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## LOCAL GOVERNMENT

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### ADMINISTRATION

#### **Local Government Department**

The Local Government Department was established by the *Local Government Department Act 1958* for the purpose of better administration of the laws relating to local government in Victoria. The following Acts of the Victorian Parliament come in whole or in part within the ambit of the responsibilities of the Minister for Local Government: Local Government Act, Acts relating to local government in the cities of Melbourne and Geelong, Cluster Titles Act, Cultural and Recreational Lands Act, Dog Act, Drainage Areas Act, Hawkers and Pedlars Act, Litter Act, Local Authorities Superannuation Act, Local Government Act, Local Government Department Act, Markets Act, Municipalities Assistance Act, Municipal Association Act, Newmarket Sheep Sales Act, Petrol Pumps Act, Pounds Act, Public Authorities Marks Act, Public Contracts Act, Tramways Act, Valuation of Land Act, Victoria Grants Commission Act, and Weights and Measures Act.

The various Acts administered by the Department confer powers and impose duties on Victorian municipal councils and on other bodies. They also confer various powers on the Minister and the Governor in Council. The Department's general functions are, therefore, as follows:

- (1) Advise the Minister on by-laws, proposals for acquisition, sale or leasing of land, and various other matters submitted for Ministerial or Governor in Council approval by municipal councils, and obtain any necessary Order in Council in relation to them;
- (2) examine proposals for new or amending legislation, and prepare explanatory notes on these for the Minister's use in Cabinet and Parliament;
- (3) prepare draft regulations;
- (4) exercise a supervisory and advisory role over the administration and financial management of municipalities and the statutory responsibilities of councillors and municipal officers, through Inspectors of Municipal Administration;
- (5) deal with administrative submissions arising out of appeals to the Minister in respect of matters where he has the power to act in a quasi judicial capacity; and
- (6) answer queries from the public, municipalities, and other bodies.

Field contact with municipalities is maintained in two main ways. First, the five Inspectors of Municipal Administration on the staff of the Department inspect the accounts and administration of councils and advise their staffs. Where necessary, Inspectors report to the Minister and to councils, and they have wide statutory powers in relation to their allotted duties. Second, a small Engineering Section within the Head Office of the Department is primarily concerned with liaison with municipalities and involvement in subsidies, particularly municipal saleyards and drainage.

Financially, the Department administers several funds provided for subsidies to municipal councils, including the Municipalities Assistance Fund. The works usually subsidised include the establishment and improvement of recreation reserves, the construction of public halls, the supervision of school crossings, main drains, and various other capital works. Municipal councils have power to charge landowners, in certain circumstances, for street construction and drainage works which benefit their properties.

## ROYAL VISIT 1980



H. M. The Queen and H. R. H. The Duke of Edinburgh visited Melbourne on 28 May 1980. H. M. The Queen walked along Swanston Street from Bourke Street to the Town Hall and then on to the opening of the City Square. She talked with people in Swanston Street and was presented with numerous flower bouquets by children gathered to greet her.

*Melbourne City Council*

The Lord Mayor of Melbourne, Cr R. A. Bernardi, pointing out highlights of the City Square to H. M. The Queen.

*Australian Women's Weekly*



H. M. The Queen and H. R. H. The Duke of Edinburgh waving to the crowd after opening the City Square.

Melbourne City Council

In opening the City Square, H. M. The Queen said:

*"My Lord Mayor, we are delighted to be with you today in this new centre of Melbourne.*

*"It is ten years ago that we undertook our first walkabout in Australia in Collins Street and I still remember vividly the novelty and excitement of that occasion.*

*"Since then, we have walked, talking with people through many cities all over the world, but nothing could be more heartwarming than to be back again among a Melbourne crowd.*

*"Melbourne is renowned for beautiful parklands, wide streets and the contrasting architecture of the modern and an age past.*

*"This magnificent City Square was a far-sighted conception and it will add a new focus to Melbourne, providing an opportunity to relax, to meet friends and to reflect on yet another illustration of Australia's genius for creating a special image of her own in the 20th century.*

*"I warmly congratulate all those whose wisdom and inspiration have helped to plan, design and build this remarkable new heart for your city. I have much pleasure in declaring open Melbourne's City Square."*



The Victorian Government's State Reception to the Royal visitors at the National Gallery, H. M. The Queen unveiled the Rupert Bunny portrait of Dame Nellie Melba recently acquired by the Gallery.

*Australian Women's Weekly*

In replying to the Hon. the Premier's welcome to Victoria, H. M. The Queen said:

*"Mr Premier. Thank you for your warm welcome on behalf of the people of Victoria. It is always a great pleasure to come to this State, and we have been very touched by the reception given to us here.*

*"Since we are unable to visit rural Victoria on this occasion, we are especially pleased to see so many people who have travelled from all over the State to greet us this evening at the National Gallery.*

*"As Victoria approaches her 150th birthday, she can look back with pride on many splendid achievements. These are now being added to so rapidly that even since my last visit here in 1977 there has been important progress.*

*"For example, the development of the giant electric power project at Loy Yang in Gippsland will convert more of the State's reserves of high quality brown coal into much needed energy for the benefit of all Victorians.*

*"The many attractions of Victoria — a secure and stable place for profitable financial investment, a wealth of variety for tourists and an ideal land in which to settle and bring up a family — all these are daily being enhanced.*

*"In providing a home and opportunity for people from many different lands and cultural backgrounds, you have added priceless vitality to your commerce and industry and social life, and many varied talents to your artistic scene.*

*"All of us here tonight can therefore be glad to join in paying our tribute to two such talents in this great centre of artistic excellence — the painting by Rupert Bunny and the unforgettable singing of his famous subject, Dame Nellie Melba.*

*"I am pleased that our visit will have been linked with a new addition to this outstanding collection and I take great pleasure in unveiling the portrait."*



The Royal visitors being shown over the Museum Station — part of Melbourne's new underground railway loop.

*Australian Women's Weekly*

The crowd in the City Square watching its official opening by H. M. The Queen.

*Melbourne City Council*



The Crown is not liable, but has agreed to contribute in certain instances. The Department's responsibility is to ensure that claims by municipalities are in order, and to arrange payment.

#### *Valuer-General*

The Valuer-General was first appointed in Victoria under the *Valuation of Land Act 1960*. The purpose of this legislation was to provide for the co-ordination of rating valuations for municipalities and other rating authorities and for improving the standard of valuations in Victoria. Municipalities are the only authorities making valuations for rating purposes in the State and each attends to the special rating valuation requirements of other authorities in its municipal district.

The Valuer-General confers with the valuers appointed to make rating valuations and with councils on the general levels of value to be used and is available to give advice during the valuation or subsequently. The Valuer-General is empowered and does provide valuations for all government acquisition, resumption, and negotiation purposes on request from government departments and agencies. The Valuer-General also provides valuations for probate duty, stamp duty, gift duty, and taxation purposes, and by agreement for settling disputes as to the value of property.

#### *Valuers' Qualification Board*

The *Valuation of Land Act 1960* established the Valuers' Qualification Board which is empowered to register qualified persons as land valuers. The Act provides that on or after the first day of January 1979 only persons who are registered valuers are permitted to practise as land valuers.

The Act provides that the Board may from time to time hold or cause to be held examinations of persons who desire to qualify themselves as valuers. A diploma course is conducted by the Royal Melbourne Institute of Technology for persons who desire to qualify. On completion of the course, successful candidates must also complete four years of practical work within six years prior to their application in order to obtain a certificate of qualification. On payment of an annual fee a qualified person may practise as a registered valuer.

#### *Municipal Valuation Fees Committee*

The Municipal Valuation Fees Committee was constituted to fix, on request, a minimum valuation contract fee for municipalities wishing to carry out a general revaluation.

#### *Land Valuation Boards of Review*

Land Valuation Boards of Review are provided for by the *Valuation of Land (Appeals) Act 1965*. The purpose of the legislation is to provide for relatively informal and inexpensive means of determining disputes as to the valuation of real property for rating or taxing purposes and in respect of compulsory acquisition.

Appeals against a capital improved value of less than \$75,000, or a site value of less than \$30,000, or a net annual value of less than \$3,750, and claims that do not exceed \$75,000, are determined by a Board. In excess of these amounts the hearing may be before a Court or Board at the option of the appellant.

Normally a Board is constituted of a chairman (barrister and solicitor) and two independent valuers. The latter are selected from a panel having regard to the location of the land and the qualifications and experience of the members.

Irrespective of the amounts involved, the Court will determine the matter if it is satisfied on application by either party that the matter raises questions of unusual difficulty or of general importance.

