

## 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 Department Act, Markets Act, Municipalities Assistance Act, Municipal Association Act, Newmarket Sheep Sales Act, Petrol Pumps Act, Pounds 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 and Services Programme of the Department includes the provision of financial assistance (subject to budgetary restrictions) for 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.

The Crown is not liable, but has agreed to contribute on an ex-gratia basis in certain instances. The Department's responsibility is to ensure that claims by municipalities are within the eligibility criteria for the making of such payments.

#### *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. Except for the Local Authorities Superannuation Board, 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 approval of the Governor in Council. The Committee members act as referees pursuant to Clauses 5 and 7 of the Thirty-third Schedule to the Local Government Act 1958 by determining appeals and granting modifications to the regulations.

The Committee also determines disputes which arise as to the need for additional fire protection measures in existing buildings. Following general acceptance by the Victorian Government of the Building and Development Approvals Committee (BADAC) Report Part 1 — Building Controls, the Building Regulations Committee's administrative and technical support staff (which are part of the Local Government Department) have been engaged in the preparation of the Consolidated Building Regulations.

The first phase of the consolidated building regulations relating to houses has been completed and circulated for public comment. The comments received are being analysed and as a consequence amendments will be made to the draft regulations. The Building Control Bill has now been tabled in the Victorian Parliament. The Bill consolidates and makes further provision for the law relating to building and provides for the better regulation of building. The Bill establishes as part of the Local Government Department, a Division of Building Control, a Building Control Technical Advisory Council, a Building Control Accreditation Authority, a Plumbers, Gasfitters, and Drainers Registration Board, a Building Qualification Board, and Building Referees Boards.

Preliminary work has also been undertaken with respect to the preparation of the second phases of consolidated building regulations relating to general building control. The consolidated building regulations will incorporate all the requirements of specialist government departments with a Development Approvals Co-ordinator or Development Approvals Co-ordinating Committee in each municipality issuing an "Authority to construct". This authority will embody all the building requirements of all Victorian Government Departments and Authorities.

#### *Municipal Examining Boards*

These organisations are the Municipal Clerks, Auditors, Engineers, Building Qualifications, and Electrical Engineers Boards. The Boards hold 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 and alteration of municipal boundaries.

#### *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, Municipal Grants and Procedures, Street Works Co-ordination, Saleyards Advisory Committee, 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.

In 1973, the Commonwealth Government 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 1976, the Commonwealth Government adopted a policy whereby personal income tax collections were to be shared by 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 1979-80, local government's share of income tax revenue was increased to 1.75 per cent with a total of \$221.7m being made available to the States for allocation to municipal councils. The share was further increased for the allocation for 1980-81 to 2 per cent, fulfilling an undertaking given in 1977 to raise local government's share of income tax revenue to this level during the life of the Parliament. This represented an amount available for all States for allocation of \$300.8m for 1980-81 and \$350.9m for 1981-82.

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 November 1981, 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 1977-78, 1978-79, 1979-80, 1980-81, and 1981-82 was \$42.1m, \$45.7m, \$56.4m, \$76.6m, and \$89.3m, respectively, out of total payments of \$165.3m, \$179.4m, \$221.7m, \$300.8m, and \$350.9m.

*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 belows shows these payments to Victoria from 1975-76 to 1979-80.

*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: 1981-82. The following table shows these payments to Victoria from 1975-76 to 1979-80. These amounts are also included in the table in Chapter 20 of this *Year Book*.

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

Programme	1975-76	1976-77	1977-78	1978-79	1979-80
General purpose assistance (a)	20,242	35,398	42,078	45,666	56,436
Direct payments—					
Children's services (b)—					
Maintenance	202	578	1,018	1,711	2,264
Capital	2,194	1,548	1,193	665	338
Aged or disabled persons' homes—					
Maintenance	37	—	—	—	199
Capital	1,105	621	368	248	610
Aged persons' hostels	311	1,402	1,771	1,523	158
Delivered meals subsidy	323	404	516	595	656
Handicapped persons	—	—	137	—	—
Community Youth Support Scheme	—	14	111	385	—
Homeless persons assistance	102	3	8	9	—
Regional Employment Development Scheme (c)	14,210	22	—	—	—
Community arts activities	46	41	69	45	36
Aerodrome local ownership plan—					
Maintenance	97	142	173	280	231
Capital	93	102	41	268	370
<b>Total</b>	<b>38,962</b>	<b>40,275</b>	<b>47,483</b>	<b>51,395</b>	<b>61,298</b>

