

Municipalities also get an amount equal to the hotel licenses originally collected by them. They used to be allowed to issue hotel licenses, but it was found that too many licenses were issued, and the privilege was withdrawn. I understand that £50,000 a year is divided under this head.

In addition also to the above assistance, the Government divides among the municipalities the revenue derived from the lease of unused roads. This revenue varies from year to year, but it amounts to about £30,000 a year.

In Victoria the Government does not allow landowners to have the profit from unused roads through their lands for nothing, the same as is done in New Zealand, but the owners are required to pay a reasonable rent for the same if their stock grazes on them, and the amount above mentioned shows the value of such a concession.

This money is divided as follows: (a.) In the case of roads on water frontages the municipalities in which the road exists gets a sum equivalent to the whole rent. (b.) In all other cases, half only of the rent is payable to the municipality in which the road exists. (c.) The other half is distributed by the Minister among such municipalities as he thinks fit.

The above is the law as it has existed to the present; but a very important modification is now to be made. This is provided for in the Main Roads Act, 1912, which provided for a—

#### *Main Roads Board.*

The genius of the Local Government Act was that everything was to be locally administered, and consequently the Government exercised no control over the expenditure of local bodies, save and except in the case of special grants. The local bodies have therefore been allowed to spend their subsidies or endowments in whatever manner they think fit. The result has been that in some cases the main roads have got into bad order, and the difficulty is now beyond the power of the local bodies to remedy. A Main Roads Board has therefore been set up under a special Act. The Board consists of two road engineers and the officer hitherto in charge of the Local Government Branch of the Public Works Department. One of the engineers (Mr. Calder, late of the New Zealand Survey Department) is chairman. These three gentlemen are appointed for a definite term, and they have very extensive and arbitrary powers. Their duty will be to determine which roads in Victoria are main roads, and, having done so, to take control of same, and to reconstruct and keep them in repair. They are required to make a yearly report for submission to Parliament.

To enable them to carry out their duties, a sum of £2,000,000 is to be borrowed, which will be available at the rate of about £400,000 a year for construction purposes.

The fund for the maintenance of the roads will be provided thus: £30,000, being rent from unused roads (hitherto paid to the local bodies), is now to be paid to the Board, together with fees collected by the police from motor-cars, motor-cycles, and traction-engines, which also comes to about £30,000 a year, and any balance required is to be found in the first place by the Government.

The Act provides that the local bodies are to repay to the Government one-half the amount expended on construction-works by deferred payments extending over 31½ years. They are also required to repay to the Government yearly half the cost of maintenance. The Board is to decide in what proportion these sums are to be paid by the local bodies—that is to say, they are to apportion the cost among the local bodies interested in the roads, whether the roads are wholly within their district or not, much in the same way as is done by Commission under the Public Works Act in New Zealand. The Board has power to employ a staff sufficient for its purposes, or it may entrust its works, or any of them, to local bodies. The Board held its first meeting while I was in Melbourne, and I met the members shortly afterwards.

#### *SOUTH AUSTRALIA.*

The subsidy system in South Australia is a very simple one. It consists of a sum equal to 5s. in the pound on all rates collected by local bodies, including the City of Adelaide. These local bodies consist of District Councils, which correspond with our counties, and Municipal Corporations, which correspond with our boroughs. The total subsidy paid last year amounted to £41,314.

In addition to the above subsidy, Parliament votes a sum of money yearly for the upkeep of the main roads, described in the Main Roads Act. The amount voted last year was £155,000, and this money is divided between the District and Municipal Councils by the Minister, but the scheme of apportionment is prepared by the Engineer of Roads. Originally, a mileage rate was adopted in making this apportionment, but more is now given in some cases of special need and less in others than would be the case under a strict mileage basis. Thus some districts near Adelaide, whose roads carry much through traffic, receive more. When making this apportionment, about £116,000 is allocated at first, and the difference between this and the £155,000 above mentioned is kept in hand for special cases, such as flood damages, and for departmental expenditure in the construction and upkeep of important bridges.

A sum of £20,000 is also provided for district roads. These are mostly in newly settled districts, or in districts which are specially in need of help. The money is granted by the Minister on the recommendation of the Engineer of Roads, and, as in the case of main roads, the whole vote is not allocated at once, and some of it is retained for works done by the department.

In addition to assistance thus rendered, each estate resumed by the Government and cut up for settlement is usually loaded for roads to the extent of about £1,000. There are also special road votes which are expended on the pound-for-pound basis—that is to say, the local body, instead of finding the money at once, as with us, repays its quota by small sums extending over a series of years. The amount thus voted is small. For last year it amounted to only £5,000. The Government, however, in a few cases finds all the money by votes for special works. Last year this amounted to £15,000, but this includes drainage as well as road works. No assistance is given in cases where the local body does not levy a proper rate.