Subject to the conditions laid out in the Act an appeal may also be heard by a Board constituted of a valuer sitting alone. In this instance no costs will be awarded.

#### *Weights and Measures*

The administration of the Victorian Weights and Measures Act is divided into central and local administration sections. The Weights and Measures Branch, under the Superintendent of Weights and Measures, is responsible for the central administration of

the Act. The Branch is also responsible for keeping and maintaining the State's standards, and for the verification of Inspectors' Standards. Local administration, particularly that relating to supervision and verification of trade scales, is carried out by Weights and Measures Inspectors employed by municipal councils, or by Inspectors in Weights and Measures Unions formed by groups of councils. These Inspectors are also responsible for the enforcement of legislation relating to sale of goods, for example, the correct weight of bread or meat.

#### *Other major boards and committees*

Various boards and committees constituted under legislation administered by the Minister for Local Government are described below. The Local Government Department provides administrative resources to service such boards and committees.

#### *Building control*

The Building Regulations Committee is responsible for the preparation of draft regulations for consideration by the Minister. The committee members also act as referees pursuant to the provisions of Clauses 5 and 7 of the Thirty-Third Schedule to the *Local Government Act 1958* by determining appeals and granting modifications to the Regulations. Following general acceptance of the recommendations by the Building and Development Approvals Committee (BADAC) Part 1 — Building Controls, the Building Regulations Committee's administrative and technical support staff has been considerably increased to enable the preparation of Consolidated Building Regulations (CBR's).

#### *Municipal Examining Boards*

These organisations are the Municipal Clerks, Auditors, Engineers, Building Surveyors, Building Inspectors, and Electrical Engineers Boards. The Boards hold, or cause to be held, examinations of persons desiring to qualify themselves to hold particular offices under the Local Government Acts. The Boards issue certificates of qualification and competency and exercise a degree of control over certificate holders.

#### *Local Government Advisory Board*

This Board investigates and reports to the Minister on proposals for constituting or altering the constitution of municipalities.

#### *Local Authorities Superannuation Board*

This Board is appointed to provide for compulsory superannuation for permanent employees of municipal councils and certain other local authorities and is serviced by its own staff.

#### *Ad hoc committees*

Ad hoc committees are appointed from time to time to investigate a particular need of local government, for example, the representative Committee on Municipal Accounting Regulations, Equalisation of the Rating Base, Differential Rating, etc.

**Further reference:** *Constituting and altering the constitution of municipalities, Victorian Year Book 1977, pp. 174-5*

### **Commonwealth financial relationships with local government**

#### *General purpose assistance*

Prior to 1973, no Commonwealth assistance was provided specifically to local government in the States. Such financial assistance as did exist was made through State Governments, or under various Commonwealth programmes for the purpose of which local government, among other bodies, was deemed eligible for claimant status.

The Labor Government elected in 1972 proposed a series of measures which included increased financial support for local government. The most important of these proposals was the provision by the Commonwealth Government of general purpose grants to individual councils in amounts to be determined by the Commonwealth. Procedures were established whereby regional organisations of local government could apply for financial assistance from the Commonwealth. Such applications were the subject of inquiry and report by the Commonwealth Grants Commission. The recommendations of the

Commission were based upon general equalisation principles developed by the Commission in such a manner as to promote financial equality between local authorities and regional groupings of such authorities. The recommendations were accepted by the Commonwealth and grants totalling \$56.3m in 1974-75 and \$79.9m in 1975-76 were paid to local authorities in the States. Payments were made in the first instance to State Governments for transmission to individual local government authorities in the amounts specified. Victoria's share of these grants in 1974-75 was \$14.6m and \$20.2m in 1975-76.

In December 1975, the Liberal and National Country Parties were elected to Federal office and adopted a policy whereby personal income tax collections were to be shared between the Commonwealth, the States, and local government. (See also Chapter 20 of this *Year Book*.) The Commonwealth *Local Government (Personal Income Tax Sharing) Act 1976* provides for the payment to the States, for allocation to local government authorities, of an amount determined by the total personal income tax collections for the financial year immediately prior to the year to which the payments apply. For 1976-77, the amount was \$140m, which was equivalent to 1.52 per cent of the personal income tax collected during 1975-76; this proportion has been used to determine the total allocations for 1977-78 and 1978-79. In keeping with undertakings given in November 1977 to increase the proportion to 2 per cent during the life of the current Commonwealth Parliament, the proportion used to determine the total amount for allocation for 1979-80 was increased to 1.75 per cent. This represented an amount available for all States for allocation for 1979-80 of \$221.7m. In his Budget Speech of 21 August 1979, the Commonwealth Treasurer stated that "the Government's election promise to increase the share to 2 per cent will be met by the time of the next budget", thereby reaffirming the Commonwealth Government's commitment in this regard.

The amount derived under the sharing percentage is divided among the States in specified proportions which are subject to recommendations by the Commonwealth Grants Commission. Following representations by Tasmania, the question of percentage distribution between States was referred to the Commonwealth Grants Commission. The Commission recommended a slightly altered percentage distribution which was subsequently accepted at the Premiers' Conference in July 1977, with Victoria's percentage being 25.4513 per cent. (For other States: New South Wales, 36.4977 per cent; Queensland, 16.8606 per cent; South Australia, 8.6010 per cent; Western Australia, 9.3897 per cent; and Tasmania, 3.1997 per cent.) However, the Commonwealth Grants Commission's *Special Report 1979 on Financial Assistance for Local Government* has recommended, *inter alia*, that any future inquiries and reports by the Commonwealth Grants Commission on the revision of the percentages in response to a reference by the Minister should be based upon an equalisation principle. The Commonwealth Grants Commission further recommended that of the options listed by it, the Commonwealth Government give consideration to the adoption of distribution in proportion to the respective unweighted populations of the States. The adoption by the Commonwealth Government of this recommendation would mean an increase in Victoria's 25.45 per cent current allocation to its population share of about 27.5 per cent. At January 1980, the Commonwealth Government had not announced what action it would take in respect of the recommendations.

Of the amount received by each State a minimum of 30 per cent of the assistance is to be allocated among Councils on a population basis, which may also take into account size, population density, and other matters agreed upon between the Commonwealth and the State concerned. This portion of the assistance is called "as-of-right entitlement" in the Victorian statute affecting its distribution, and is set at 40 per cent of the State's total allocation. The remaining assistance will be allocated among councils, having regard to their respective financial needs and disabilities, on the recommendations of the State Grants Commissions.

The payments by the Commonwealth under the personal income tax sharing policy are in the form of "untied" grants for general purpose assistance paid in the first instance to the States for passing on to local government authorities. Victoria's share for 1976-77, 1977-78, 1978-79, and 1979-80 was \$35.4m, \$42.1m, \$45.7m, and \$56.4m, respectively, out of total payments of \$140m, \$165.3m, \$179.4m, and \$221.7m.



*Commonwealth payments made direct to local government authorities*

While there are, as previously stated, no programmes by which the Commonwealth Government makes direct payments solely to local government, there nevertheless remain a number of schemes under which local authorities have been among the organisations considered eligible for Commonwealth assistance by way of direct payment. The table below shows these payments to Victoria in 1973-74 to 1977-78.

*Commonwealth payments for local government authorities*

In addition to the direct assistance outlined in the preceding section, there are programmes under which a portion of the funds made available to the States is passed on to local government authorities. These are in addition to the general purpose assistance referred to above. The degree of influence exerted by the Commonwealth over the particular amounts paid to local authorities varies considerably among different programmes. In some cases the amounts passed on to local government authorities are wholly at the discretion of the State Government.

Since there is, in some cases, a lag between payment of the funds concerned to the States and their allocation by the States, the amounts paid to the States for local government authorities under a particular programme during any one year do not necessarily equal the amounts paid to authorities in that same year. Further details of the Commonwealth Government relations with local government are shown in Commonwealth Budget Paper No. 7: 1976-77, 1977-78, 1978-79, and 1979-80. The following table shows these payments to Victoria from 1973-74 to 1977-78. These amounts are also included in the table in Chapter 20 of this *Year Book*.

