

LOCAL GOVERNMENT

ADMINISTRATION

Local Government Department

The *Local Government Department Act* 1958 constituted a department called the Local Government Department "for the better administration of the laws relating to local government in Victoria". The legislation was brought into operation on 23 December 1958 by a proclamation of the Governor in Council published in the *Victoria Government Gazette* on that day. Officers and employees of the Local Government Branch of the Public Works Department were, as a result, transferred to the new Department.

The following Acts of the Victorian Parliament come 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, Cultural and Recreational Lands Act, Dog Act, Drainage Areas Act, Hawkers and Pedlars Act, Litter Act, Local Authorities Superannuation Act, Markets Act, Newmarket Sheep Sales Act, Petrol Pumps Act, Pounds Act, Public Authorities Mark Act, Tramways Act, Valuation of Land Act, and Weights and Measures Act.

For information on constituting and altering the constitution of municipalities see pages 174-5 of the *Victorian Year Book* 1977.

Valuer General

A Valuer General was first appointed in Victoria under the *Valuation of Land Act* 1960. One of the purposes 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 valuation in Victoria. Municipalities are normally the only rating 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 will be 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 were provided for by the *Valuation of Land (Appeals) Act 1965*. The purpose of the legislation was the provision of an informal and inexpensive means of determining disputes as to the valuation of real property whether for rating or taxing purposes or in respect of compulsory acquisitions.

In rating and taxing matters, appeals are heard by a Board except where the appeal is against a capital improved value of \$50,000 or more, a net annual valuation of \$2,500 or more, or an unimproved capital value or site value of \$10,000. In those cases the appellant may have the appeal heard by a Board or the Supreme Court, at his option.

In disputes on land acquisition the hearing is before a Board when the claim does not exceed \$50,000 unless the Supreme Court decides on application by either party that the issues involved warrant a Court hearing. When the claim exceeds \$50,000 the hearing may be before either the Court or a Board at the option of the claimant.

Each Board of Review is composed of a chairman and two valuers. The latter are selected from a panel having regard to the location and use of the land.

Commonwealth involvement in local government

Until 1973 there had been little Commonwealth involvement in the affairs of local government. In Australia, the systems of local government are creatures of the State Parliaments, and in the past the Commonwealth traditionally has dealt with State Governments, and not directly with local government. The remoteness of Commonwealth and local governments in the past was quite apparent in the field of financial relationships where, prior to 1973, there was no specific Commonwealth financial assistance for local government. Such financial communication as did exist was either made through the State Governments, or under various Commonwealth programmes for the purposes of which local government, among other bodies, was deemed eligible for claimant status.

The Labor Government, elected in December 1972, considered that relations between Federal and local spheres of administration should be strengthened, and to this end proposed a series of measures which included increased financial support for local government. Undoubtedly the most important of these proposals was the provision by the Commonwealth Government of general purpose ("untied") grants to municipalities in amounts to be determined by the Commonwealth. In 1973 the Commonwealth Parliament passed the *Grants Commission Act 1973*, repealing the *Grants Commission Act 1933*, and established procedures whereby regional organisations of local governmental authorities could apply for financial assistance from the Commonwealth. Such applications were to be the subject of inquiry and report by the Grants Commission, which had formerly been concerned exclusively with the question of State Government finances.

In the first year of operations under its expanded charter, the Commission, working on the basis of both written and oral submissions from local government, recommended payment of a total of \$14.6 m to Victorian municipalities for the year 1974-75. This recommendation was based upon general equalisation principles developed by the Commission in its investigation of claims by various State Governments for Commonwealth financial assistance over the years since 1933. The objective of the Commission in the field of local government has been to examine the difficulties encountered by municipalities both in raising revenue and in providing suitable services. The intention of the municipal grants is to ensure that, as far as practicable, no municipality shall be required to function below the level of standards set by the Commission.