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

Programme	1975-76	1976-77	1977-78	1978-79	1979-80
Other payments through Victorian Government (a)—					
Children's services (b)	5,468	6,886	5,408	r4,179	3,868
Community health facilities	n.a.	349	370	280	391
Home care services	2,125	2,018	2,520	3,450	4,226
Senior citizens' centres—					
Maintenance	175	293	328	350	574
Capital	1,132	1,571	1,616	608	859
Employment grants	3,170	—	—	—	—
Growth centres (Albury-Wodonga) (d)	460	780	—	—	—
Area improvement	4,896	28	—	—	—
Urban flood mitigation	100	100	—	—	—
Capital assistance for leisure facilities	1,597	1,119	507	92	—
National Estate	232	193	88	173	104
Roads assistance	22,300	29,500	38,000	39,800	42,100
Tourist development	173	59	—	—	—
Regional organisations assistance (e)	29	—	—	—	—
Total	41,857	42,896	48,837	r48,932	52,122
Grand Total	80,819	83,171	96,320	r100,327	113,420

(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) Previously designated "Pre-school and child care".

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

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

(e) 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.

The allocations determined on the foregoing principles are subject to the constraint that no municipality shall receive a grant that is less than its "as-of-right entitlement". Each municipality's "as-of-right entitlement" is calculated by taking 40 per cent of the State's total allocation for the year and allocating this on the basis of population 85 per cent and area 15 per cent.

#### Municipalities

At 30 June 1981, 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 square kilometres) adjacent to the Borough of Koroit.

#### *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 102 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 1978-79 and 1979-80 municipal years the combined expenditure of these undertakings was approximately \$153m and \$225m, respectively.

#### *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 1980, 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 money 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.

Subsidies for works paid to various municipalities from the Municipalities Assistance Fund amounted to \$950,797 for the year ended June 1980 and \$998,168 for the year ended June 1981.

#### *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, however, is required to make an annual contribution to the cost of main roads work 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 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 money 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 1977-78 rating year was \$16.7m; for 1978-79, \$22.5m; for 1979-80, \$27.2m; and for 1980-81, \$31.6m. For the 1981-82 rating year it has been estimated that \$35.8m will be expended in providing this assistance to pensioners. For rating years commencing after 1 July 1980 limits have been placed on the amount of assistance an eligible pensioner is entitled to receive. In the 1981-82 State Budget, the Victorian Treasurer announced a new scale of assistance of one-half of the amount payable, up to a maximum of \$135 for municipal rates, \$67.50 for sewerage rates, \$67.50 for water rates, and \$67.50 for garbage and/or sanitary rates.

### *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 money 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.

Money 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 this money 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 Minister.

#### *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 held its first meeting in July 1978.

The Committee submitted a preliminary report to the Minister in December 1979. The report was prompted due to what the Committee regarded as an urgent need to have the classification of accounts for the municipal general fund brought more closely into conformity with the requirements of the Australian Bureau of Statistics and the Victoria Grants Commission in order to produce more meaningful and comparable municipal financial data. At present, municipalities are required to present financial information in one form for the use of both the Australian Bureau of Statistics and Victoria Grants Commission, and in another form in their Annual Statements of Accounts. Certain other matters dealt with by the Committee are also covered in the report.

At the Minister's direction, the Committee's report was circulated for comment to municipalities and other interested persons in February 1980, with a view to having the revised chart of accounts operative from 1 October 1980 in accordance with the Committee's recommendation. However, in view of the concern expressed at the short

time available to bring in the new classification, it was decided that it would not become operative in the financial year 1980-81.

In the meantime, the Department received a number of applications from municipalities seeking to change over to the new classification as soon as possible, and this, together with other inquiries and submissions received, clearly indicated to the Department that a considerable number of municipalities favoured the introduction of the new classification at an early date. Accordingly, it has been decided that use of the new classification of accounts for 1981-82 should be optional; however, it will become operative for all municipalities for 1982-83.

Responses presently indicate that over 40 municipalities will exercise the option of using the new classification from 1 October 1981.

The preparation of revised regulations in respect of the new classification is currently under way and it is anticipated that the committee's work will be completed by mid 1983.

#### *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; Board of Review of the Role, Structure, and Administration of Local Government, 1981, p. 154

### **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 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 convenient 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 1980-81) of \$207.9m, rate income of \$31.4m, other general revenue of \$28.2m, 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 65,100 persons at 30 June 1980 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 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 on the days appointed for the annual elections of councillors in 1979, 1980, and 1981 went, or would go, out of office on those days. Also on those days, one councillor was, or would 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 was to be progressively reduced from 33 to 24.