**VICTORIA—COMMONWEALTH GOVERNMENT PAYMENTS TO OR FOR  
THE STATES AND LOCAL GOVERNMENT AUTHORITIES  
(\$'000)**

Programme	1973-74	1974-75	1975-76	1976-77	1977-78
General purpose assistance (a)	—	14,630	20,242	35,398	42,078
Direct payments—					
Pre-schools and child care—					
Maintenance	—	44	202	578	1,018
Capital	76	491	2,194	1,548	1,193
Aged or disabled persons' homes—					
Maintenance	—	—	37	—	—
Capital	380	672	1,105	621	368
Aged persons' hostels	—	—	311	1,402	1,771
Delivered meals subsidy	287	366	323	404	516
Handicapped persons	—	—	—	—	137
Community Youth Support Scheme	—	—	—	14	111
Homeless persons assistance	—	—	102	3	8
Regional Employment Development Scheme (b)	—	4,435	14,210	22	—
Arts	8	23	46	41	69
Aerodrome local ownership plan—					
Maintenance	68	77	97	142	173
Capital	24	34	93	102	41
Total	843	20,772	38,962	40,275	47,483
Other payments through Victorian Government (a)—					
Pre-schools and child care	284	1,547	5,468	5,600	6,040
Home care services	370	441	2,125	2,018	2,520
Senior citizens' centres—					
Maintenance	35	51	175	293	328
Capital	158	146	1,132	1,571	1,616
Employment grants	4,340	1,330	3,170	—	—
Growth centres (Albury-Wodonga) (c)	—	284	460	780	—
Area improvement	2,065	4,608	4,896	28	—
Urban flood mitigation	—	—	100	100	—
Capital assistance for leisure facilities	311	695	1,597	1,119	507
National Estate	—	271	232	193	88

VICTORIA—COMMONWEALTH GOVERNMENT PAYMENTS TO OR FOR  
THE STATES AND LOCAL GOVERNMENT AUTHORITIES—*continued*  
(\$'000)

Programme	1973-74	1974-75	1975-76	1976-77	1977-78
Roads assistance	21,100	21,800	22,300	29,500	38,000
Tourist development	50	236	173	59	—
Regional organisations assistance (d)	—	76	29	—	—
<b>Total</b>	<b>28,713</b>	<b>31,485</b>	<b>41,857</b>	<b>41,261</b>	<b>49,099</b>
<b>Grand total</b>	<b>29,556</b>	<b>52,257</b>	<b>80,819</b>	<b>81,536</b>	<b>96,582</b>

(a) General purpose assistance to local government is paid, in the first instance, to the States but is shown separately in this table because of its particular importance. In 1976-77, these payments were made under personal income tax sharing arrangements.

(b) Some of these payments were made to municipal councils and other local authorities.

(c) Two-thirds by way of loans and one-third by way of grants.

(d) For regional organisations of local government.

### *Roads Assistance Programme*

The Commonwealth provides grants to Victoria for expenditure on the construction and maintenance of roads, including roads which are the responsibility of councils. Although the relevant Commonwealth legislation does not determine any particular amount which the State must provide to councils, in each State amounts determined by the State are passed on to councils for expenditure on roads which are the responsibilities of these councils.

### **Victoria Grants Commission**

The Victoria Grants Commission was formally constituted on 24 May 1977 and consists of a full-time chairman and two part-time members. The primary role of the Commission is to determine the allocations between municipalities in Victoria of grants from the Commonwealth to the State for local government authorities under the provisions of the Commonwealth's *Local Government (Personal Income Tax Sharing) Act 1976*. To perform this function it is empowered to carry out such inspection, conduct such hearings, take such evidence, and generally make such investigations as the Commission thinks necessary. In determining the allocation of the grants the Commission is required to consider:

- (1) The special needs and disabilities of the municipality;
- (2) the efforts made by the municipality to function effectively and provide reasonable services; and
- (3) any other matters which in the opinion of the Commission are of special significance in relation to the municipality.

For the 1976-77 allocation, and prior to the establishment of the Commission, an Interim State Grants Committee recommended that the "as-of-right entitlement" (see page 159) component be 40 per cent of the State's total allocation and each municipality's entitlement be determined on the basis of 85 per cent population and 15 per cent area. For the 1977-78, 1978-79, and 1979-80 allocations, the Commission retained the same basis for determining the "as-of-right entitlement". The balance, 60 per cent, was allocated among municipalities on general equalisation principles as described in the *Victoria Grants Commission Annual Reports*, where allocations to individual municipalities are also shown.

### **Municipalities**

At 30 June 1979, Victoria was divided, for local government purposes, into 211 municipal districts and the Yallourn Works Area, which was severed from the municipal districts of which it then formed part by the *State Electricity Commission (Yallourn Area) Act 1947*. For certain purposes it is deemed to be a borough and municipal administration is the responsibility of the Commission, assisted by an Advisory Council. The 211 municipalities comprise 65 cities, 6 towns, 7 boroughs, and 133 shires.

The only unincorporated areas of Victoria are French Island (154 square kilometres) in Western Port, Lady Julia Percy Island (1.3 square kilometres) off Port Fairy, Bass Strait

islands (3.8 square kilometres), Gippsland Lakes (part) (309 square kilometres), and Tower Hill Lake Reserve (5.0 square kilometres) adjacent to the Borough of Kororoit.

#### *Municipal councils*

The powers vested in municipal corporations are exercised by councils elected by persons who are enrolled on the municipal voters rolls under a franchise system based on property. Municipal elections are held annually in August. Extraordinary elections may be held to fill vacancies occurring between annual elections. Voting is compulsory in 90 municipalities. However, voting is not compulsory for those on the rolls who are not usually resident within the municipal district, or, not being natural born, are not naturalised Australian citizens.

Councillors serve in an honorary capacity. They must elect one of their number to be a chairman, known as the Mayor in a city, town, or borough (Lord Mayor in the case of the City of Melbourne), or the President in a shire. Councillors hold office for three years, and each year one-third of the total number allotted to each municipality retire in rotation. Legislative provisions specially provide for cases where personal interests of councillors may be in conflict with their duties and responsibilities as councillors.

Each council must appoint a municipal clerk (who is known as the Town Clerk in a city, town, or borough, and the Shire Secretary in a shire), an engineer, a building surveyor, and such other officers as may be necessary. The other officers usually include a valuer, a rate collector, a medical officer of health, and a health inspector. The Local Government Act, Health Act, and Land Valuation Act require that certain officers must obtain special qualifications from examining boards, or have prescribed qualifications or certificates of competency.

The Local Government Act and other Acts of the Victorian Parliament confer powers and impose duties on municipal councils. Councils may make by-laws on a number of specified subjects and exercise functions relating to roads and bridges for which they have a construction and maintenance responsibility; drainage, water supply, and sewerage; building control; community welfare, including infant and pre-school centres, home help, elderly citizens, meals-on-wheels, garbage; parking areas; traffic engineering, etc.

#### *Revenue*

Each council makes an annual estimate of the cost of its intended programme of ordinary works and services. After determining the expenditure to be financed, and the revenue available from sources other than rates, the council levies a local tax on the owners or occupiers of rateable property in the municipal district. This tax, known as the General Rate, produces the principal part of the annual revenue of a council.

Sources of revenue other than rates include income from public works and services, government grants (including Victoria Grants Commission allocations), licence fees, and miscellaneous income. Revenue from public works and services comprises charges for garbage disposal, sanitary and other health services, contributions to road and pavement works, and sundry income from the hire of council properties.

Some municipalities also operate business undertakings, such as electric supply, abattoirs, pipe works, quarries, and waterworks; for the 1976-77 municipal year the combined turnover of these undertakings was approximately \$124m.

#### *Rating of land and property*

All land (including houses and buildings) in a municipal district is rateable, unless specifically exempted by the Local Government Act. Non-rateable land is defined fully in the Act, but, in general, it consists of land owned or used by the Victorian Government, certain public bodies, churches, and charitable organisations.

The council of every municipality is required, from time to time, to have a valuation made of all rateable property within the municipal district. Metropolitan municipalities which have at least one whole subdivision subject to any rate made by the Melbourne and Metropolitan Board of Works must have valuations at not more than four-year intervals. In other municipalities valuations must be made at not more than six-year intervals. These provisions are aimed at ensuring a uniformity of municipal valuations used by large rating authorities covering more than one municipality.

Provision was first made in 1922 for the adoption by municipalities of rating on site value (then known as unimproved capital value) as an alternative to rating on net annual value. The present position is that municipalities may decide to adopt site value wholly or partly, or ratepayers may demand a poll to determine whether a change is to be made to site value rating or to composite rating.

Under the composite system a proportion of the required revenue is obtained by levying an appropriate rate on the net annual value of rateable property and the balance from an appropriate rate on the site value of the rateable property. The proportions are fixed when the system is adopted.