Following the initial recommendation for the 1974-75 year the Commission, adhering to the same basic philosophy, recommended that, for the year 1975-76 an amount of \$20.2 m be paid to municipalities in Victoria. In both these years the recommendations of the Commission were accepted by the Commonwealth Government. Payments of these grants were made in the first instance to State Governments for transmission to the individual local government authorities specified in the recommendations.

In December 1975 the Liberal and National Country Party Government was returned to office and certain alterations were later effected to the basis on which general purpose grants were to be made available to local government. Under the new administration's "New Federalism Policy" local governments are to be entitled to 1.52 per cent of net personal income tax collections of the previous year. The amount so derived will be divided among the States in specified proportions which are subject to recommendation by the Commonwealth Grants Commission. Distribution within each State is to be done by State Grants Commissions on two bases. A basic part or "Element A" payment which must comprise at least 30 per cent of each year's total allocation, is to be set aside for distribution to municipalities on a per capita basis (with allowance for consideration of factors such as area). The balance of the money is to be available as an additional grant to be distributed according to general equalisation principles—the "Element B" payment. During the first year of operation of this scheme, pending the constitution of a State Grants Commission, the Victorian Government's powers were exercised by an Interim State Grants Committee which recommended to the Government the share each municipality should receive of the total amount available for distribution. Approximately \$35.4m, (including both the "Element A" and "Element B" components) was paid to local government authorities in Victoria in 1976-77. This was in the form of untied grants paid as a general revenue supplement.

Commonwealth payments made directly 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 governments have been among the organisations considered eligible for Commonwealth assistance by way of direct payments. Victorian municipalities have received assistance in this way under the following programmes: Childhood Services Programme, *Aged or Disabled Persons Homes Act 1954-1974*, *Aged Persons Hostels Act 1972*, *Delivered Meals Subsidy Act 1970*, *Homeless Persons (Assistance) Act 1974*, Regional Employment Development Scheme, Special Works Projects Scheme for the employment and/or training of Aborigines, community art activities, and the Aerodrome Local Ownership Plan.

Payments to States for passing on to local government authorities

In addition to the direct assistance received by way of the programmes outlined in the preceding section, there are schemes under which portion of the funds made available to the States are passed on to local government authorities. General purpose ("untied") grants referred to earlier are also paid through the

State Government. The degree of influence as to the amounts to be disbursed to municipalities varies from programme to programme, the amounts passed on being left, in some cases, wholly to the discretion of the States. Portion of the funds made available to the States under the following acts and programmes have been passed on to municipalities: Pre-school and child care services, *State Grants (Home Care) Act* 1969, Senior Citizens Centres, Employment Assistance, Aboriginal Advancement, Growth Centres, Area Improvement, Urban Flood Mitigation, the National Sewerage Programme, Capital Assistance for Leisure Facilities, *Urban and Regional Development (Financial Assistance) Act* 1974, Tourism Development, the Roads Assistance Programme, and the Regional Organisations Assistance Programme.

Since there is, in some cases, a lag between payment of the funds concerned to the States and their allocation by the States, the amounts paid to the States for local government authorities under a particular programme during any one year do not necessarily equal the amounts paid to authorities in that same year. Further details of the Commonwealth Government relations with local government are shown in Commonwealth Budget Paper No. 7: 1976-77 and 1977-78.

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

Programme	1972-73	1973-74	1974-75	1975-76
General purpose assistance (Amounts recommended by Grants Commission) (a)	..	..	14,630	20,242
Direct payments—				
Pre-schools and child care—				
Maintenance	..	..	44	202
Capital	..	76	491	2,194
Aged or disabled persons' homes—				
Maintenance	427	380	672	877
Capital	..	..	..	284
Aged persons' hostels	124	287	366	341
Delivered meals subsidy	..	..	4,435	14,210
Regional Employment Development Scheme (b)	..	175	196	359
Aboriginal advancement	..	8	23	46
Arts	..	..	..	..
Aerodrome local ownership plan—				
Maintenance	53	68	77	97
Capital	25	24	34	93
Total	629	1,018	20,968	38,945
Other payments through Victorian Government (a)—				
Pre-schools and child care	..	284	2,758	5,468
Home care services	390	370	441	2,125
Senior citizens' centres—				
Maintenance	16	35	51	175
Capital	223	158	146	1,132
Employment grants	7,020	4,340	1,330	3,170
Aboriginal advancement	37	112	..	..
Growth centres (Albury-Wodonga) (c)	..	..	284	460
Area Improvement Programme	..	2,065	4,608	4,896
Urban flood mitigation	..	..	..	100
Capital assistance for leisure facilities	..	311	695	1,597
Tourist development	..	50	236	173
Regional Organisations Assistance Programme (d)	..	..	76	29
Total	7,686	7,725	10,625	19,325
Grand total	8,315	8,743	31,593	58,270

