

that which obtains in Victoria, where there is a concentration of bureaucracy in the hands of a few engineers in the city, with the result that public works undertaken in this State are more costly than those performed under the New Zealand system. I know, of course, that we will not forsake our own system in favour of that which obtains in the Dominion, and so we must be satisfied with what we have. I hope, however, that the new Local Government Department will be of some benefit to the municipalities and that they will be enabled to deal directly with the responsible Minister. Unless the Government is prepared to provide adequate funds to enable the Local Government Department to function satisfactorily, the municipalities will not be assisted any more than they are at the present time. Many municipalities are experiencing financial difficulties, and this condition obtains particularly in rapidly expanding country towns. If the new Department is to function satisfactorily, the Country Roads Board should be brought under its control, and, at the appropriate time, I intend to move that the Bill be amended accordingly.

The Hon. W. R. GARRETT (Southern Province).—This Bill, whose purpose is to establish a new Local Government Department, is of the utmost importance, and its passing will bring a good deal of new heart to municipalities and their ratepayers. It must be remembered, of course, that those who are ratepayers are taxpayers also. A measure of this kind has been needed for a long time because, to my mind, the Public Works Department has been heavily overloaded. Over the years, the work of that Department and of its responsible Minister has increased enormously. Nevertheless, the Department has performed excellent work. My mind goes back a few weeks to the rebuilding in a period of ten weeks of the Lilydale High School which had been destroyed in a disastrous fire. That work reflects considerable credit on the Public Works Department. However, there is a limit to the activities of any Department. We cannot keep adding to its duties and expect it to function efficiently. I

compliment Mr. Merrifield upon his thorough discourse on the activities of the Public Works Department. I gather that members of the Opposition party do not intend to oppose the measure, although I felt from the tone of the honorable member's speech that he was not over-enthusiastic about the matter. Having listened to the Leader of the Country party in this House, I think he is perhaps a little pessimistic. I am not a pessimist, but am an optimist.

I believe much good can come from the establishment of the proposed new Department. My view is that we, as legislators, should try to do the greatest amount of good for the greatest number of people. To achieve that, we govern the country at three levels. We start at the Federal level, where the responsibility lies for such matters as defence, which must be dealt with on an Australia-wide basis. However, Canberra is remote from those who are ratepayers and taxpayers. The State Administration is somewhat closer to home, but still it is somewhat remote. At the third level of Government we have the municipal councils. They are very close to the people, and over a long period of time they have put up a very fine record. The municipalities deserve every encouragement we can give them.

This is really a Bill for the future. In considering the measure honorable members should, to some extent, recall the past, because many Bills concerning local government have been dealt with previously. It would be worth while to study the background of local government. Central or parliamentary government, as we know it, dates back only to 1213—that was two years before Magna Charta—when King John summoned four knights from each of the counties of England to discuss the affairs of the kingdom. We must give King John credit for that—he was not commended for too many of his other actions. In 1254, King Henry III. called together two knights from each shire—that is the first time in history that the term "shire" is mentioned. Later, King Edward I. summoned knights and burghers to a Parliament, and that is the first occasion on which someone of a lower status than that of a knight

was called to help govern the country, and it was also the first time that a meeting of this nature was called a Parliament. They were called to discuss matters such as the raising of money, a question which Parliaments have discussed ever since.

Local government, in the true sense of the term, came into existence 500 years earlier than the commencement of parliamentary government; it dates back to the time when English villages were first called "townships"—a word derived from the tun or fence which surrounded them for defence purposes. Central government would have been impossible because of the isolation of the townships. They were so isolated that one township could be suffering a famine and another, only a few miles distant, could be enjoying a time of plenty, and neither township would know of the situation existing in the other place. Having some need for control, freemen of the villages gathered together in a moot or council to regulate their social conduct. Usually, such meetings were held under the sacred oak tree. The oak leaf pattern on the carpet of this Chamber is symbolical of the commencement 1,000 years ago of local government under the English oak tree. After the Norman Conquest, control passed to the manor until, during the Great Plague, there were so many destitute persons needing help that in 1601 the Poor Act was passed. Under that legislation, the parishes were given the responsibility of caring for the poor. Taxes were levied to raise funds, and that method of raising finance has been adopted ever since. Responsibilities were later widened. This system continued until 1835 when, due to corrupt practices, the membership of councils was changed from the privileged few to elected members, and the Great Municipal Act was passed. That established the basis of our modern local government. All honorable members know that councillors are elected from the people. Municipalities are divided into three or more wards or ridings, and three councillors represent each ward. Councillors are elected for a term of three years, one councillor retiring each year. This means that if

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the ratepayers are not satisfied with their representatives, changes can be effected yearly.