The net annual value of property is the rental it might be expected to earn annually if let, after deducting expenses such as rates, taxes, and insurances. In the case of farm land or dwellings the net annual value is limited to 5 per cent of the capital improved value of the property, but in other cases must not be less than 5 per cent of the capital improved value.

The site value, however, is the amount a property might be expected to realise if sold in an unimproved state. It differs from unimproved capital value in that the valuer is not required to notionally restore the land to its primitive condition. Instead, the improvements which are to be imagined as not existing are those which can be seen, i.e., buildings, fences, sown pastures, etc., and including works undertaken on the land such as the removal of timber or stone, draining or filling of the land, erosion works, etc., which have been made within the 15 years preceding the valuation.

Of the 211 municipalities in Victoria at 30 September 1978, 150 were rating on net annual value, 59 on site value, and two, the Cities of Caulfield and South Melbourne, partly on net annual value and partly on site value.

The principal rate levied by a municipality, the general rate, is made for the purpose of defraying the ordinary expenditure of the council, and is paid into the General Fund, which is part of the funds of the municipality known as the Municipal Fund.

Where a municipality is subdivided into wards or ridings, the council may levy differing rates on the various subdivisions in accordance with services provided. Such differential general rates, however, apply equally to all rateable property within the subdivisions concerned.

The general rate must be made at least once in each municipal year. Councils may levy the general rate at a lower amount in the dollar on farm land, urban farm land, or residential use land than on other properties, if justified by special circumstances. However, the council may fix a minimum amount to be paid on every rateable property within its municipal district.

Before making a general rate, a municipality must prepare an estimate of the amount required to defray the ordinary expenditure of the council for the period to be covered by the rate, and then strike a rate that will be sufficient to raise the money so required. In a subdivided municipality, an extra rate may be made by the council, in any subdivision or any part of it, on the request of not less than two-thirds of the councillors of the subdivision in which it is to be raised. In certain circumstances, an extra rate may also be made and levied in a municipality which is not subdivided. An extra rate may be made for a period of not less than three months but not exceeding one year, as the council thinks fit.

A ratepayer may elect to pay any general or extra rate made for a period of one year in four equal instalments on or before the last day of December, February, May, and August, respectively. If the rate notice is posted on or after 18 December, the first instalment is payable within fourteen days of the date of posting of the rate notice.

Apart from general and extra rates, a municipality, in certain circumstances, may levy a separate rate (or make a special improvement charge) on a section of the municipality, for the purpose of defraying the cost of special works or undertakings which benefit the ratepayers in that particular area.

Other types of rates which may be levied by municipalities include a sanitary rate (or sanitary charge) under the provisions of the Health Act for the purpose of providing for the disposal of refuse or nightsoil, and a rate under the provisions of the Country Roads Act for the purpose of raising certain moneys payable by the council to the Country Roads Board.

*Government grants*

State Government financial assistance is provided for a number of special purposes. These grants are in addition to the Commonwealth Government assistance referred to earlier in this Chapter. They include funds for the construction and maintenance of roads, pre-natal and infant welfare services, crèches, day nurseries and pre-school centres, home care services, elderly citizens clubs, immunisation programmes, recreation and tourist facilities, swimming pools and libraries, public halls and local public works, traffic control and road safety measures, vermin and noxious weed destruction, natural disaster relief, soil conservation, pensioners' rate remissions, and drainage schemes. Further assistance to augment their funds is provided to certain rural municipalities which have substantial areas of non-rateable land occupied by State forests, etc.

Municipalities have also been assisted by the ability to carry out certain works under various government financed schemes for unemployment relief.

*Municipalities Assistance Fund*

The Municipalities Assistance Fund was established in 1951 and derives its income mainly from a proportion of motor driver licence fees and motor driving instructors licence fees collected in accordance with the *Motor Car Act* 1958, less the cost of collection. The proportion to be credited to the Fund has been fixed at one-quarter of the amounts collected.

Payments from the Fund are made, first, towards the cost of works of municipalities and other public bodies of such sums approved by the Minister for Local Government, and second, towards the annual cost of the Country Fire Authority, in order to relieve country municipalities of the contributions to that body which they were formerly required to make.

The amount which the Minister approves as expenditure in any one financial year shall not exceed \$1m.

Where the amount standing to the credit of the Fund is insufficient to meet commitments, a contribution may be made from the Consolidated Fund.

The municipal works usually assisted from this Fund comprise the establishment and improvement of recreation reserves and sporting facilities, children's playgrounds, and public conveniences.

For the year ended June 1978 subsidies for works paid to various municipalities from the Municipalities Assistance Fund amounted to \$999,688, while for the same period, the amount contributed to the Country Fire Authority was \$5,647,562.

*Country Roads Board recoups and grants*

Municipalities throughout Victoria undertake construction and maintenance work on main roads within their boundaries on behalf of the Country Roads Board under the provisions of the Country Roads Act. Expenditure on this work is incurred in the first instance by the municipalities, but, subject to adherence to prescribed conditions and satisfactory performance of the work, this expenditure is refunded to the municipalities by the Board. Each municipality undertaking main road maintenance work, however, is required to make an annual contribution to its cost and this is calculated by the Board as a proportion of the total maintenance expenditure on each road for the particular year. The proportion payable varies according to the capacity of the municipality to pay, and the extent to which it has benefited from the work done.

For the purpose of making and maintaining unclassified rural roads, municipalities also receive grants from the Country Roads Board from its own funds and from funds provided by the Commonwealth Government under the provisions of the Roads Assistance Programme. (See Chapter 23 of this *Year Book*.)

*Expenditure*

The ordinary revenue of a municipality is applied to providing works and services for its citizens. These works and services comprise construction and maintenance of roads, streets, and bridges, provision of sanitary, garbage, and other health services, provision and maintenance of parks, gardens, and other council properties, repayment of moneys borrowed for permanent works and undertakings, and other sundry works and services.

*Assistance to pensioners*

In an attempt to assist pensioners in meeting their financial obligations to municipalities, the Victorian Government introduced the *Municipalities Assistance Act* 1973, whereby it offered to reimburse municipalities for up to one-half of the rates remitted or deferred up to a maximum of \$40 in respect of the municipal rates levied on the principal or sole place of residence of certain eligible pensioners.

Many pensioners were unable to obtain these benefits, because not all municipalities were prepared to contribute to the cost of remitting rates, or because many pensioners were unwilling to accept a situation whereby unpaid rates would remain as a charge upon their property.

Accordingly, a new scheme was introduced and, in 1974, the Victorian Government financed the remission of rates, garbage, and sanitary charges to the extent of one-quarter of the amount charged to eligible pensioners.

Subsequently, the scheme was extended in 1975 to provide assistance in respect of water and sewerage rates. In 1976, the Victorian Government increased this assistance to one-half of the amount charged.

The cost of implementing the scheme for the 1976-77 rating year was \$12.3m, for 1977-78 \$16.7m, and for 1978-79 \$22.5m. For the 1979-80 rating year, it has been estimated that \$27.1m will be expended in providing this assistance to pensioners.

*Borrowing powers*

Extensive borrowing powers are conferred on municipalities by the Local Government Act to enable them to undertake large scale works, or purchase expensive equipment in circumstances where it is advisable, on economic grounds, for the costs to be spread over a number of years. In practice, municipalities seldom borrow to the limit of their powers, and their capacity to borrow is limited by the general allocation of loan funds and the state of the loan market.

Money may be borrowed for permanent works and undertakings (as defined in the Local Government Act), or to liquidate the principal moneys owing by the municipality on account of any previous loan. Under a municipality's ordinary borrowing powers the amount borrowed shall not exceed the net annual valuation of all rateable property in the municipal district, as shown by the municipality's last audited financial statement. Where money is borrowed for gas, electricity, water supply, quarrying, or abattoirs, an additional amount may be borrowed, not exceeding one-half of the net annual value of all rateable property in the municipal district as shown by the last audited financial statement.

Under extended borrowing powers, a municipality may borrow additionally, on the security of its income, an amount not exceeding five times the average amount of such income for the preceding three years. Income for this purpose excludes rates and licence fees.

Moneys borrowed under the ordinary or extended borrowing powers may be raised by mortgage agreement. Repayment of any such loan may be made by periodical instalments of principal and interest, or by the creation of a sinking fund for the purpose of liquidation of the loan at the end of its term.

Before proceeding to borrow money for permanent works and undertakings, a municipality is required to prepare plans and specifications and an estimate of the cost of the works and undertakings to be carried out, together with a statement showing the proposed expenditure of the amount to be borrowed. This information is to be available for a specified period for inspection by any ratepayer. The Local Government Act provides that notice of intention to borrow shall be advertised, and also contains provisions under which a number of ratepayers may oppose the proposal to borrow and demand that it be submitted to a poll of ratepayers. Should a poll be held and a majority of ratepayers vote against the proposal, the loan is forbidden.