(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.

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

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

(d) For regional organisations of local government.

Roads Assistance Programme

The table showing Commonwealth Government payments to or for local government authorities does not show figures for the Roads Assistance Programme as comprehensive details are not available. 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. In 1975-76, \$16.0m was passed on to councils for expenditure on unclassified roads.

Municipalities

At 30 June 1977 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 comprised 65 cities, 6 towns, 7 boroughs, and 133 shires.

The only unincorporated areas of Victoria are French Island (154 square kilometres) in Western Port, Lady Julia Percy Island (1.3 square kilometres) off Port Fairy, Bass Strait islands (3.8 square kilometres), Gippsland Lakes (part) (309 square kilometres), and Tower Hill Lake Reserve (5.0 square kilometres) adjacent to the Borough of 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 85 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.

Any person who is the owner or occupier of property of a net annual value of at least \$40 is eligible to stand for election as a councillor of the municipality in which the property is situated. 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.

Further details on municipalities are set out in the *Victorian Year Book* 1977 pages 176-80.

Elections, 1977; Officers, 1977; Powers and duties of municipalities, 1977

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 1974-75 municipal year the combined turnover of these undertakings was approximately \$90m.

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.

In Victoria a municipality is required to rate on the net annual value of rateable property unless, at the instance of the council or as the result of a poll of its ratepayers, it has decided to rate on site value, or (since 1 June 1968) partly on net annual value and partly on site value. Under the latter 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 a 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.

Since 1 October 1975 site value has replaced unimproved capital value as a basis for rating. 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 1976, 149 were rating on net annual value, 61 on site value, and one, the City of Caulfield, partly on net annual value and partly on site value.

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

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

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

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

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

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

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

Government grants

State Government financial assistance is provided for a number of special purposes. These grants are in addition to the Commonwealth Government assistance referred to earlier in this chapter. They include funds for the construction and maintenance of roads, pre-natal and infant welfare services, crèches, day nurseries and pre-school centres, home care services, elderly citizens clubs, immunisation programmes, recreation and tourist facilities, swimming pools and libraries, public halls and local public works, traffic control and road safety measures, vermin and noxious weed destruction, natural disaster relief,

soil conservation, pensioners' rate remissions, and drainage schemes. Further assistance to augment their funds is provided to certain rural municipalities which have substantial areas of non-rateable land, occupied by State forests, etc.

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

Victoria Grants Commission

The Victoria Grants Commission was formally constituted on 24 May 1977 pursuant to section 3 of the *Victoria Grants Commission Act 1976* which received Royal Assent on 26 October 1976 and was proclaimed on 16 February 1977.

The Commission, which consists of a chairman and two other members appointed by the Governor in Council, has been established to determine the distribution of general revenue grants to municipalities in the State, the funds being provided to the State under the Commonwealth's *Local Government (Personal Income Tax Sharing) Act 1976*.

The Victoria Grants Commission Act requires the Commission to determine the allocation of grants to municipalities by 31 August each year. In determining the allocation of the grants the Commission is required to consider:

- (1) The special needs and disabilities of a municipality;
- (2) the effort made by the municipality to function effectively and provide reasonable services; and
- (3) any other matters of special significance to the municipality.

The Act also provides for the Commission to carry out inspections, conduct hearings, take evidence, and generally make such investigations as it considers necessary.

