

LOCAL GOVERNMENT

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, Building Control Act, 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, 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 the Supreme 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 Supreme 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 direction of 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.

Local Government Commission

The Commission was established by the *Local Government (Board of Review) Act 1982* and replaces the Local Government Advisory Board which has since been abolished. The principal function of the Commission is to advise the Minister on proposals to change the external boundaries of municipalities, establish new municipal districts, alter the structure of municipal districts, and to proclaim a shire or borough to be a town or a city.

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 Control Technical Advisory Council established pursuant to the *Building Control Act 1981* provides advice to the Minister for Local Government with respect to all draft building regulations. In addition, it is required to ensure that the draft building regulations are expressed as simply as possible, comply with the objects of the Act to the extent that the objects relate to the building regulations, and extend no further than is required in the public interest. The Council may investigate and report on any matter referred to it by the Minister.

Part IV of the Building Control Act enables the establishment of a Building Referees Panel from which Building Referees Boards are established for the purpose of determining appeals under the Act on modification of the building regulations.

As the Building Control Act progressively comes into operation other bodies such as the Building Control Accreditation Authority, Plumbers, Gasfitters, and Drainers Registration Board, Building Qualifications Board, and various advisory committees will be established.

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 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 was also 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 and subsequent years 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, \$350.9m for 1981-82, and \$424.5m for 1982-83.

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. The first such recommendations were made in 1976 and adopted for the allocations for that year. However, following representations by Tasmania, the question of percentage distribution between States was referred back to the Commonwealth Grants Commission in 1977 for further examination. 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 1982, 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 is 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 1978-79, 1979-80, 1980-81, and 1981-82, and 1982-83 was \$45.7m, \$56.4m, \$76.6m, \$89.3m, and \$108.0m, respectively, out of total payments of \$179.4m, \$221.7m, \$300.8m, \$350.9m, and \$424.5m.

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 from 1976-77 to 1980-81.

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: 1982-83*. The following table shows these payments to Victoria from 1976-77 to 1980-81. 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	1976-77	1977-78	1978-79	1979-80	1980-81
General purpose assistance (a)	35,398	42,078	45,666	56,436	76,554
Direct payments—					
Children's services (b)—					
Maintenance	578	1,018	1,711	2,264	3,532
Capital	1,548	1,193	665	338	312
Aged or disabled persons' homes—					
Maintenance	—	—	—	199	346
Capital	621	368	248	610	982
Aged persons' hostels	1,402	1,771	1,523	158	1,412
Delivered meals subsidy	404	516	595	656	1,011
Handicapped persons	—	137	—	—	—
Community Youth Support Scheme	14	111	385	—	—
Homeless persons assistance	3	8	9	—	—
Regional Employment Development Scheme (c)	22	—	—	—	—
Community arts activities	41	69	45	36	65
Aerodrome local ownership plan—					
Maintenance	142	173	280	231	314
Capital	102	41	268	370	753
Total	40,275	47,483	51,395	61,298	85,281
Other payments through Victorian Government (a)—					
Children's services (b)	6,886	5,408	4,179	3,868	4,487
Community health facilities	349	370	280	391	410
Home care services	2,018	2,520	3,450	4,226	4,331
Senior citizens' centres—					
Maintenance	293	328	350	574	620
Capital	1,571	1,616	608	859	1,118

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

Programme	1976-77	1977-78	1978-79	1979-80	1980-81
Growth centres (Albury-Wodonga) (d)	780	—	—	—	—
Area improvement	28	—	—	—	—
Urban flood mitigation	100	—	—	—	—
Capital assistance for leisure facilities	1,119	507	92	—	—
National Estate	193	88	173	104	54
Roads assistance	29,500	38,000	39,800	42,100	43,200
Tourist development	59	—	—	—	—
Total	42,896	48,837	48,932	52,122	54,220
Grand total	83,171	96,320	100,327	113,420	139,501

(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. These payments are 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.

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 1982, 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 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. However, the Victorian Government has announced its intention to introduce adult franchise at the 1983 municipal elections. Adult franchise has already been introduced for the City of Melbourne with the passing of the *Melbourne Corporation (Election of Council) Act 1982*. Municipal elections are held annually in August. Extraordinary elections may be held to fill vacancies occurring between annual elections. Voting is compulsory in 101 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 although they may be paid an allowance for out-of-pocket expenses of up to \$1,500 per annum. 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. In all but one municipality, councillors hold office for three years, and each year one-third of the total number allotted to each municipality retire in rotation. With the City of Melbourne, all councillors serve concurrent three year terms and all retire at the same time. 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. Recent legislative changes permit councils to also appoint a Chief Executive Officer who may also be the Town Clerk or Shire Secretary. 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.