Subject to the approval of the Governor in Council, a municipality may also borrow, to a limited extent, from an adjoining municipality, by a mortgage or first charge over a proportion of its income, for the purpose of making or repairing roads leading into the district of the municipality which lends the money.

A municipality may also borrow by mortgage agreement on the security of a separate rate or special improvement charge, for the purpose of carrying out the works for which the rate was levied or the charge made.

In addition to the powers already mentioned, a municipality may borrow, by means of overdraft from its bankers, for the following purposes:

- (1) Temporarily financing general fund expenditure;
- (2) private street construction;
- (3) works carried out under the Country Roads and Roads Grants Acts; or
- (4) purchase and acquisition of land, or the payment of compensation in connection with certain specified schemes.

With the consent of the Minister and on such conditions as he may impose, a municipality may also obtain an overdraft for bridging finance pending receipt of a loan or for permanent works and undertakings.

#### *Investment of municipal funds*

Frequently municipalities have funds lying idle for short periods. These funds may consist of revenue credits on current account, temporarily unexpended loan funds, or funds reserved for specific purposes. Municipalities may place these moneys in a variety of "safe" investments. These investments are specified in the Local Government Act, and include the short-term money market if the transaction is with an authorised dealer.

Interest earned from these investments provides a useful source of additional revenue for councils.

#### *Accounts*

Every municipality is required to keep proper books of accounts in the form prescribed for use by all municipalities in Victoria, and these must be balanced to 30 September in each year. The accounts must be audited by an auditor qualified in terms of the Local Government Act and appointed by the Governor in Council.

#### *Victorian Committee on Municipal Accounting*

On 29 November 1977, the Minister for Local Government approved the establishment of a Committee on Municipal Accounting for the purpose of undertaking a complete revision of the Municipal Accounting Regulations of 1968. The Committee comprised representatives of the Municipal Association of Victoria, Institute of Municipal Administration, Joint Committee of Municipal Auditors, and the Local Government Department, and had its first meeting in July 1978.

The Committee has now submitted a preliminary report to the Minister; copies of the report will be made available for comment to all municipal councils and to other interested parties.

The Committee is expected to continue its work during 1980.

#### *Board of Review of the Role, Structure, and Administration of Local Government*

The Board was appointed in August 1978 by the Minister for Local Government to inquire into and report upon:

- (1) The role which local government should perform in serving its ratepayers and citizens;
- (2) whether the structure and administration of local government (both overall and internal, and at council and officer levels) require any or what rationalisation or changes to enable municipalities to perform more effectively and economically the role envisaged for them;
- (3) any matters relevant to the foregoing which the Committee considers desirable to inquire into, or which are referred to it by the Minister, and in making any recommendations to have regard to the resources available and likely to be available to local government.

An interim report was submitted to the Minister in March 1979, and was also available in published form. This stimulated considerable discussion. The Board's final report was submitted to the Minister, and also published, in November 1979.

#### *Local Authorities Superannuation Board*

The Local Authorities Superannuation Act provides for a compulsory superannuation scheme for permanent employees of municipal councils (other than the Melbourne City

Council which has its own superannuation fund), water and sewerage authorities, weights and measures unions, cemetery trusts, the Portland Harbor Trust, and the First Mildura Irrigation Trust.

The scheme is administered by a Local Authorities Superannuation Board and provides benefits for employees on retirement, or for their dependants should the employees die before reaching retirement age.

The *Local Authorities Superannuation (Disability Benefits) Act 1970* introduced a scheme to provide benefits for permanent employees who are forced into premature retirement by becoming permanently incapacitated. The whole of the contribution to provide the benefit is paid by employees. This Act also provided that all permanent employees shall be brought within the provisions of the internal retirement and death benefits fund.

Under legislation which came into operation on 1 January 1976, a pension scheme was established to supplement the existing benefits payable under the Local Authorities Superannuation Act. The amount of the pension is one-one hundred and twentieth of the contributor's average final salary for each completed year of continuous service up to a maximum of 30 years.

**Further references:** Elections, *Victorian Year Book 1977*, p. 177; Officers, 1977, pp. 177-8; Powers and duties of municipalities, 1977, pp. 178-80; Municipal Association of Victoria, 1979, pp. 152-3

## Melbourne City Council

### *Organisation and functions*

Melbourne has the distinction of being the oldest municipality in Victoria. Incorporated as a town by Act of the New South Wales Governor and Legislative Council in 1842, it was raised to the status of city by Letters Patent of Queen Victoria dated 25 June 1847.

The City of Melbourne still operates to some extent under sections of the 1842 Act and its amendments. All other municipalities (with the exception of Geelong, which was given local government in 1849 by an extension of the 1842 Act) receive their enabling powers from the Local Government Act of Victoria. Parts only of this general Act apply to Melbourne. As regards other Acts of the Victorian Parliament, there is no such nice distinction, and in common with other municipalities, Melbourne derives powers from, or administers, such Acts as Health, Pounds, Dog, Country Roads, Road Traffic, Weights and Measures, Town and Country Planning, Summary Offences, Petrol Pumps, Motor Car, Electric Light and Power, and Markets.

With a net annual value (for the year 1977-78) of \$152.2m, rate income of \$22.6m, other general revenue of \$16.2m, and a work force of approximately 3,000 employees, it is the foremost municipality in Victoria. Though its daily influx of population is high, its estimated resident population of 66,800 persons at 30 June 1978 ranked only fifteenth among metropolitan municipalities.

As a result of an inquiry and a recommendation by the Local Government Advisory Board in 1978, the municipal district was, by Order in Council of 27 February 1979, re-subdivided into eight wards (different from the pre-1939 wards) with effect on and from 19 May 1979. The Order provided for all councillors to cease office on the day appointed for the annual election in 1979. However, that provision was altered by the *City of Melbourne (Resubdivision) Act 1979*, under which the councillors whose terms of office expired or expire on the days appointed for the annual elections of councillors in 1979, 1980, and 1981 went, or go, out of office on those days. Also on those days, one councillor was, or is to be, elected for each of the eight wards into which the City was re-subdivided by the Order in Council of 27 February 1979. Thus over the three years 1979, 1980, and 1981, the number of councillors will be progressively reduced from 33 to 24.

From 1981 onwards, the government of the City will be vested in a council of 24 councillors elected by owners and occupiers of rateable property and holding office for three years. One councillor from each ward will retire annually by rotation in accordance with the provisions of the *Local Government Act 1958*.

Melbourne is distinctively a garden city. Of its total area of 3,142 hectares no less than 851 hectares are parklands and reserves. On those parklands and reserves under its control, the City annually spends more than \$3m.



The Council both generates and reticulates electricity. In this respect, it is completely integrated into the State electricity grid. It services a very high electrical load density area, with annual sales and revenue for the 1977-78 year of 1,030,076,260 kilowatt hours and \$41m, respectively. In its power station at Lonsdale Street it is able to generate, at a maximum, 90,000 kilowatts.

The detailed work of the Council at councillor level is achieved by the division of its powers and responsibilities among a number of committees. The permanent or standing committees number eight, while special committees are constituted from time to time for specific purposes. No councillor may be chairman of more than one permanent committee or serve on more than two committees. The committees are the workshops of the Council, but the Local Government Act does not allow even partial delegation of authority, and all the work of the committees must be reported back to the Council and all decisions approved. Despite this, the organisation is effective and achieves all the desirable advantages which come from division of labour.

Of the eight permanent committees, two, Finance and General Purposes, are primarily co-ordinating, while the others are functional in their purpose. The authorities delegated to committees are made mutually exclusive and cover the full field of the Council's activities.

#### *Administrative organisation*

The work force is organised on a departmental basis, though the pattern of organisation is council-wide rather than departmentalised. Broadly, the departments are organised either by major process or by purpose, but, in some cases, a hybrid of these two forms has been brought about. There are ten departments, namely, the Town Clerk's; City Engineer's; Parks, Gardens, and Recreations; City Treasurer's (including Valuer's section); City Architect's; City Planning; Building Surveyor's; Electric Supply; Abattoirs and Markets (cattle, fruit, vegetables, and fish); and Health and Social Services. The Town Clerk's Department handles liaison work for the necessary co-ordination and integration both of the deliberative body as organised by committees and the administrative staff as organised by departments, and of the departments themselves. For the effective functioning of the committees and for purposes of staff review and control, departments are associated with committees, but this does not mean the committee has exclusive access to the activities of that particular department.