Each year, before 30 November, the Commission is required to furnish the Minister with a Report to be laid before both Houses of Parliament on the activities of the Commission during the preceding year ending on 31 August.

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 is authorised to approve as expenditure in any one financial year was increased in 1974 from \$600,000 to \$1m.

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

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

For the year ended June 1976 subsidies for works paid to various municipalities from the Municipalities Assistance Fund amounted to \$988,867, while, for the same period, the amount contributed to the Country Fire Authority was \$3,756,015.

Country Roads Board recoups and grants

Municipalities throughout Victoria undertake construction and maintenance work on main roads within their boundaries on behalf of the Country Roads

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

For the purpose of making and maintaining certain rural roads, municipalities also receive grants from the Country Roads Board from its own funds and from funds provided by the Commonwealth Government under the provisions of the Roads Grants Act. (See Chapter 23.)

Expenditure

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

Assistance to pensioners

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

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

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

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

The cost of implementing the scheme for the 1976-77 rating year has been estimated at \$12m, and it was expected that more than 130,000 pensioners would receive this assistance.

Borrowing powers

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

Money may be borrowed for permanent works and undertakings (as defined in the Local Government Act), or to liquidate the principal moneys owing by the municipality on account of any previous loan. Under a municipality's ordinary borrowing powers the amount borrowed shall not exceed the net annual valuation of all rateable property in the municipal district, as shown by the municipality's

last audited financial statement. Where money is borrowed for gas, electricity, water supply, quarrying, or abattoirs, an additional amount may be borrowed, not exceeding one half of the net annual value of all rateable property in the municipal district as shown by the last audited financial statement.

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

Moneys borrowed under the ordinary or extended borrowing powers may be raised by the sale of debentures or 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 or by the issue of debentures, 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 mentioned above, a municipality may borrow, by means of overdraft from its bankers, for the following purposes :

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

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

Investment of municipal funds

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

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

Accounts

Every municipality is required to keep proper books of accounts in the form prescribed for use by all municipalities in Victoria, and these must be balanced

to 30 September in each year. The accounts must be audited by an auditor qualified in terms of the Local Government Act and appointed by the Governor in Council.

Municipal Association of Victoria

All municipalities in Victoria are members of the Municipal Association, which was founded in 1879 and given statutory recognition by the *Municipal Association Act* 1907. The Association was established, to quote the preamble to that Act, "for the purpose of promoting the efficient carrying out of municipal government throughout the State of Victoria and of watching over and protecting the interests, rights, and privileges of Municipal Corporations". The Victorian Government has also found the Association a valuable organisation because it simplifies its task of dealing with the municipalities. The Association operates the Municipal Officers' Fidelity Guarantee Fund and under the *Municipal Association (Accident Insurance) Act* 1964 was empowered to issue accident insurance policies insuring councillors of any municipality against accidents arising in the course of their municipal duties.

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.

Melbourne City Council

Organisation and functions

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

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

With a net annual value (for the year 1975-76) of \$92.9m, rate income of \$18.9m, other revenue of \$45.3m, 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 68,400 persons at 30 June 1976 ranked only fourteenth among metropolitan municipalities. For electoral purposes it is divided into eleven wards and each ward returns three members, giving a full council of thirty-three members. Elections are held annually and one member for each ward retires in rotation, a member thus holding office for three years.

Melbourne is distinctively a garden city. Of its total area of 3,142 hectares no less than 844 hectares are parklands and reserves. On those parklands and reserves under its control, the City annually spends more than \$2.9m.

The Council both generates and reticulates electricity. In this respect, it is completely integrated into the State electricity grid. In its power station at Lonsdale Street it is able to generate, at a maximum, 90,000kW. Of this, 60,000kW is available to be fed into the State grid as required. The remaining 30,000kW constitutes the reserve capacity of the station. It is expected, as the generating capacity of the State Electricity Commission increases, that the Council's power generation will decrease further until the power station is closed down or held completely as reserve capacity.