The *Local Government (City of Melbourne) Act 1981* provided for the dismissal of the elected Council and the appointment of a three-man Commission to control the affairs of the City of Melbourne. At midnight on the evening of 5 May 1981, the Lord Mayor and Councillors went out of office. Under the Act, the Commission was charged with specific responsibilities which included that:

- (1) It shall constitute the Council of the City of Melbourne and exercise and discharge all of its duties;
- (2) it must ensure that the functions of the Corporation are carried out in the most efficient and economic manner possible; and
- (3) it must recommend to the Minister for Local Government the manner in which the boundaries of the City of Melbourne can be best altered to produce a more effective unit of local government.

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 1979-80 year of 1,061,881,487 kilowatt hours and \$54.1m, respectively. In its power station at Lonsdale Street it is able to generate at a maximum of 90,000 kilowatts.

#### *Administrative organisation*

On 12 October 1981, the Melbourne City Council approved a general restructure of the administration. The plan reduced the number of departments and created a compact senior management team. The previous structure of ten departments was replaced by a structure of five. The new departments are Electricity Supply and Markets, Technical Services, Health and Community Services, Finance, and the Chief Executive Officer's Office. In addition, there has been a reduction in the number of standing committees of Council from eight to three in line with the new departmental structure.

**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. 116-18; 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; City Square, 1980, pp. 168-9; Parks, Gardens, and Recreation Department, 1981, pp. 156-7

### STATISTICS OF LOCAL GOVERNMENT

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

In some of the tables for the year 1978-79 which follow, municipalities have been divided into 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 163-4 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 1975 to 1979:

**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 outstanding
		Net annual value	Estimated capital improved value			
	'000	\$'000	\$'000	\$'000	\$'000	\$'000
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
1978	1,650	2,571,899	48,146,773	922,208	907,945	503,429
1979	1,677	2,691,213	49,151,136	1,006,864	1,014,218	553,313

**Municipal income and expenditure**

The following table shows for each of the years ended 30 September 1975 to 1979 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
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
1978	589,524	586,421	132,569	131,581
1979	649,278	653,516	153,065	152,755

**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 1979 are shown in the following table:

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES: INCOME, YEAR ENDED 30 SEPTEMBER 1979 (\$'000)**

Particulars	Melbourne Statistical Division (a)		Remainder of State		Total
	Cities	Shires	Cities, etc.	Shires	
Rates and penalties	215,564	43,753	35,297	65,478	360,093
General administration	16,055	4,258	5,671	9,286	35,270
Law, order, and public safety —					
Fire protection	263	162	35	279	738
Animal control	837	247	192	320	1,596
Other	499	100	158	83	840

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:  
INCOME, YEAR ENDED 30 SEPTEMBER 1979—*continued*  
(\$'000)

Particulars	Melbourne Statistical Division (a)		Remainder of State		Total
	Cities	Shires	Cities, etc.	Shires	
Education —					
Pre-schools	3,462	976	1,035	2,855	8,329
Other	34	8	13	1	57
Health —					
Infants and mothers	2,636	915	617	914	5,082
Preventive services	1,095	144	290	323	1,852
Other	136	8	2	76	221
Welfare —					
Families and children	6,761	928	1,078	1,442	10,210
Aged and disabled	6,849	1,029	1,556	1,509	10,944
Other	692	117	39	80	927
Housing	1,772	89	100	590	2,550
Community amenities —					
Protection of environment —					
Sanitation —					
Household garbage	115	1	8	45	169
Other garbage	5,724	499	176	58	6,457
Sewerage	1,163	713	173	644	2,694
Urban stormwater drainage	19	249	523	985	1,777
Other protection of environment	84	22	33	211	349
Community and regional development	611	165	109	239	1,125
Other community amenities	385	129	164	406	1,084
Recreation and culture —					
Public halls and civic centres	2,348	313	507	1,862	5,030
Swimming pools and beaches	2,147	650	656	832	4,285
Other recreation and sport	4,807	1,694	2,469	4,811	13,781
Libraries	8,008	1,212	1,451	1,793	12,464
Other culture	462	50	1,433	813	2,758
Economic services—					
Transport—					
Roads and bridges—					
Construction and maintenance	7,631	1,814	2,636	5,422	7,502
Parking	12,575	234	2,509	214	15,533
Aerodromes	—	—	323	530	853
Other transport	237	2	50	84	374
Rural services	7	6	96	171	280
Tourism and area promotion	12	195	1,450	2,244	3,901
Building control	3,952	1,236	794	1,312	7,295
Saleyards and markets	4,328	6	1,686	977	6,996
Other economic services	2,976	71	1,600	1,739	6,386
Natural disaster relief	—	4	33	88	124
Unclassified	21,994	5,260	7,467	17,830	52,551
Untied grants —					
Grants Commission	18,286	3,998	7,597	15,919	45,800
Unemployment, n.e.i.	236	64	504	196	1,000
<b>Total income</b>	<b>354,763</b>	<b>71,323</b>	<b>80,532</b>	<b>142,660</b>	<b>649,278</b>