#### *City Square*

Late in 1979, the Melbourne City Council opened the forecourt of its \$9.5m city square on land bounded by Collins Street, Regent Place, Flinders Lane, and Swanston Street. This was followed in May of 1980 with the balance of the square complex including extensions involving the Plaza Theatre, in the basement of the Regent Theatre building, which almost doubled the size of the square and on which the Council spent a further \$3.5m. When the cost of the land was added, the Council had spent a total of \$24.3m on the complex. To help finance the project, the Victorian Government provided the Council with a \$2m loan, interest free until 1982, with repayments over 25 years from that date.

The successful completion of the project gave the city its first major square. It fulfils a demand for open space for leisure-time use and the enjoyment of all sections of the community in the central business district.

Designed by Melbourne architects, Messrs J. Denton, W.S. Corker, and B.C. Marshall, the square has created a strong visual link between the Town Hall and St Paul's Cathedral, two of Melbourne's most historic buildings. Moreover, it projects an air of quality, the result of careful choice of building materials designed for long life and the minimum amount of maintenance.

A dominating feature is a 25,000 bulb, 15 by 6 metre video screen located on the Regent Theatre backdrop capable of displaying moving and still images in sixteen shades of sepia. The screen is similar to that used in the Olympic stadium in Montreal, Canada.

The square has a 350 seat, sunken, glass-roofed amphitheatre, and overall seating for 1,400 persons. The architects also considered Melbourne's cooler days by installing an electrical system to dry out and keep warm the seats which were installed in an area set aside as a meeting place and for mounting temporary exhibitions. Diamond-cut bluestone is the surface material at the Swanston Street level. It was chosen because it represented a

traditional Melbourne building material and would complement the bluestone base of both the Town Hall and St Paul's Cathedral. Similarly, the Regent Theatre wall backdrop was clad in sandstone to harmonise with the Cathedral and the Town Hall.

Pleasing visual effects have been created by the use of water, and this can be seen in Fountain Place, on the square's north-east corner where an integrated system of waterfalls ends in a central pool. The public can walk under a water bridge from the square's main open space. It may also enter the plaza, dominated by a 15 metre high elm tree, down a flight of stairs from Collins Street or from shops under a gallery level. The main formal area which accommodates 3,000 persons, faces Swanston Street and has an abstract painted steel sculpture as a focal point. The relaxation "mound" adjoins the main formal area and is situated on the corner of Flinders Lane and Swanston Street. Sloping sides of the "mound" encompass a protected sitting area. The amphitheatre, built at the rear of the "mound", is used for staging entertainment; the amphitheatre and "mound", together with a reflecting pool, combine to link the Cathedral with the square while at the same time protecting the church from busier main square activities.

Australian native trees were rejected for the project because of their inability to cope with an inner city environment; hence the planting of elm and plane trees, long recognised as suitable for their urban character since planted by Melbourne's forefathers. Moreover, the architects believed deciduous trees would have the additional advantage of providing shade in summer and penetration of winter sun. In utilising the Plaza Theatre area, the Council, added 43 shops, a large tavern, and garden lounge, and provided "year round" usage of the extensions, irrespective of weather.

Further references: Traffic control, *Victorian Year Book* 1968, pp. 234-5; Re-development in the Central Business Area, 1969, pp. 245-7; Re-development of Queen Victoria Market site, 1972, pp. 233-5; Financing of major works, 1974, pp. 234-5; City of Melbourne strategy plan 1975, pp. 116-8; Community recreation, 1976, pp. 174-5; Environment of the Central Business District 1976, pp. 175-6; Planning in the City of Melbourne, 1976, pp. 176-7; Civic Square, 1978, pp. 181-2; Melbourne City Council health and welfare services, 1979, pp. 155-6

#### STATISTICS OF LOCAL GOVERNMENT

Municipal finance statistics are compiled from statements of accounts and returns furnished by the local councils.

In the tables for the year 1976-77 which follow, municipalities have been divided into the City of Melbourne, other municipalities in the Melbourne Statistical Division, and municipalities outside the Melbourne Statistical Division.

The municipal areas which comprise the Melbourne Statistical Division are set out on pages 179-80 of this *Year Book*. Three of these areas are parts only of the Shires of Cranbourne, Healesville, and Pakenham, but because it is not practicable to dissect the finances of municipalities for statistical purposes, the whole of each of these shires has been treated in the tables which follow as being within the Melbourne Statistical Division.

#### Properties rated, loans outstanding, etc.

In the following table the number of properties rated, the value of rateable property, income and expenditure of all funds, and the amount of loans outstanding, are shown for each of the years ended 30 September 1973 to 1977:

#### VICTORIA—LOCAL GOVERNMENT AUTHORITIES: PROPERTIES RATED, LOANS OUTSTANDING, ETC.

Year ended 30 September—	Number of rateable properties	Value of rateable property		Income all funds	Expenditure all funds	Loans out- standing
		Net annual value	Estimated capital improved value			
	000	\$'000	\$'000	\$'000	\$'000	\$'000
1973	1,517	1,127,992	20,601,679	403,778	392,707	287,996
1974	1,544	1,170,882	21,327,453	448,331	455,449	310,078
1975	1,569	1,235,226	22,447,074	611,946	605,321	342,173
1976	1,597	1,310,514	23,467,741	727,625	719,043	388,407
1977	1,618	2,463,073	45,061,184	824,203	810,389	441,772

#### Municipal income and expenditure

The following table shows for each of the years ended 30 September 1973 to 1977 the general income and expenditure of municipalities in Victoria on account of ordinary

services, together with similar details for the business undertakings under municipal control:

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES:  
ORDINARY SERVICES AND BUSINESS UNDERTAKINGS:  
INCOME AND EXPENDITURE  
(\$'000)**

Year ended 30 September—	Ordinary services		Business undertakings	
	Income	Expenditure	Income	Expenditure
1973	224,313	222,359	70,277	70,187
1974	262,819	272,367	78,247	79,889
1975	387,870	381,861	89,926	89,919
1976	460,499	455,358	103,202	103,069
1977	520,906	513,120	123,888	123,903

**General Fund**

The ordinary income of a municipality, consisting of rates, government grants, etc., is payable into the General Fund, and this account is applied toward the payment of all expenses incurred in respect of administration, debt services, ordinary municipal services, etc.

Details of the principal items of income for the year ended 30 September 1977 are shown in the following table:

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:  
INCOME, YEAR ENDED 30 SEPTEMBER 1977  
(\$'000)**

Particulars	Melbourne Statistical Division (a)		Remainder of State		Total
	Cities	Shires	Cities, etc.	Shires	
Rates and penalties	175,399	31,759	26,989	52,274	286,422
General administration	12,036	3,629	4,332	7,094	27,091
Law, order, and public safety —					
Fire protection	252	183	11	204	650
Animal control	629	160	159	233	1,180
Other	3	1	16	12	32
Education —					
Pre-schools	3,985	1,122	1,172	2,779	9,058
Other	49	—	3	19	71
Health —					
Infants and mothers	2,257	520	522	660	3,960
Preventive services	635	94	120	138	987
Other	107	7	59	81	255
Welfare —					
Families and children	2,167	193	463	129	2,953
Aged and disabled	8,622	1,079	1,581	1,890	13,172
Other	372	225	102	87	786
Housing	766	70	135	243	1,214
Community amenities —					
Protection of environment —					
Sanitation —					
Household garbage	3,381	1,495	2,023	1,356	8,255
Other garbage	2,501	182	60	36	2,780
Sewerage	1,372	692	140	619	2,822
Other protection of environment	1	4	5	112	121
Community and regional development	681	320	101	226	1,328
Other community amenities	624	211	99	406	1,341
Recreation and culture —					
Public halls and civic centres	1,195	282	268	708	2,452
Swimming pools and beaches	1,189	364	319	707	2,579
Other recreation and sport	4,841	948	2,528	2,494	10,811
Libraries	6,188	841	1,200	1,226	9,456
Other culture	352	15	906	334	1,607
Economic services —					
Transport —					
Roads and bridges —					
Construction and maintenance	5,929	1,119	3,928	3,517	14,493

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:  
INCOME, YEAR ENDED 30 SEPTEMBER 1977—*continued*  
(\$'000)

Particulars	Melbourne Statistical Division (a)		Remainder of State		Total
	Cities	Shires	Cities, etc.	Shires	
Parking	8,037	212	1,753	108	10,110
Aerodromes	—	—	76	229	305
Rural services	8	19	4	55	85
Tourism and area promotion	5	81	1,261	1,477	2,823
Building control	4,047	1,328	735	1,135	7,246
Saleyards and markets	4,775	—	1,094	462	6,331
Other economic services	2,982	489	2,176	1,584	7,231
Natural disaster relief	—	5	9	346	360
Unclassified	19,441	5,144	6,485	13,780	44,851
Untied grants —					
Grants Commission	14,175	2,835	5,976	12,378	35,365
Unemployment, n.e.i.	16	1	57	247	321
<b>Total income</b>	<b>289,021</b>	<b>55,630</b>	<b>66,868</b>	<b>109,387</b>	<b>520,906</b>

(a) See list on pages 179-80.