The early days of Australian history were taken up with settlement, exploration, and development of the wool industry, and the name "McArthur" was prominent at that particular time. Need for more local control soon became apparent, and in 1842 the Imperial Parliament passed an Act providing for setting up district councils, as well as the town councils of Melbourne and Sydney. In that year, the Municipal Institution Act was passed. At that time, apart from Melbourne, Victoria was divided into two sections and controlled by road Boards called Grant and Bourke—those names are still remembered to-day. After the Municipal Institution Act was passed, a number of boroughs and towns were formed to control roads, jetties, public health, and so on, and funds were raised by a levy of not more than 2s. in the £1 on the net annual valuation—in those days, that was an appreciable amount. Through the years, local government has worked well and, I believe, economically. It is frequently called "the small brother of our State Government." But is it so small? To-day, in Victoria alone, there are 205 municipalities and over 2,000 councillors, who devote their time, without gain or recompense, to the exercise of all manner of duties. Consequently, this method of government is extremely economical. In addition to municipal work, 50 councillors act as commissioners of the Melbourne and Metropolitan Board of Works. The great success of that body over the years is largely due to the control exercised over it by the commissioners.

Councils have many duties to undertake, and these are already well known to all honorable members. In fact, as quite a few members of this Chamber are, or have been, municipal councillors, I shall confine my remarks to the newest and more recent worries that councillors are experiencing, many of which are attributable to the development of the State, the great increase in the number of motor cars on the road, and so on. One of the

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major problems is that of the need to widen many roads. The original roads in our outer areas were very narrow and in many cases they had to be widened. The cost of widening a road—it is about £2,000 a mile—must be borne by the municipalities. The rebuilding of bridges is another very important and costly municipal responsibility. A number of the bridges in country districts, which were designed to carry only horse and cart traffic, consist of a few logs thrown across a stream. They must now be replaced by concrete structures, the smallest of which costs approximately £1,000. In the Shire of Doncaster, a bridge was constructed across the Yarra river 60 years ago at a cost of £1,600. It was replaced two years ago at a cost of £84,000. Costs have risen rapidly, and municipalities are now facing great financial difficulties.

The question of roads is important so far as municipalities are concerned. In recent years, we have heard a great deal about "heart-break" streets. Most of the "heart-break" streets were on subdivisions that had been undertaken before the Local Government Act was amended to require made roads to be provided when properties were subdivided. Naturally, someone must meet the cost of making thoroughfares. The municipal councils would assume the responsibility if they could borrow the requisite finance, but the Loan Council has made it difficult for local governing bodies to raise money. Public health centres and assistance to the sick and the aged, which were not the responsibility of councils some years ago, are further important matters so far as municipalities are concerned. Library facilities must be provided also. Garbage disposal is another responsibility of the municipal council, which must find a suitable area for dumping the rubbish and then, with the use of bulldozers, and such like, cover the refuse with earth. Municipalities receive limited assistance from the State, but the greatest burdens fall upon the councils themselves. Although the master plan of the Melbourne and Metropolitan

Board of Works is very worthy and has worked well, it is difficult and costly to administer.

The principal problem facing municipal councils is that of a shortage of finance. Councils derive their income in two ways—from rates and from loan funds. Approximately 100 years ago, a rate of 2s. in the £1 was permissible. To-day, a council is not permitted to levy a rate of more than 4s. in the £1 on the net annual valuation. Naturally, councils have no desire to impose the maximum rate as it would not be possible for many younger persons, who are trying to secure homes, to pay it. In the fixing of rates, councils must employ different principles from those used 10 or 20 years ago. Previously, before striking its rate, it was usual for a municipality to work out what a rate of 18d. or 20d. in the £1 would provide to see if it would be sufficient to cover the estimates of expenditure. To-day, many councils must work in the opposite direction. They know that 4s. in the £1 is the maximum rate that they are permitted to charge and they may consider that 3s. 6d. in the £1 would be a reasonable rate to strike. They then have to trim their estimates to fit in with the amount of money that will be raised.

Dealing now with loan funds, all honorable members know that a municipal council decides on the amount of loan money it needs and that then it applies to the Loan Council for authority to raise that sum. Usually, however, it is granted about one-quarter of the amount it seeks. It is difficult to understand why such a position should obtain because councils are always able to prove how much is needed for the construction of roads and footpaths, and for the provision of channels, kerbing, and so on. When authority to raise a loan is granted, the council must endeavour to secure its loan money and that, too, is difficult, because the interest rates that councils are permitted to pay are limited. An increase in the loan fund allocation to municipal councils is justified. Most of the loan money allotted to a council is used for road-making

purposes. In other words, it is loaned by the council for a period of 10 or 20 years, to the people living in the vicinity of the roads. It is all repaid, with reasonable interest, and, in due course, the council returns the money to the persons making the loan.

I do not think any municipality will expect lavish hand-outs when the new Department is formed, nor is it expected that the new Ministry will enable all the existing difficulties to be overcome. However, it will be able to accomplish certain things. "Through" roads are a problem to any municipality. Main highways do not create any difficulties, because they are constructed by the Country Roads Board. However, in many of the outer suburban areas, roads for which the Country Roads Board has no responsibility are rapidly becoming "through" roads, and the major portion of the traffic passing along them consists of persons going for outings on Saturdays and Sundays, and travellers to and from the city during the week. The municipalities concerned should receive some assistance in connexion with these roads.

