughs, and Shires	87,167	217
Queensland	Boroughs, Shires, and Divisions.....	668,252	245
South Australia proper.	Corporations and District Councils	42,527	337,543
Western Australia...	Municipalities.....	.....	.....
Tasmania	Municipalities, Town Boards, and Road Trusts.	*9,535	16,680
New Zealand	Boroughs and County Councils, Road Districts and Town Districts	97,224	7,247

* Area of Municipalities.

In New South Wales, Victoria, South Australia, Western Australia, and Tasmania the rates are assessed on the assumed 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 value of ratable property in each of the colonies for which such information is available will be found below:—

Colony.	Capital Value.	Annual Value.
	£	£
New South Wales	136,202,100	7,895,645
Victoria	174,984,851	11,676,079
Queensland	41,772,975	*2,510,000
South Australia	*42,000,000	2,552,820
Tasmania	*20,500,000	1,365,268
New Zealand	123,300,463	*7,398,000

* Approximate Estimate.

The annual value shown for Tasmania is to a certain extent overstated, as the same property may be rated by more than one of the three local authorities—the Municipal Council, the Road Trust, and the Town Board. The New Zealand returns are similarly affected, some of the various divisions overlapping, but the error from this source can be but small. The capital value for boroughs and town districts in New Zealand is £37,151,217, and the annual value, £2,229,073. There are no returns from Western Australia.

The capital and annual values of ratable property in Sydney and Melbourne since 1891 are given below. The figures show the depreciation in the value of real estate which has taken place:—

Year.	Sydney and Suburbs.		Melbourne and Suburbs.	
	Annual Value.	Capital Value.	Annual Value.	Capital Value.
	£	£	£	£
1891	5,851,589	99,224,810	6,533,717	87,939,287
1892	6,013,697	106,891,100	6,815,315	92,358,629
1893	6,067,882	110,061,000	6,639,014	88,510,328
1894	5,686,197	108,951,000	5,847,079	78,916,730
1895	5,352,920	96,692,200	4,984,596	66,824,384

The annual value of assessed property, even under the present reduced valuations, is far higher, both for Sydney and for Melbourne, than for any city in Great Britain, London alone excepted. The annual value of Glasgow, the second city of the Kingdom, is £4,208,000, and of Manchester and Salford, £3,697,000.

The revenue and expenditure of the local bodies in each colony are 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	53,483	1,194,784	1,248,267	405,373	675,803	1,141,176
Victoria	317,024	1,119,504	1,436,528	655,972	723,795	1,379,767
Queensland	74,031	490,725	564,756	214,597	291,902	506,499
South Australia..	89,627	225,057	314,684	231,846	96,436	328,282
Tasmania	17,463	139,684	154,152	.....	.....	162,304
New Zealand.....	130,560	1,044,825	1,175,385	614,778	532,605	1,147,383

The revenue of local bodies per head of population in incorporated districts, and per square mile of territory in incorporated area, is, as far as can 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.	£ s. d.	£ s. d.	£ s. d.
New South Wales ...	0 0 10	0 19 1	0 19 11	19 10 1	435 14 8	455 4 9
Victoria	0 5 4	0 19 0	1 4 4	3 12 9	12 16 10	16 9 7
Queensland	0 3 3	1 1 7	1 4 10	0 2 3	0 14 8	0 16 11
South Australia	0 5 1	0 12 9	0 17 10	2 2 2	5 5 10	7 8 0
Tasmania	0 2 3	0 17 4	0 19 7	1 16 8	14 6 8	16 3 4
New Zealand	0 3 10	1 10 5	1 14 3	1 6 10	10 14 11	12 1 9

MUNICIPAL LOANS.

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The large revenue per square mile obtained 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 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	2,583,784
Victoria	3,549,936
Queensland	541,328
Tasmania	413,838
New Zealand	3,399,923

Against the gross liabilities shown above sinking funds are established in some of the colonies. The amount to the credit of local bodies in New South Wales is £201,431 ; in Victoria, £370,892 ; in Tasmania, £31,195 ; and in New Zealand, £244,913. There is also a fund in Queensland, but the amount accumulated cannot be given.

BOARDS AND TRUSTS IN NEW SOUTH WALES.

In addition to the municipalities, 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 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, and the Hunter River District Board of Water Supply and Sewerage, formed in 1892. The Wollongong Harbour Trust, which was instituted in 1889, was 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, having always been carried out at the expense and under the supervision of the central Government. This

Trust, however, has now been abolished, and its powers assumed by the Government. There is 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, and thirty country boards have also been established under the Fire Brigades Act of 1884; while there are Irrigation Trusts at Hay and Balranald.

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 were entitled to construct, or to have constructed for them by the Government, works for water supply and sewerage, provided the construction of the same were approved by the Governor-in-Council, and the municipalities agreed to pay back the original cost of the works, with interest at the rate of 4 per cent. per annum. The Government was to pay the certified cost of the works, and the municipalities were to 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 (exclusive of Richmond, now administered by the Metropolitan Board of Water Supply and Sewerage), and three by municipal councils, while works in ten other places were in course of construction at the close of 1895. The amount advanced by the Government to local bodies under the Act to the end of 1892 was £370,549, and instalments to the amount of £85,886 were then overdue. It was found that the liability of some of the municipal councils was too heavy for their resources, and in 1894 an amending Act was passed distributing the payments over 100 years and reducing the interest to $3\frac{1}{2}$ per cent. At the close of 1895 the total amount expended by Government, inclusive of interest, stood at £594,708, viz.: £411,710 for works completed under Government control; £27,344 for works carried out under the supervision of municipal councils; and £155,654 for works still in course of construction. Of the total amount of £439,054 due on account of completed works to the 31st December, 1895, £15,626 had been repaid, and £71,145 had been remitted by Government, leaving the debt at £352,283.