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 1981, 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.

As a result of the recommendation of the Board of Review of the Role, Structure, and Administration of Local Government (Bains Committee) that there should be a comprehensive review of the municipal rating system and valuation procedures, a joint study is being undertaken by the Local Government Department and the Municipal Association of Victoria.

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 \$998,168 for the year ended June 1981, and \$1m for the year ended June 1982.

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 the scheme for the 1977-78 rating year was \$16.7m; for 1978-79, \$22.5m; for 1979-80, \$27.2m; for 1980-81, \$31.6m; and for 1981-82, \$35.4m. For the 1982-83 rating year it has been estimated that \$41.7m will be expended in providing this assistance to pensioners. For rating years commencing after 1 July 1980 limits were placed on the amount of assistance an eligible pensioner is entitled to receive. In 1981-82, a new scale of assistance was introduced 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 statutory powers, as 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 one month 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 established 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 because of 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. Certain other matters dealt with by the Committee are also covered in the report.

At the Minister's direction, the Committee's preliminary report was circulated for comment to municipalities and other interested persons in February 1980.

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 was decided that use of the new classification of accounts for

1981-82 would be optional; however, it will become operative for all municipalities for 1982-83.

Responses received indicate that over 40 municipalities exercised the option of using the new classification for 1981-82.

The Municipal Accounting (Amendment) Regulations 1982 became effective on 1 October 1982. 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 Board is serviced by its own staff.

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

City of Melbourne

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 1981-82) of \$217.7m, rate income of \$36.0m, other general revenue of \$28.4m, and a work force of approximately 3,000 employees, the City of Melbourne is the foremost municipality in Victoria. Though its daily influx of population is high, its estimated resident population of 59,300 persons at 30 June 1981 ranked only seventeenth 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.

In April 1982, the *Melbourne Corporation (Election of Council) Act 1982* was introduced to provide for the return of an elected Council. In July 1982, the Victorian Government announced the resubdivision of the municipality into six wards, each returning three councillors. The date for the election for the return of the Council was fixed at 4 December 1982.

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 and in its power station at Lonsdale Street is able to generate at a maximum of 90,000 kilowatts.

Administrative organisation

On 12 October 1981, the Melbourne City Commissioners 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.

The new Council elected its Lord Mayor on 13 December 1982. Councillor W. Gardner was elected and is the first Labor Party councillor to hold this office in the history of the city.

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

Statistics for the year ended 30 September 1980 were compiled using the system of Standardised Local Government Finance Statistics (SLGFS). This system, developed by the Australian Bureau of Statistics, is designed to enable direct comparison of local government finance statistics both within and between States and differs in some respects from Victorian municipal accounting concepts. For example, the Country Roads Board Account, Separate Rate, Private Streets, and other accounts have been consolidated with the General Fund to produce Ordinary Services. For further details of the concepts and special treatments required to generate SLGFS reference should be made to the Australian Bureau of Statistics publication *Standardised Local Government Finance Statistics Users Manual* (1212.0).

Number of rateable properties

The number of rateable properties for the year ended 30 September were as follows: 1976, 1,597,272; 1977, 1,617,821; 1978, 1,649,521; 1979, 1,677,173; and 1980, 1,696,249.

Ordinary services

The ordinary services income of a municipality consists of rates, government grants, charges, etc., (payable into the General Fund) and loan receipts.

Details of the principal items of income for the year ended 30 September 1980 are shown in the following table:

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:
REVENUE AND LOAN RECEIPTS, YEAR ENDED 30 SEPTEMBER 1980**

Particulars	Amount (\$'000)	Per cent
SOURCE OF REVENUE		
Rates (including penalties)	388,740	43.7
Ex-gratia receipts	1,425	0.2
Building fees, etc.	7,082	0.8
Parking fines	8,861	1.0
Dog registration	2,271	0.3
Other fees, licences, and fines	4,168	0.5
Garbage charges	9,808	1.1
Other charges	94,865	10.7
Interest received	19,607	2.2
Advances repaid by public	265	—
Sale of land and other fixed assets	9,251	1.0
Transfers from trading activities	1,146	0.1
Government grants (general purpose)	57,431	6.5
Total untied revenue	604,919	68.1
Government grants (specific purpose)—		
Capital	48,208	5.4
Current	58,609	6.6
Contributions and donations received	16,851	1.9
Reimbursements received—		
Construction of roads and bridges	42,078	4.7
Maintenance of roads and bridges	19,778	2.2
Other	9,716	1.1
Total tied revenue	195,241	21.9
Total revenue	800,160	90.0
SOURCE OF LOAN RECEIPTS		
Commonwealth and State Government	2,930	0.3
Other lenders	85,781	9.7
Total loan receipts	88,710	10.0
Total revenue and loan receipts	888,870	100.0

Details of specific purpose revenue items classified by source and purpose are shown in the following table:

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:
SPECIFIC PURPOSE REVENUE (a) : SOURCE AND PURPOSE,
YEAR ENDED 30 SEPTEMBER 1980
(\$'000)**

Purpose	Charges	Contributions and donations received	Reimbursements received	Specific purpose Government grants	
				Capital	Current
General administration	21,995	49	96	1	32
Law, order, and public safety—					
Fire protection	616	35	39	32	27
Animal control	96	10	17	—	—
Other	247	14	2	51	20
Education—					
Pre-schools	265	75	35	676	7,984
Other	10	1	—	5	53
Health—					
Infants and mothers	45	52	88	116	4,864
Preventive services	224	31	96	1	404
Other	46	—	—	1	125
Welfare—					
Families and children	3,178	170	7	227	7,865
Aged and disabled	3,783	171	98	1,427	7,272
Other	81	144	24	70	979
Housing	2,063	412	11	471	210

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:
SPECIFIC PURPOSE REVENUE (a) : SOURCE AND PURPOSE,
YEAR ENDED 30 SEPTEMBER 1980—continued
(\$'000)

Purpose	Charges	Contributions and donations received	Reimbursements received	Specific purpose Government grants	
				Capital	Current
Community amenities—					
Protection of the environment—					
Sanitation (garbage)	17,685	24	61	—	763
Sewerage	2,746	5	73	65	35
Urban stormwater drainage	103	309	112	497	188
Other protection of the environment	3,177	22	12	62	182
Community and regional development	283	7	14	260	75
Other community amenities	214	236	20	330	62
Recreation and culture—					
Public halls, civic centres	2,647	296	421	973	619
Swimming pools and beaches	2,955	159	98	826	527
Other recreation and sport	6,019	1,426	758	3,149	1,164
Libraries	1,112	8,609	33	163	11,678
Other culture	848	77	56	1,631	501
Economic services—					
Transport—					
Construction/maintenance roads, bridges	4,929	2,260	61,856	35,168	10,216
Road plant purchases	—	—	—	—	—
Street lighting	1	—	—	—	—
Parking	6,221	337	34	86	22
Aerodromes	88	61	55	318	284
Other transport	143	18	172	319	2,129
Rural services	144	5	855	113	17
Tourism and area promotion	3,726	63	80	282	98
Building control	61	—	—	—	—
Saleyards and markets	7,151	2	30	549	20
Other economic services	7,045	22	1,166	—	85
Natural disaster relief	38	2	49	11	61
Unclassified—					
Plant purchases	—	—	55	—	—
Other	4,687	1,745	5,045	329	47
Total	104,674	16,851	71,572	48,208	58,609

(a) Excludes those revenue items which are not normally classifiable by purpose: rates, fees, licences, fines, general purpose government grants, interest received, advances repaid by public, sale of land and other fixed assets, and transfers from trading activities.

Details of the principal items of expenditure during the year ended 30 September 1980 are shown in the following table:

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES
OUTLAY, YEAR ENDED 30 SEPTEMBER 1980
(\$'000)

Purpose	Capital outlay		Current outlay		Total	
	From revenue	From loans	From revenue	From loans	(\$'000)	Per cent
General administration	6,435	7,538	138,448	45	152,466	17.1
Law, order, and public safety—						
Fire protection	89	72	1,541	4	1,705	0.2
Animal control	128	27	2,448	—	2,603	0.3
Other	173	17	1,470	—	1,659	0.2
Total	389	116	5,459	4	5,967	0.7
Education—						
Pre-schools	878	1,437	9,658	22	11,994	1.3
Other	52	56	134	—	243	—
Total	930	1,493	9,793	22	12,237	1.4
Health—						
Infants and mothers	391	402	11,133	—	11,926	1.3
Preventive services	190	—	8,276	—	8,466	0.9
Other	—	5	751	—	755	0.1
Total	582	407	20,160	—	21,148	2.4