Representation on the Board of Works is another matter that will receive the consideration of the new Minister, if the existing anomalies have not been solved before. As all honorable members are aware, there are on the Board of Works 50 representatives from various municipalities. Some municipalities, such as the City of Melbourne, have six representatives, while others such as the City of Camberwell, have three. However, some of the new shires on the outskirts of the city, have no representation, and this is unfair. When the new Minister is appointed, I am sure he will see that there is a more equitable distribution of representation on the Board of Works. The City of Melbourne, which is greatly developed, does not need the full attention of the Board of Works, and it could well lose one or two of its representatives. This would enable the new areas to have representation on the Board.

The sitting was suspended at 6.30 p.m. until 7.50 p.m.

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The Hon. W. R. GARRETT.—Prior to the suspension of the sitting, I was suggesting various items that could be examined by the new Minister for Local Government when he assumes office, and I had mentioned representation of municipalities on the Melbourne and Metropolitan Board of Works. There are one or two other aspects which could be considered by the new Minister. The uniform traffic code could be standardized to some extent. We all know the difficulties of complying with one set of rules in one town and a different set in another; it is very confusing. Another question is the rating of properties owned by Commonwealth and State Departments. This is a great worry to those municipalities which have large Commonwealth and State-owned properties within their boundaries. They receive a certain amount of assistance in a rather unusual manner, but those properties are not rated in the normal way. This applies, too, to a certain extent to large properties owned by religious bodies. I do not suggest that full rating should be applied to such properties, but it is time that some assistance was given to municipalities in this regard. Any additional revenue obtained from this source would help to offset the present losses.

Another important matter is the boundaries of shires. Shires have been in existence in this State for a good many years and when the boundaries were fixed the population in some areas was not great. However, the population growth in shires, particularly those close to the city, has created difficulties, and it is now time that certain of those shires were halved or some alteration made in their boundaries. The Municipalities Assistance Fund also needs consideration. From this fund each municipality is paid the sum of £800 a year, regardless of its size or need. Some of the older municipalities in fully-developed areas are not in need of assistance to the same degree as are those on the outskirts of the city or in the country. Therefore, there is need for revision of the distribution of this fund.

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A serious problem to certain municipalities is the retailing of electric power. In years gone by, that business has been quite remunerative to councils, and in some cases town halls and municipal buildings have been built from funds received from the sale of electricity. The municipalities retailing electric power are authorized to do so under an Order in Council, and at present they buy supplies in bulk from the State Electricity Commission at a rate of about 1.65d. a unit. They have to carry transmission and transformer losses. They charge a higher rate for normal power and lighting to the consumer, but many homes are now equipped with electric hot water services which operate on a night tariff of approximately 1.1d. a unit, although this varies from district to district. It will be seen, therefore, that current for this purpose is sold at a loss. In those municipalities which have large residential areas and only a small proportion of large industrial undertakings, this can be very serious. It is obvious that some change is necessary to help these municipalities out of their difficult financial situation. When the agreements were made originally the municipalities paid, in general, about half the price they charged to consumers. If the State Electricity Commission charged the councils .5d., they sold it to consumers at 1d. To-day, the rate paid by municipalities to the State Electricity Commission works out at 85 per cent. of the amount received by the municipalities from consumers. Obviously, if a person wanted to sell an article at 1s. he could not pay 10½d. for the raw materials. I have had one or two conferences with municipalities and with senior members of the State Electricity Commission, but up to date this problem has not been solved. There must be a solution, and I should not like to see municipalities forced to abandon this business. This is another problem that could be considered by the new Minister.

The only criticism made of this Bill to date is in relation to the schedule. It has been said that the Country Roads Board should be administered by the

new Local Government Department. There are a number of good reasons why the Country Roads Board should be taken over by it, and there are, possibly, a number of good reasons why it should not be. One of the main reasons why it should not be taken over in the early stages is that the new Department is being created so that the Public Works Department will not be so overloaded. The new Department should not be crippled by overloading before it has a chance to become established. There is provision in clause 7 of the Bill to enable the new Local Government Department to take over other activities of the Public Works Department from time to time. I believe that the provision is sufficient, and that the Department should be given every opportunity to establish itself. With that plea, I ask that this Bill be passed as rapidly as possible and that local government be helped in every way. Because of its historic period of 1,000 years of successful operation, local government deserves every assistance.

The Hon. J. M. WALTON (Melbourne North Province).—I congratulate Mr. Garrett on his excellent maiden speech, and expect to hear from him much more in the future. The purpose of this Bill is to establish a Ministry of Local Government, and doubtless that will bring a great deal of relief to metropolitan municipalities in particular. For some years the municipalities have looked forward to a new deal such as this. As a former councillor, I know from experience that councils have been unable to obtain all the assistance they required from the Public Works Department because Ministers of Public Works have had too many functions to perform. In future, when a Minister for Local Government has been appointed, the councils will get a quicker response to their demands. Honorable members are aware that most municipalities are in a serious financial plight to-day. That position is brought about to a large extent because of the responsibilities they have to bear in regard to main arterial roads. A great deal of the traffic using such roads has