The figures above include \$58,001,000 income from specific purpose government grants, \$5,569,000 from sale of property (plant, land, buildings), and \$19,508,000, being transfers from other council funds (including business undertakings).

Expressed as percentages of total income, the figures show that 55.0 per cent income derived from rates, etc; 5.2 per cent in respect of general administration; 0.3 per cent concerning law, order, and public safety; 1.8 per cent relating to education; 1.0 per cent health; 3.2 per cent welfare; 0.2 per cent housing; 3.2 per cent community amenities; 5.2 per cent recreation and culture; 9.3 per cent economic services; 0.1 per cent natural disaster relief; 8.6 per cent unclassified; and 6.9 per cent from untied government grants. Included in such figures are 11.1 per cent as income from specific purpose government grants; 1.1 per cent from sale of property; and 3.7 per cent as transfers from other council funds. The total amount collected from rates and penalties was equivalent to \$75.91 per head of population.

Details of the principal items of expenditure from the General Fund during the year ended 30 September 1977 are shown in the following table:

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:  
EXPENDITURE, YEAR ENDED 30 SEPTEMBER 1977  
(\$'000)

Particulars	Melbourne Statistical Division (a)		Remainder of State		Total
	Cities	Shires	Cities, etc.	Shires	
General administration	53,345	12,482	11,412	24,783	102,022
Law, order, and public safety —					
Fire protection	414	274	70	205	962
Animal control	692	175	215	276	1,358
Other	—	3	2	2	8
Education —					
Pre-schools	5,103	1,076	1,307	2,940	10,427
Health —					
Infants and mothers	5,143	1,229	980	1,460	8,813
Preventive services	3,478	684	565	895	5,621
Other	819	113	81	155	1,168
Welfare —					
Families and children	2,283	83	240	78	2,684
Aged and disabled	11,249	1,294	1,890	2,340	16,774
Other	2,033	559	148	152	2,893
Housing	340	43	88	265	737
Community amenities —					
Protection of environment —					
Sanitation —					
Household garbage	14,936	1,940	2,155	1,618	20,649
Other garbage	11,813	1,193	1,644	1,514	16,164
Sewerage	1,180	606	165	502	2,452
Other protection of environment	222	61	78	237	597

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:  
EXPENDITURE YEAR ENDED 30 SEPTEMBER 1977—*continued*  
(\$'000)

Particulars	Melbourne Statistical Division (a)		Remainder of State		Total
	Cities	Shires	Cities, etc.	Shires	
Community and regional development	1,864	638	156	290	2,948
Other community amenities	2,697	475	827	988	4,987
Recreation and culture —					
Public halls and civic centres	4,912	1,044	721	1,394	8,072
Swimming pools and beaches	3,675	828	842	1,336	6,681
Other recreation and sport	26,726	3,821	6,292	5,169	42,008
Libraries	12,940	1,247	1,889	1,957	18,033
Other culture	249	6	1,050	297	1,602
Economic services —					
Transport —					
Roads and bridges —					
Construction and maintenance	40,393	10,572	13,235	31,717	95,918
Street lighting	5,463	623	827	770	7,683
Parking	3,833	225	889	136	5,084
Aerodromes	—	—	143	285	428
Rural services	41	7	14	58	119
Tourism and area promotion	2	111	945	1,329	2,386
Building control	3,672	905	539	538	5,654
Saleyards and markets	2,742	—	779	429	3,950
Other economic services	3,808	687	1,583	2,115	8,194
Unclassified	58,622	12,670	13,971	20,779	106,042
<b>Total expenditure</b>	<b>284,689</b>	<b>55,677</b>	<b>65,743</b>	<b>107,011</b>	<b>513,120</b>

(a) See list on pages 179–80.

The figures above include \$22,689,000 expenditure on purchase of property (plant, land, buildings) \$28,374,000 capital works, \$47,035,000 debt services, \$15,421,000 grants and contributions, and \$27,755,000 transfers to other council funds.

Expressed as percentages of total expenditure, the figures show that 19.9 per cent was expended on general administration; 0.5 per cent on law, order, and public safety; 2.0 per cent on education; 3.0 per cent on health; 4.4 per cent on welfare; 0.1 per cent on housing; 9.3 per cent on community amenities; 14.9 per cent on recreation and culture; 25.2 per cent on economic services; and 20.7 per cent unclassified. Included in such figures are 4.4 per cent as purchase of property; 5.5 per cent as expenditure on capital works; 9.2 per cent on debt services; 3.0 per cent on grants and contributions; and 5.4 per cent transfers to other council funds.

Further reference: *Municipal administrative costs, Victorian Year Book 1977, p. 192*

#### Municipal business undertakings

In Victoria during 1976–77, eleven municipal councils conducted electricity supply undertakings. These constituted the principal trading activities of municipalities. Other trading activities included water supply, abattoirs, quarries, and reinforced concrete pipe and culvert works, but, relatively, these were not extensive.

The table which follows shows the income and expenditure of the various types of municipal business undertakings for each of the years ended 30 September 1973 to 1977:

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: BUSINESS  
UNDERTAKINGS: INCOME AND EXPENDITURE  
(\$'000)

Particulars	Year ended 30 September—				
	1973	1974	1975	1976	1977
<b>INCOME</b>					
Electricity (a)	67,203	75,009	85,726	97,870	117,395
Water supply	908	1,045	1,276	1,683	2,248
Abattoirs	1,190	1,212	1,600	2,189	2,688
Quarries	851	814	1,037	1,133	1,171
Other (b)	125	167	287	327	385
<b>Total revenue</b>	<b>70,277</b>	<b>78,247</b>	<b>89,926</b>	<b>103,202</b>	<b>123,888</b>

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: BUSINESS  
UNDERTAKINGS: INCOME AND EXPENDITURE—*continued*  
(\$'000)

Particulars	Year ended 30 September—				
	1973	1974	1975	1976	1977
<b>EXPENDITURE</b>					
Electricity (a)	67,255	76,332	85,611	98,022	117,930
Water supply	962	1,109	1,285	1,618	2,069
Abattoirs	1,048	1,486	1,680	1,989	2,374
Quarries	795	792	1,068	1,135	1,181
Other (b)	128	169	275	306	348
<b>Total expenditure</b>	<b>70,187</b>	<b>79,889</b>	<b>89,919</b>	<b>103,069</b>	<b>123,903</b>

(a) Now confined to Melbourne metropolitan area.

(b) Consists of reinforced concrete pipe and culvert works (Shire of Avoca only).

### Municipal loan finance

#### *Municipal loan account receipts and payments*

The following tables show loan account receipts and payments of municipalities exclusive of redemption loans, loans raised for works on private streets, and separate rate loans.

The first table shows total loan account receipts and payments for each of the years ended 30 September 1973 to 1977, the second table details the loan raisings for ordinary services and business undertakings during the year ended 30 September 1977, and the third table details the principal items of payments from loan funds for the year ended 30 September 1977.

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: LOAN ACCOUNT  
RECEIPTS AND PAYMENTS  
(Excluding redemption, private street, and separate rate loans)  
(\$'000)

Year ended 30 September—	Receipts				Payments			
	Loans for—		Other	Total	Ordinary services	Business under- takings	Other (non- works)	Total
	Ordinary services	Business under- takings						
1973	35,893	2,872	3,223	41,988	29,282	3,798	242	33,323
1974	35,227	1,935	2,755	39,917	30,241	3,757	222	34,219
1975	45,098	2,385	4,569	52,052	45,385	4,498	437	50,320
1976	56,762	4,732	7,714	69,208	60,951	5,315	349	66,616
1977	67,195	4,546	4,248	75,988	62,045	5,986	218	68,249

At 30 September 1977, there were unexpended balances in loan accounts amounting to \$52.3m.