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:
OUTLAY, YEAR ENDED 30 SEPTEMBER 1980—*continued*
(\$'000)

Purpose	Capital outlay		Current outlay		Total	
	From revenue	From loans	From revenue	From loans	(\$'000)	Per cent
Welfare—						
Families and children	261	96	13,790	—	14,147	1.6
Aged and disabled	2,081	1,130	16,817	—	20,029	2.2
Other	246	69	4,648	10	4,973	0.6
Total	2,589	1,295	35,255	10	39,148	4.4
Housing	1,571	245	2,323	1	4,140	0.5
Community amenities—						
Protection of the environment—						
Sanitation (garbage)	1,816	2,090	54,988	24	58,918	6.6
Sewerage	58	52	2,600	15	2,724	0.3
Urban stormwater drainage	2,364	3,928	3,097	157	9,546	1.1
Other protection of the environment	118	482	3,743	9	4,352	0.5
Community and regional development	477	630	5,728	108	6,944	0.8
Other community amenities	2,284	1,245	3,808	13	7,350	0.8
Total	7,116	8,428	73,964	326	89,834	10.1
Recreation and culture—						
Public halls, civic centres	2,532	7,217	7,518	22	17,289	1.9
Swimming pools and beaches	1,859	3,515	8,931	1	14,308	1.6
Other recreation and sport	15,790	18,991	44,619	218	79,618	8.9
Libraries	4,268	1,626	32,060	1	37,955	4.3
Other culture	2,715	334	2,967	41	6,057	0.7
Total	27,165	31,683	96,096	283	155,227	17.4
Economic services—						
Transport—						
Construction/maintenance roads and bridges	102,119	24,339	99,697	2,365	228,519	25.6
Road plant purchases	5,719	3,095	148	—	8,962	1.0
Street lighting	39	5	11,543	—	11,587	1.3
Parking	3,091	3,249	8,537	32	14,909	1.7
Aerodromes	593	116	708	—	1,418	0.2
Other transport	1,113	230	14,623	7	15,973	1.8
Rural services	923	509	324	14	1,770	0.2
Tourism and area promotion	574	707	3,762	13	5,056	0.6
Building control	122	—	8,640	—	8,762	1.0
Saleyards and markets	1,983	1,894	3,911	23	7,811	0.9
Other economic services	745	1,648	5,501	10	7,903	0.9
Total	117,020	35,793	157,393	2,464	312,671	35.1
Natural disaster relief	—	2	69	—	71	—
Unclassified—						
Plant purchases	6,450	1,041	51	5	7,548	0.8
Other (a)	4,540	1,200	-8,606	110	-2,756	-0.3
Total	10,991	2,242	-8,486	115	4,862	0.5
Total outlay by purpose	174,787	89,239	530,405	3,270	797,701	89.4
Other—						
Debt charges—						
Interest	—	—	50,324	—	50,324	5.6
Debt redemption (b)	33,217	—	—	—	33,217	3.7
Total	33,217	—	50,324	—	83,541	9.4
Other (c)	7,706	—	2,487	—	10,194	1.1
Total outlay	215,710	89,239	583,216	3,270	891,440	100.0

(a) See note preceding the Plant Operating Account table on page 157.

(b) Includes transfers to Sinking Funds.

(c) Levies paid to Government, donations, advances to public, and transfers to trading activities.

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

Municipal business undertakings

In Victoria during 1979-80, 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 the year ended 30 September 1980:

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: TRADING ACTIVITIES:
CURRENT TRANSACTIONS, 1979-80
(\$'000)**

Particulars	Trading activities				
	Elec- tricity	Water supply (a)	Abattoirs	Other	Total
Income—					
Total trading income	165,668	78	1,995	2,390	170,131
Interest received	418	2	21	15	456
Transfer from ordinary services	—	—	240	21	262
Total income	166,086	81	2,255	2,426	170,848
Current outlay—					
Purchase of goods and services	150,922	86	1,739	1,841	154,588
Payroll tax	929	—	38	7	974
Depreciation	3,349	3	125	127	3,604
Trading working expenses	155,201	89	1,902	1,975	159,166
Interest paid	3,447	10	114	39	3,610
Transfer to ordinary services	892	—	140	95	1,127
Levies paid to governments	4,330	—	114	8	4,453
Total current outlay	163,870	99	2,271	2,117	168,357
Surplus or deficit (—)	2,215	-18	-16	310	2,491

(a) Excludes Authorities supplying water under the Water Act.