BOARDS AND TRUSTS IN VICTORIA.

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 entrusted 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 trustees 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 for the purpose of constructing and supervising all works connected with water supply, sewerage and drainage in Melbourne and suburbs. The Government is not directly represented on this Board, although to the Metropolitan Board of Water Supply in Sydney three members are nominated by the State. The reason for this difference is that in New South Wales the Government constructed the works and is responsible for the debt incurred in doing 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 1894-5 there were fifty-nine Water Works Trusts and thirty-nine Irrigation and Water Supply Trusts. The amount authorised to be advanced by the Government for the former service was £1,005,936, and for the latter £1,363,731, and the amounts outstanding in June, 1895, were £778,442 and £965,519 respectively. The annual value of the property liable to be rated by the Water Works 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.

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, 1895, was £385,378, which has to be repaid into a sinking fund, or by annual instalments. The amount so repaid is £46,738. 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 on the 30th June, 1895, was £283,439. 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, 1895.

BOARDS AND TRUSTS IN OTHER COLONIES.

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 seven 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, the ratepayers who enjoy the benefits of police protection being 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 these at the end of 1894 was respectively twenty-nine and twenty-three. There is also a Drainage Board at Christchurch, and a Water Supply Board at Waimakariri.

Complete returns of the Boards and Trusts in 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 .....	...	254,301	254,301	249,943	5,185,734
*Hunter District Water Supply and Sewerage .....	...	23,850	23,850	24,881	417,322
Wollongong Harbour Trust	3,750	2,757	6,507	7,988	.....
Victoria—					
Melbourne Harbour Trust .....	...	115,526	115,526	147,869	2,000,000
Melbourne and Metropolitan Board of Works .....	...	174,889	174,889	170,487	4,943,225
Melbourne Tramways Trust .....	...	344,783	344,783	...	1,650,000
Water Works Trusts .....	...	...	...	...	778,442
Irrigation and Water Supply Trusts .....	...	...	...	...	965,519
Ballarat Water Commission .....	...	...	...	...	283,439
Queensland—					
Water Works	12,467	84,857	97,324	88,227	764,268
Tasmania—					
Marine Boards	7,472	16,249	23,721	24,628	42,000
Light-houses .....	...	7,380	7,380	7,245	.....
Water Trusts	8,000	3,696	11,696	11,413	50,550
Road and Bridge Trusts	4,552	14,388	18,940	20,244	800
Town Boards	924	4,234	5,158	5,889	4,750
New Zealand—					
River Boards	31	11,703	11,734	10,692	42,555
Harbour Boards	7,637	377,469	385,106	404,898	3,652,350
Drainage Board .....	...	19,298	19,298	20,008	200,000
Water Supply Board .....	...	3,000	3,000	1,537	14,700

* Water supply only.

† Exclusive of £1,569 revenue not collected at date of making up accounts.

The amounts shown in the foregoing table under Road and Bridge Trusts and Town Boards in Tasmania are included in the second table on page 416. The outstanding loans for Tasmania are gross, sinking funds amounting to £3,078, £605, £218, and £576 respectively being established in connection with them. In New Zealand also sinking funds amounting to £5,646, £160,213, and £18,886 respectively exist in connection with the liabilities of River, Harbour, and Drainage Boards.

The outstanding loans of the Boards and Trusts of New South Wales constitute part of the public debt. This is true also with regard to the amounts for Victoria, except the loans of the Tramway Trust and the Melbourne Harbour Trust, and part of the loans of 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 in each of the colonies for which returns are available. The figures include the liabilities to the Government. It must also be explained that the liabilities of Road Trusts and Town Boards in Tasmania have been included with municipalities:—

Colony.	Outstanding Loans.		
	Municipalities.	Boards, Trusts, &c.	Total for local purposes.
	£	£	£
New South Wales	2,583,784	5,603,056	8,186,840
Victoria	3,549,936	10,620,625	14,170,561
Queensland	541,328	764,268	1,305,596
Tasmania	413,838	92,550	506,388
New Zealand	3,399,923	3,909,505	7,309,428

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 that due to the public. It may be mentioned that the amount owing to the State is included with the general debt of the colonies; 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 391. Further reference to this subject will be found in the last pages of "Public Finance":—

Colony.	Amount of Corpora- tion Indebtedness included in the Public Debt.	Loans of Local Bodies floated in open market.	Total Local Indebtedness.
	£	£	£
New South Wales	5,603,056	2,583,784	8,186,840
Victoria	4,765,342	9,405,219	14,170,561
Queensland	1,305,596	.....	1,305,596
Tasmania	62,200	444,188	506,388
New Zealand	405,800	6,903,628	7,309,428