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

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

Administrative organisation

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

Further reference, 1977

Civic Square

Design competition

Late in 1975 the Melbourne City Council began to arrange for the building of the civic square on land bounded by Collins Street, Regent Place, Flinders Lane, and Swanston Street.

It appointed a consulting architect to draw up a brief for a design competition for which, as the Council's consultant, he established design parameters. At the same time, the Victorian Chapter of the Royal Australian Institute of Architects was asked to assist in the conduct of the competition.

The Council announced details of entry, restricted to architects registered in Victoria, in January 1976. The competition carried a first prize of \$15,000 and was to be judged by a panel of assessors which included the Premier and the Lord Mayor. The consulting architect was retained as a professional advisor on competition documents, as was a structural engineer, a quantity surveyor, and the Council's Director of Parks, Gardens and Recreation.

In setting up design criteria, the assessors regarded the square's relationship to St Paul's Cathedral and the Town Hall as of particular importance. Architects were also asked to take into consideration the Regent Theatre, located on the eastern boundary of the square site, which the Council had decided to retain and refurbish. Moreover, the Council announced plans to turn the Plaza Theatre, in the basement of the Regent building, into a tavern, and have a group of shops fronting onto the civic square. These were other factors to be taken into consideration by the architects.

The competition was regarded as very important and attracted 107 entries. Its aim was to find a design which would create and develop a place in the working heart of the city for the leisure time use and enjoyment of all sections of the community.

Winners of the design competition were young Melbourne architects, Messrs W. S. Corker, J. Denton and B. C. Marshall. Their design placed emphasis on informality and character, reinforcing the presence of the Town Hall and St Paul's Cathedral. It also created an atmosphere of space.

The square will be divided into two main levels and six localised zones. The upper level at the Collins Street-Regent Theatre end will contain outdoor cafes overlooking water features and the main square. The lower level will incorporate the main civic and activity areas as well as a shopping arcade. A spillway water feature will provide a strong visual link between the two levels.

The main features of the design concept include an amphitheatre to seat 1,200, a glass canopy walkway on the upper level containing shops and outdoor cafes, space for civic occasions, and a reflecting pool on the axis of St Paul's Cathedral and the Town Hall. A section of the square will be set aside as a meeting place. There will also be an information bureau.

The project has been scheduled for completion in 1979. In the interim, the City Council opened an enlarged temporary square. It installed fountains, trees, shrubbery, flowers and lawns so that the square could be fully utilised until the permanent structure was under construction.

Traffic control, 1968 ; Re-development in the Central Business Area, 1969 ; Financing of major works, 1970-1974 ; Re-development of Queen Victoria Market site, 1972 ; Financing of major works, 1974 ; City of Melbourne strategy plan, 1975 ; Community recreation, 1976 ; Environment of the central business district, 1976 ; Planning in the City of Melbourne, 1976 ; Civic Square, 1977

STATISTICS OF LOCAL GOVERNMENT

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

In the tables for the year 1974-75 which follow, municipalities have been divided into the City of Melbourne, other municipalities in the Melbourne Statistical Division, and municipalities outside the Melbourne Statistical Division.

The municipal areas which comprise the Melbourne Statistical Division are set out on page 196 of this *Year Book*. Three or 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.

At 30 September 1975, in municipalities throughout Victoria, there were 2,349 councillors, namely, 33 in the City of Melbourne, 663 in 55 other municipalities in the Melbourne Statistical Division, and 1,653 in 155 municipalities in the remaining statistical divisions.

Properties rated, loans outstanding, etc.