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: TRADING ACTIVITIES:
CAPITAL TRANSACTIONS, 1979-80
(\$'000)**

Particulars	Trading activities				
	Elec- tricity	Water supply	Abattoirs	Other	Total
Source of funds—					
Loan receipts (a)	4,635	—	—	50	4,685
Depreciation allowances	3,349	3	125	127	3,604
Contributions and donations received	60	—	—	—	60
Sale of land, other fixed assets	50	—	—	—	50
Other (surplus on current account, etc.)	496	1	214	-25	685
Total source of funds	8,591	4	338	152	9,085
Use of funds—					
Expenditure on new fixed assets	6,744	—	287	48	7,079
Purchase of land, other fixed assets	206	—	—	85	291
Debt redemption	1,641	4	51	19	1,714
Total use of funds	8,591	4	338	152	9,085

(a) All loan receipts came from lenders other than Commonwealth and State Government.

Plant Operating Account

The following table shows the total revenue and expenditure of Victorian municipal plant operating accounts. Municipalities charge the various works and services for plant hire to meet the operating costs of the plant and to provide for plant replacement. Surpluses or deficits on each municipalities' plant operating account are transferred to (or met from) the Revenue Account. For Standardised System of Local Government Finance Statistics purposes these are offset (or charged) against Unclassified Outlay in the Ordinary Services Outlay table on page 156.

**VICTORIA—LOCAL GOVERNMENT
AUTHORITIES: PLANT OPERATING
ACCOUNT, 1979-80**

Particulars	Amount
	(\$'000)
Income—	
Plant hire charges	47,690
Transfers from Ordinary Services	329
Total income	48,020
Outlay—	
Working expenses	31,594
Transfers to Ordinary Services (a)	—
Total outlay	48,020
Surplus	16,426

(a) Represented here as Surplus (see introduction to table).

Municipal long-term debt

The total long-term debt of municipalities in Victoria at 30 September 1980 is shown in the following table:

**VICTORIA—LOCAL GOVERNMENT
AUTHORITIES: LONG-TERM DEBT,
1979-80**

Particulars	Amount
	(\$'000)
New loans, etc. raised during year	93,251
Debt redemption—	
from revenue	32,026
from sinking funds	1,639
Balance of liability at end of year	625,544

Financial investments and bank balances

The following table shows the total financial investments and bank balances of municipalities in Victoria at 30 September 1980:

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES:
FINANCIAL INVESTMENTS AND BANK BALANCES,
30 SEPTEMBER 1980**

Financial investments and bank balances	Amount
	(\$'000)
Financial investments—	
Commonwealth Government stocks and bonds	4,658
Securities of State Public Authorities	26,584
Securities of Local Government Authorities	10,843
Deposits short-term money market	23,727
Advances to public	588
Other investments	5,946
Total financial investments	72,347
Bank balances—	
Fixed deposits	107,895
Cash on hand and at bank	91,408
Overdraft	-49,800
Total bank balances	149,503
Total financial investments and bank balances	221,849
Sinking fund for loan repayment	41,441

Length of roads and streets

The following table shows the estimated length of all roads and streets open for general traffic in Victoria in 1980. 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 1980 (a)**
(kilometres)

Type of road or street	State highways, freeways (b)	Main roads	Tourist roads, forest roads	Other roads and streets	Total
Bituminous seal, concrete, etc.	7,074	13,565	1,110	40,542	62,291
Water-bound macadam, gravel, sand, and hard loam pavements	247	999	719	46,433	48,398
Formed, but not otherwise paved	—	—	—	23,790	23,790
Not formed but open for general traffic	—	—	—	22,580	22,580
Total	7,321	14,564	1,829	133,345	157,059

(a) Excludes roads which are the responsibility of the State Electricity Commission (79 kilometres), Melbourne and Metropolitan Board of Works (38 kilometres) and the Forests Commission (37,840 kilometres).

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

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