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: LOAN ACCOUNT  
RECEIPTS, YEAR ENDED 30 SEPTEMBER 1977  
(Excluding redemption, private street, and separate rate loans)  
(\$'000)

Particulars	Melbourne Statistical Division (a)		Remainder of State		Total
	Cities	Shires	Cities, etc.	Shires	
Loan raisings for—					
Ordinary services	32,875	10,712	11,125	12,483	67,195
Business undertakings	2,882	50	1,119	495	4,546
Other receipts (government grants, recoups, etc.)	3,620	28	332	268	4,248
<b>Total receipts</b>	<b>39,377</b>	<b>10,790</b>	<b>12,576</b>	<b>13,245</b>	<b>75,988</b>

(a) See list on pages 179-80.

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: LOAN ACCOUNT  
PAYMENTS, YEAR ENDED 30 SEPTEMBER 1977  
(\$'000)**

Particulars	Melbourne Statistical Division (a)		Remainder of State		Total
	Cities	Shires	Cities, etc.	Shires	
General administration	3,152	473	341	548	4,513
Education —					
Pre-schools	540	266	170	234	1,210
Health —					
Infants and mothers	158	136	21	6	321
Other	15	175	—	—	190
Welfare —					
Aged and disabled	184	106	24	251	566
Other	15	—	—	—	15
Housing	18	—	2	176	196
Community amenities —					
Sanitation —					
Garbage (tip)	655	45	66	20	785
Community and regional development	25	40	6	24	95
Other community amenities	237	49	81	170	537
Recreation and culture —					
Public halls and civic centres	1,321	1,609	245	302	3,476
Other recreation and sport	6,113	1,889	1,371	715	10,088
Libraries	1,351	17	67	96	1,531
Other culture	313	24	225	18	580
Economic services —					
Transport —					
Roads and bridges —					
Construction and maintenance	10,909	2,978	3,789	2,908	20,585
Parking	313	114	167	38	632
Aerodromes	—	—	—	20	20
Tourism and area promotion	41	19	433	333	827
Salesyards and markets	1,153	—	354	53	1,561
Other economic services	3	75	653	711	1,442
Unclassified	5,408	1,764	1,766	4,154	13,092
Business undertakings	4,958	—	608	421	5,986
<b>Total expenditure</b>	<b>36,883</b>	<b>9,778</b>	<b>10,391</b>	<b>11,198</b>	<b>68,249</b>

(a) See list on pages 179–80.

*Municipal loan liability*

The loan liability of the municipalities in Victoria at the end of each of the five years ended 30 September 1973 to 1977 is shown in the following table. Liability of municipalities for private street construction and separate rate loans is included, but liability to the Country Roads Board is excluded.

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: LOAN LIABILITY**

At 30 September—	Gross loan liability due to—		Total	Accumulated sinking funds	Net loan liability	
	Government	Public			Amount	Per head of population
	\$'000	\$'000	\$'000	\$'000	\$'000	\$
1973	3,799	284,198	287,996	19,429	268,567	74.61
1974	3,976	306,102	310,078	21,845	288,233	84.88
1975	4,314	337,859	342,173	24,342	317,831	85.26
1976	5,237	383,170	388,407	26,512	361,894	96.39
1977	6,418	435,354	441,772	29,426	412,346	108.82

**Construction of private streets**

The council of any municipality may construct roads or streets on private property, and may also construct, on land of the Crown or of any public body, means of back access to, or drainage from, property adjacent to such land. The cost of this work is recoverable from the owners of adjoining or neighbouring properties where, in the opinion of the council, the work performed accrues to the benefit of those properties.

Details of receipts and payments of the Private Street Account, including the net increase or decrease in bank overdraft, during each of the years ended 30 September 1973 to 1977 are shown in the following table:

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: PRIVATE STREET  
ACCOUNT: RECEIPTS, PAYMENTS, ETC.  
(\$'000)**

Particulars	Year ended 30 September—				
	1973	1974	1975	1976	1977
<b>Receipts—</b>					
Loans	2,470	1,185	2,160	4,285	2,940
Bank overdraft (increase)	—	—	2,234	2,128	—
Owners' contributions	18,642	15,467	15,246	18,682	21,080
Other	423	802	852	981	1,390
<b>Total</b>	<b>21,536</b>	<b>17,454</b>	<b>20,492</b>	<b>26,075</b>	<b>25,409</b>
<b>Payments—</b>					
Works	12,108	11,669	14,530	19,224	18,347
Bank overdraft (decrease)	2,050	1,133	—	—	713
Debt charges	5,846	5,444	5,207	5,295	5,863
Other	1,276	900	1,664	1,122	1,437
<b>Total</b>	<b>21,281</b>	<b>19,147</b>	<b>21,400</b>	<b>25,641</b>	<b>26,360</b>
Loan liability at 30 September	25,486	23,788	23,245	25,014	25,167

**Country Roads Board Account**

Works carried out by municipalities on main roads and unclassified roads jointly with the Country Roads Board are financed by means of a separate municipal bank account. Expenditure is made initially from overdraft, claims subsequently being made on the Board for recovery of funds expended. With the exception of any disallowances by the Board, the full amount expended on main roads is recoverable from the Board and credited to the Country Roads Board Account, with the council later making an annual payment from General Fund to the Country Roads Board for the council's share of the cost. The Country Roads Board assists municipal councils financially to carry out construction and maintenance works on approximately 32,000 kilometres of unclassified roads each year. Funds expended by councils on these roads, after deduction of councils' proportion of the cost (which is charged to the General Fund), are also recoverable from the Country Roads Board. Direct payments by the Country Roads Board itself on works, or for supply of materials, etc., for works, are included on both sides of the Country Roads Board Account so that the full amount of the expenditure on relevant roads may be shown in the Account for the year concerned. Any expenditure by a council on State highways, freeways, tourist roads, and forest roads, is charged to the Country Roads Board Account and is fully recoverable from the Country Roads Board.

Details of receipts and payments of the Country Roads Board Account, including the net increase or decrease in bank overdraft, during each of the years ended 30 September 1973 to 1977 are shown in the following table:

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES:  
COUNTRY ROADS BOARD ACCOUNT  
(\$'000)**

Particulars	Year ended 30 September—				
	1973	1974	1975	1976	1977
<b>Receipts—</b>					
Refunds from Country Roads Board	28,339	29,712	37,862	41,555	50,445
Direct payment by Country Roads Board	8,530	7,765	10,740	12,136	14,301
Council's proportion of works on unclassified roads	5,069	5,546	6,962	7,560	10,613
Bank overdraft (increase)	182	2,311	742	—	1,577
Other	160	352	664	623	274
<b>Total</b>	<b>42,279</b>	<b>45,686</b>	<b>56,969</b>	<b>61,873</b>	<b>77,210</b>
<b>Payments—</b>					
Main roads	18,944	18,951	23,630	25,417	30,445
Unclassified roads	22,387	25,234	32,092	33,433	45,064
Other roads (State highways, etc.)	771	1,204	1,011	977	1,417



VICTORIA—LOCAL GOVERNMENT AUTHORITIES:  
COUNTRY ROADS BOARD ACCOUNT—*continued*  
(S'000)

Particulars	Year ended 30 September—				
	1973	1974	1975	1976	1977
Bank overdraft (decrease)	—	—	—	1,549	—
Other	178	297	237	496	283
<b>Total</b>	<b>42,279</b>	<b>45,686</b>	<b>56,969</b>	<b>61,873</b>	<b>77,210</b>
Bank overdraft at 30 September	3,528	5,839	6,471	4,973	6,580

**Length of roads and streets**

The following table shows the estimated length of all roads and streets open for general traffic in Victoria in 1978. The information was supplied by the Country Roads Board, municipal councils, and other authorities.

VICTORIA—LENGTH OF ALL ROADS AND STREETS OPEN FOR  
GENERAL TRAFFIC AT 30 JUNE 1978  
(kilometres)

Type of road or street	State highways, freeways (a)	Main roads	Tourist roads, forest roads	Other roads and streets	Total
Bituminous seal, concrete, etc.	7,057	13,547	1,069	37,018	58,691
Water-bound macadam, gravel, sand, and hard loam pavements	248	905	759	43,441	45,353
Formed, but not otherwise paved	—	103	—	27,277	27,380
Not formed but open for general traffic	—	—	—	25,277	25,277
<b>Total</b>	<b>7,305</b>	<b>14,555</b>	<b>1,828</b>	<b>133,013</b>	<b>156,701</b>

(a) Includes 283 kilometres of freeways consisting of extra-metropolitan freeways (by-pass roads) and metropolitan freeways.

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