In the following table the number of properties rated, the value of rateable property, receipts and expenditure of all funds, and the amount of loans outstanding, are shown for each of the years ended 30 September 1971 to 1975 :

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

Year ended 30 September—	Number of rateable properties	Value of rateable property		Receipts all funds	Expenditure all funds	Loans out- standing
		Net annual value	Estimated capital improved value			
	'000	\$'000	\$'000	\$'000	\$'000	\$'000
1971	1,468	889,595	16,497,122	329,245	326,158	240,968
1972	1,498	922,745	17,279,333	365,074	356,557	263,792
1973	1,517	1,127,992	20,601,679	403,778	392,707	287,996
1974	1,544	1,170,882	21,327,453	448,331	455,449	310,078
1975	1,569	1,235,226	22,447,074	611,946	605,321	342,173

Municipal revenue and expenditure

The following table shows for each of the years ended 30 September 1971 to 1975 the general revenue 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: REVENUE AND EXPENDITURE (\$'000)

Year ended 30 September—	Ordinary services		Business undertakings	
	Revenue	Expenditure	Revenue	Expenditure
1971	171,930	171,631	63,635	63,594
1972	193,297	190,848	65,752	66,409
1973	224,313	222,359	70,277	70,187
1974	262,819	272,367	78,247	79,889
1975	387,870	381,861	89,926	89,919

General Account

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

After exclusion of \$14,788,000 transferred from other funds, the net General Account income during 1974-75 was \$373,082,000. Of this total, 58.7 per cent was derived from taxation (58.4 per cent from rates and penalties and 0.3 per cent from licences) ; 18.3 per cent from public works and services ; 0.2 per cent from transfers from business undertakings ; 18.4 per cent from government grants ; and 4.4 per cent from other sources. The total amount collected from taxation (\$218,984,000) was equivalent to \$58.92 per head of population.

Details of the principal items of revenue received during the year ended 30 September 1975 are shown in the following table :

VICTORIA—LOCAL GOVERNMENT AUTHORITIES : ORDINARY SERVICES :
REVENUE, YEAR ENDED 30 SEPTEMBER 1975
(\$'000)

Particulars	Municipalities in Melbourne Statistical Division (a)		Municipal- ities outside Melbourne Statistical Division	Total
	City of Melbourne	Other		
Taxation—				
Rates (net)	18,764	135,478	62,419	216,661
Penalties	57	767	245	1,068
Licences—				
Dog	7	635	234	876
Other	29	254	96	379
Total taxation	18,857	137,134	62,994	218,984
Public works and services—				
Roads, streets, bridges, drains	282	4,047	4,251	8,579
Health and welfare—				
Sanitary and garbage	38	7,093	2,712	9,843
Other	250	1,715	818	2,783
Council properties, sundry income—				
Parks, gardens, baths, and other recreational facilities	358	3,202	3,117	6,677
Markets	2,706	788	898	4,392
Halls	77	900	837	1,814
Libraries, museums, art galleries	3	189	273	466
Plant operating (surplus)	8	2,040	5,267	7,314
Rents, n.e.i.	1,019	863	642	2,524
Other	39	874	1,368	2,281
Council properties, sale of capital assets—				
Plant, furniture, etc.	..	587	683	1,270
Land and buildings, etc.	..	1,824	846	2,671
Other works and services—				
Car parking fees, fines, etc.	3,379	2,034	1,385	6,797
Building and scaffolding fees	183	3,214	1,169	4,566
Supervision of private streets	..	1,073	298	1,371
Other	301	2,568	1,865	4,734
Total public works and services	8,643	33,010	26,428	68,081
Government grants—				
Roads, etc.	39	1,930	2,003	3,972
Parks, gardens, etc.	92	4,517	3,275	7,883
Libraries, etc.	113	3,722	2,312	6,147
Infant welfare	232	1,364	652	2,247
Pre-school	220	3,441	2,236	5,897
Home help	49	2,367	821	3,237
Elderly citizens	13	1,232	1,020	2,266
Pensioners' rate remissions	30	1,146	381	1,557
Other specific purpose grants	41	1,924	2,435	4,401
Unemployment relief	313	5,151	11,221	16,685
Grants Commission	..	7,775	6,886	14,661
Total government grants	1,142	34,570	33,243	68,954
Transfers from business undertakings	..	602	85	687
Transfers from other council funds	1,149	8,532	5,106	14,788
Oncost (C.R.B., private streets, etc.)	55	2,785	5,409	8,249
Interest on investments	731	3,973	820	5,524
Other revenue	57	1,630	915	2,602
Total revenue	30,634	222,236	135,001	387,870

(a) See list on page 196.

