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# SYSTEM UNDER WHICH SUBSIDIES ARE PAID TO LOCAL GOVERNING BODIES IN NEW SOUTH WALES

(PARTICULARS OF), PREPARED BY THE LOCAL GOVERNMENT BOARD OF THAT STATE  
AT THE REQUEST OF THE NEW ZEALAND GOVERNMENT.

*Presented to both Houses of the General Assembly by leave.*

## ENDOWMENT OF LOCAL AUTHORITIES IN NEW SOUTH WALES.

THE local-government areas in this State are divided into two classes—viz., shires and municipalities. At the present time there are 134 shires and 189 municipalities.

### MUNICIPALITIES AND SHIRES.

Municipalities consist primarily of the large towns and cities. A few of them were, before the new system came into operation, constituted by the inclusion of orchard country in some cases, and grazing or agricultural country in other cases, but these are exceptions. Shires consist of large stretches of grazing, dairying, or agricultural country, together with the many small towns and villages dotted therein. In a number of cases shires surround municipalities; but there is no connection between the management of the two different authorities. Roughly, then, municipalities are towns; shires are country districts. Roughly also, though endowment is given to both municipalities and shires, the endowment primarily for road purposes is given to shires only.

### ENDOWMENT OF MUNICIPALITIES.

#### *Old Rights continued.*

Under the old municipal law (see section 157, Municipalities Act, 1897) a municipality was entitled to endowment for a period of fifteen years after its incorporation, and thereafter the endowment ceased. That endowment was based simply upon the amount of general rates collected,\* and had no reference to the abilities or disabilities of the Council with respect to the construction of roads. That system was abolished by the Local Government Act, 1906, except in so far as it affected those Councils whose fifteen years' term of endowment had not run out. The fifteen years' endowment provision does not apply to any new municipality incorporated after the coming into force of the 1906 Act—i.e. after the 1st January, 1907.

#### *Added Areas.*

When the Shires Act, 1905, came into force the whole of the Eastern and Central Divisions of New South Wales (except the municipalities therein) was divided into new local-government areas called "shires"; but in the course of this work several small tracks of territory were found not to fit well into the scheme of shire division, and they were therefore added to various adjoining municipalities, to which they naturally belonged. Under subsection (2) of section 162 of the Local Government Act, 1906, it was provided that, where an addition was made to a municipality under the Shires

\* First five years, 20s. in the pound on general rates collected; second five years, 10s. in the pound on general rates collected; third five years, 5s. in the pound on general rates collected.