(a) See list on pages 163-4.

The figures above include \$58,623,000 income from specific purpose government grants, \$7,314,000 from sale of property (plant, land, buildings), and \$27,782,000, being transfers from other council funds (including business undertakings).

Expressed as percentages of total income, the figures show that 55.5 per cent of income was derived from rates, etc.; 5.4 per cent in respect of general administration; 0.5 per cent concerning law, order, and public safety; 1.3 per cent relating to education; 1.1 per cent health; 3.4 per cent welfare; 0.4 per cent housing; 2.1 per cent community amenities; 5.9 per cent recreation and culture; 9.1 per cent economic services; 8.1 per cent unclassified; and 7.2 per cent from untied government grants. Included in such figures are 9.0 per cent as income from specific purpose government grants; 1.1 per cent from sale of property; and 4.3 per cent as transfers from other council funds. The total amount collected from rates and penalties was equivalent to \$93.66 per head of population.

Details of the principal items of expenditure from the General Fund during the year ended 30 September 1979 are shown in the following table:

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:  
EXPENDITURE, YEAR ENDED 30 SEPTEMBER 1979  
(\$'000)

Particulars	Melbourne Statistical Division (a)		Remainder of State		Total
	Cities	Shires	Cities, etc.	Shires	
General administration	63,753	16,183	13,967	32,445	126,348
Law, order, and public safety —					
Fire protection	479	400	137	585	1,601
Animal control	1,046	256	278	442	2,022
Other	317	22	103	100	543
Education —					
Pre-schools	4,454	1,146	1,159	3,229	9,988
Other	66	83	17	4	170
Health —					
Infants and mothers	6,082	1,519	1,136	1,775	10,512
Preventive services	4,947	965	854	1,262	8,029
Other	458	57	45	121	681
Welfare —					
Families and children	8,427	1,176	1,223	1,740	12,566
Aged and disabled	10,613	1,229	1,914	1,949	15,705
Other	3,239	431	335	208	4,213
Housing	1,676	55	167	591	2,489
Community amenities —					
Protection of environment —					
Sanitation —					
Household garbage	18,750	2,016	2,150	1,918	24,835
Other garbage	18,765	2,508	2,698	2,996	26,967
Sewerage	966	565	185	552	2,268
Urban stormwater drainage	1,654	285	1,100	1,490	4,530
Other protection of environment	355	169	60	453	1,037
Community and regional development	2,865	1,367	301	668	5,201
Other community amenities	3,571	802	645	1,045	6,063
Recreation and culture —					
Public halls and civic centres	6,435	889	1,369	2,542	11,235
Swimming pools and beaches	4,969	1,366	1,391	1,860	9,587
Other recreation and sport	36,263	5,427	8,327	9,136	59,153
Libraries	16,658	2,715	2,224	2,848	24,445
Other culture	824	173	2,407	957	4,361
Economic services —					
Transport —					
Roads and bridges —					
Construction and maintenance	47,304	12,413	13,649	43,687	117,053
Street lighting	7,058	915	1,084	1,078	10,135
Parking	9,118	503	2,450	275	12,346
Aerodromes	—	—	512	685	1,197
Other transport	260	—	118	89	467
Rural services	47	18	40	449	554
Tourism and area promotion	6	321	1,445	2,264	4,037
Building control	4,791	1,198	668	948	7,606
Saleyards and markets	2,596	2	1,403	991	4,993
Other economic services	1,714	100	452	1,631	3,897
Natural disaster relief	—	—	12	47	59
Unclassified	66,020	13,469	15,280	21,857	116,627
<b>Total expenditure</b>	<b>356,545</b>	<b>70,746</b>	<b>81,309</b>	<b>144,917</b>	<b>653,516</b>

(a) See list on pages 163-4.