Excluding \$18,300,000 transferred to other funds, the net General Account expenditure during 1974-75 was \$363,561,000. Of this total, 24.3 per cent was for roads, streets, etc.; 12.4 per cent for health and welfare; 15.6 per cent for maintenance and operating expenses of parks, gardens, and other council properties; 12.5 per cent for capital expenditure on council properties; 5.9 per cent for other public works and services; 9.5 per cent for debt charges; 1.8 per cent for grants and contributions; 17.6 per cent for administration; and 0.4 per cent for miscellaneous items.

Details of the principal items of expenditure from the General Account during the year ended 30 September 1975 are shown in the following table:

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:
EXPENDITURE, YEAR ENDED 30 SEPTEMBER 1975

(\$'000)

Particulars	Municipalities in Melbourne Statistical Division (a)		Municipal- ities outside Melbourne Statistical Division	Total
	City of Melbourne	Other		
Public works and services—				
Roads, streets, bridges, drains—				
Construction and maintenance	1,715	26,919	31,010	59,644
C.R.B. (main roads maintenance)	2	838	1,221	2,061
C.R.B. (other works)	43	1,164	4,156	5,363
Cleaning and watering	1,234	6,648	1,472	9,355
Other	811	4,530	1,123	6,464
Street lighting	(b)	4,454	1,115	5,569
Health and welfare—				
Sanitary and garbage services	908	15,145	3,753	19,806
Infant welfare (maintenance)	231	3,803	1,627	5,661
Pre-school (maintenance)	687	2,235	1,546	4,468
Home help	80	4,526	1,466	6,073
Elderly citizens	71	1,794	544	2,409
Other	602	4,423	1,546	6,572
Council properties (maintenance and operating expenses)—				
Parks, gardens, baths, and other recreational facilities	2,836	16,879	8,975	28,690
Markets	1,736	432	786	2,954
Halls	890	3,505	1,755	6,151
Libraries, museums, art galleries	306	8,082	2,873	11,261
Workshops and depots	400	1,736	724	2,860
Other	507	2,107	2,194	4,808
Council properties (capital expenditure)—				
Plant, furniture, etc., purchase	133	6,136	4,760	11,029
Land and buildings purchase	..	9,112	699	9,811
Buildings (capital works)	17	6,979	7,557	14,554
Other capital works	41	4,387	5,532	9,959
Other works and services—				
Car parking	1,898	2,591	914	5,403
Building and scaffolding inspection	549	2,775	630	3,954
Supervision of private streets	..	1,446	177	1,623
Town planning	374	1,522	202	2,098
Other	49	5,474	2,759	8,283
Total public works and services	16,124	149,642	91,118	256,883
Debt charges (excluding business undertakings)—				
Interest—				
Loans	3,592	9,512	4,345	17,448
Overdraft	19	580	953	1,552
Redemption	545	7,832	4,802	13,179
Sinking fund	501	449	137	1,087
Other	981	158	24	1,162
Total debt charges	5,637	18,530	10,261	34,428

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES:
EXPENDITURE, YEAR ENDED 30 SEPTEMBER 1975—continued
 (\$'000)

Particulars	Municipalities in Melbourne Statistical Division (a)		Municipalities outside Melbourne Statistical Division	Total
	City of Melbourne	Other		
Grants—				
Fire brigades	306	2,232	18	2,555
Hospitals and other charities	100	226	177	503
Pensioners' rates	66	1,377	400	1,844
Other	494	684	503	1,680
Total grants	966	4,519	1,098	6,583
General administration	4,660	35,850	23,623	64,134
Transfers to other council funds	1,277	11,278	5,745	18,300
Miscellaneous	42	995	496	1,533
Total expenditure	28,706	220,814	132,341	381,861

(a) See list on page 196.

(b) Cost of street lighting is charged to electricity undertaking.