The figures above include \$31,531,000 expenditure on purchase of property (plant, land, buildings), \$62,000,000 capital works, \$64,490,000 debt services, \$8,917,000 grants and contributions, and \$32,584,000 transfers to other council funds.

Expressed as percentages of total expenditure, the figures show that 19.3 per cent was expended on general administration; 0.6 per cent on law, order, and public safety; 1.5 per cent on education; 2.9 per cent on health; 5.0 per cent on welfare; 0.4 per cent on

housing; 10.9 per cent on community amenities; 16.7 per cent on recreation and culture; 24.8 per cent on economic services; and 17.9 per cent unclassified. Included in such figures are 4.8 per cent as purchase of property; 9.5 per cent as expenditure on capital works; 9.9 per cent on debt services; 1.4 per cent on grants and contributions; and 5.0 per cent transfers to other council funds.

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

### Municipal business undertakings

In Victoria during 1978-79, 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 1975 to 1979:

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

Particulars	Year ended 30 September—				
	1975	1976	1977	1978	1979
INCOME					
Electricity (a)	85,726	97,870	117,395	127,646	148,332
Water supply (b)	1,276	1,683	2,248	107	78
Abattoirs	1,600	2,189	2,688	2,859	2,461
Other (c)	1,324	1,460	1,556	1,957	2,194
<b>Total revenue</b>	<b>89,926</b>	<b>103,202</b>	<b>123,888</b>	<b>132,569</b>	<b>153,065</b>
EXPENDITURE					
Electricity (a)	85,611	98,022	117,930	126,808	148,182
Water supply (b)	1,285	1,618	2,069	93	71
Abattoirs	1,680	1,989	2,374	2,861	2,491
Other (c)	1,343	1,441	1,529	1,819	2,012
<b>Total expenditure (b)</b>	<b>89,919</b>	<b>103,069</b>	<b>123,903</b>	<b>131,581</b>	<b>152,755</b>

(a) Now confined to Melbourne metropolitan area.

(b) From year ended 30 September 1978 does not include authorities supplying water under the Water Act.

(c) Consists of quarries and reinforced concrete pipe and culvert works.

### 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 1975 to 1979, the second table details the loan raisings for ordinary services and business undertakings during the year ended 30 September 1979, and the third table details the principal items of payments from loan funds for the year ended 30 September 1979.

#### VICTORIA—LOCAL GOVERNMENT AUTHORITIES: LOAN ACCOUNT RECEIPTS AND PAYMENTS

(Excluding private street, and separate rate loans (a))

(\$'000)

Year ended 30 September—	Receipts				Payments			
	Loans for—		Other	Total	Ordinary services	Business undertakings	Other (non-works)	Total
Ordinary services	Business undertakings							
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
1978	76,003	4,589	4,600	85,192	71,128	5,958	721	77,807
1979	79,204	4,995	5,696	89,895	81,400	6,701	1,566	89,667

(a) Details of redemption loans were not available for inclusion in statistics for 1975 and 1976.

At 30 September 1979, there were unexpended balances in loan accounts amounting to \$59.4m.

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: LOAN ACCOUNT  
RECEIPTS, YEAR ENDED 30 SEPTEMBER 1979  
(Excluding 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	36,552	11,548	13,000	18,104	79,204
Business undertakings	4,910	—	—	85	4,995
Other receipts (government grants, recoups, etc.)	3,879	1,189	435	194	5,696
<b>Total receipts</b>	<b>45,341</b>	<b>12,736</b>	<b>13,435</b>	<b>18,383</b>	<b>89,895</b>

(a) See list on pages 163-4.

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: LOAN ACCOUNT  
PAYMENTS, YEAR ENDED 30 SEPTEMBER 1979  
(\$'000)

Particulars	Melbourne Statistical Division (a)		Remainder of State		Total
	Cities	Shires	Cities, etc.	Shires	
General administration	5,105	408	1,927	2,322	9,762
Law, order, and public safety	—	29	52	24	105
Education —					
Pre-schools, etc.	185	363	106	281	935
Health —					
Infants and mothers	80	101	32	31	244
Other	—	—	—	12	12
Welfare —					
Aged and disabled	448	217	48	107	820
Other	31	8	—	11	50
Housing	77	—	52	29	158
Community amenities —					
Sanitation —					
Garbage (tip), etc.	952	465	392	181	1,990
Other sanitation	54	—	50	—	104
Sewerage (septic tank, etc.)	37	—	—	36	74
Urban stormwater drainage	1,200	343	1,304	566	3,413
Other protection of the environment	—	71	4	—	76
Community and regional development	14	178	19	27	238
Other community amenities	538	144	54	185	921
Recreation and culture —					
Public halls and civic centres	2,437	880	694	791	4,802
Other recreation and sport	13,787	4,186	1,679	1,827	21,479
Libraries	1,047	267	31	48	1,393
Other culture	196	10	457	31	695
Economic services —					
Transport —					
Roads and bridges —					
Construction and maintenance	11,674	4,167	4,537	7,671	28,050
Parking	946	280	205	484	1,915
Other transport	—	—	106	164	269
Rural services	—	—	9	14	23
Tourism and area promotion	3	1	219	272	495
Saleyards and markets	851	—	464	283	1,598
Other economic services	8	126	738	797	1,669
Unclassified	658	587	210	220	1,675
Business undertakings	6,514	50	12	126	6,701
<b>Total expenditure</b>	<b>46,843</b>	<b>12,884</b>	<b>13,401</b>	<b>16,540</b>	<b>89,667</b>

(a) See list on pages 163-4.

*Municipal loan liability*

The loan liability of the municipalities in Victoria at the end of each of the five years ended 30 September 1975 to 1979 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	\$
1975	4,314	337,859	342,173	24,342	317,831	85.33
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
1978	3,692	490,962	494,654	32,403	462,251	120.82
1979	7,053	546,260	553,313	36,818	516,495	133.80

#### 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 1975 to 1979 are shown in the following table:

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

Particulars	Year ended 30 September—				
	1975	1976	1977	1978	1979
<b>Receipts—</b>					
Loans	2,160	4,285	2,940	3,476	1,877
Bank overdraft (increase)	2,234	2,128	—	—	1,033
Owners' contributions	15,246	18,682	21,080	19,189	18,713
Other	852	981	1,390	1,271	1,647
<b>Total</b>	<b>20,492</b>	<b>26,075</b>	<b>25,409</b>	<b>23,937</b>	<b>23,270</b>
<b>Payments—</b>					
Works	14,530	19,224	18,347	15,458	15,273
Bank overdraft (decrease)	—	—	713	869	—
Debt charges	5,207	5,295	5,863	5,853	5,764
Other	1,664	1,122	1,437	699	2,327
<b>Total</b>	<b>21,400</b>	<b>25,641</b>	<b>26,360</b>	<b>22,879</b>	<b>23,364</b>
Loan liability at 30 September	23,245	25,014	25,167	25,255	25,004

#### 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 1975 to 1979 are shown in the following table:

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

Particulars	Year ended 30 September—				
	1975	1976	1977	1978	1979
<b>Receipts—</b>					
Refunds from Country Roads Board	37,862	41,555	50,445	57,284	59,295
Direct payment by Country Roads Board	10,740	12,136	14,301	14,839	16,591
Council's proportion of works on unclassified roads	6,962	7,560	10,613	10,717	10,785
Bank overdraft (increase)	742	—	1,577	—	750
Other	664	623	274	1,324	1,340
<b>Total</b>	<b>56,969</b>	<b>61,873</b>	<b>77,210</b>	<b>84,164</b>	<b>88,761</b>
<b>Payments—</b>					
Main roads	23,630	25,417	30,445	33,611	34,790
Unclassified roads	32,092	33,433	45,064	47,803	50,991
Other roads (State highways, etc.)	1,011	977	1,417	1,631	1,842
Bank overdraft (decrease)	—	1,549	—	739	—
Other	237	496	283	382	1,138
<b>Total</b>	<b>56,969</b>	<b>61,873</b>	<b>77,210</b>	<b>84,166</b>	<b>88,761</b>
<b>Bank overdraft 30 September</b>	<b>6,471</b>	<b>4,973</b>	<b>6,580</b>	<b>5,801</b>	<b>6,559</b>

**Length of roads and streets**

The following table shows the estimated length of all roads and streets open for general traffic in Victoria in 1979. 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 1979  
(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.	7,062	13,564	1,086	r39,576	r61,288
Water-bound macadam, gravel, sand, and hard loam pavements	248	903	743	r46,577	r48,471
Formed, but not otherwise paved	—	100	—	r23,805	r23,905
Not formed but open for general traffic	—	—	—	r22,793	r22,793
<b>Total</b>	<b>7,310</b>	<b>14,567</b>	<b>1,829</b>	<b>r132,751</b>	<b>r156,457</b>

(a) Includes 333 kilometres of freeways consisting of extra-metropolitan freeways (by-pass roads) and metropolitan freeways.

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