Municipal administrative costs, 1977

Municipal business undertakings

In Victoria during 1974–75 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, for the year ended 30 September 1975, revenue and expenditure of the various types of municipal business undertakings:

VICTORIA—LOCAL GOVERNMENT AUTHORITIES: BUSINESS UNDERTAKINGS, YEAR ENDED 30 SEPTEMBER 1975
 (\$'000)

Particulars	Municipalities in Melbourne Statistical Division (a)		Municipal- ties outside Melbourne Statistical Division	Total
	City of Melbourne	Other		
REVENUE				
Water supply	..	34	1,242	1,276
Electricity	27,569	58,157	..	85,726
Abattoirs	..	648	952	1,600
Other (b)	..	239	1,086	1,325
Total revenue	27,569	59,078	3,280	89,926
EXPENDITURE				
Water supply—				
Working expenses (c)	..	22	936	958
Other expenditure	..	4	324	327
Total water supply	..	26	1,260	1,285
Electricity—				
Working expenses	25,820	53,696	..	79,516
Other expenditure	2,059	4,036	..	6,096
Total electricity	27,879	57,732	..	85,611

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: BUSINESS UNDERTAKINGS,
YEAR ENDED 30 SEPTEMBER 1975—continued**
(\$'000)

Particulars	Municipalities in Melbourne Statistical Division (a)		Municipal- ities outside Melbourne Statistical Division	Total
	City of Melbourne	Other		
Abattoirs—				
Working expenses (c)	..	555	879	1,434
Other expenditure	..	177	69	246
Total abattoirs	..	732	948	1,680
Other (b)—				
Working expenses	..	222	953	1,175
Other expenditure	..	14	154	168
Total other	..	236	1,107	1,343
Total expenditure	27,879	58,725	3,315	89,919

(a) See list on page 196.

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

(c) Includes capital works: Water Supply, \$2,000; Abattoirs, \$56,000.

Municipal loan finance

Municipal loan account receipts and expenditure

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

Year ended 30 September—	Receipts				Expenditure			
	Loans for—		Other	Total	Ordinary services	Business under- takings	Other (non- works)	Total
	Ordinary services	Business under- takings						
1971	23,175	1,578	2,603	27,357	21,089	3,319	154	24,562
1972	30,131	1,440	2,309	33,880	26,387	3,017	198	29,602
1973	35,893	2,872	3,223	41,988	29,282	3,798	242	33,323
1974	35,227	1,935	2,755	39,917	30,241	3,757	222	34,219
1975	45,098	2,385	4,569	52,052	45,385	4,498	437	50,320

At 30 September 1975 there were unexpended balances in loan accounts amounting to \$92.4m.

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES: LOAN ACCOUNT
RECEIPTS, YEAR ENDED 30 SEPTEMBER 1975**
(Excluding redemption, private street, and separate rate loans)
(\$'000)

Particulars	Municipalities in Melbourne Statistical Division (a)		Municipal- ities outside Melbourne Statistical Division	Total
	City of Melbourne	Other		
Loan raisings for—				
Ordinary services	2,150	27,733	15,215	45,098
Business undertakings	300	1,475	610	2,385
Other receipts (government grants, recoups, etc.)	2,103	1,666	800	4,569
Total receipts	4,553	30,874	16,626	52,052

(a) See list on page 196.

VICTORIA—LOCAL GOVERNMENT AUTHORITIES : LOAN ACCOUNT
EXPENDITURE, YEAR ENDED 30 SEPTEMBER 1975
 (\$'000)

Particulars	Municipalities in Melbourne Statistical Division (a)		Municipalities outside Melbourne Statistical Division	Total
	City of Melbourne	Other		
Ordinary services—				
Roads, streets, bridges, and drains	306	9,977	3,888	14,171
Health and welfare	172	1,251	404	1,828
Property construction—				
Parks, gardens, baths, and other recreational facilities	321	4,340	1,422	6,082
Halls	2	2,941	1,218	4,161
Markets	63	783	164	1,010
Libraries, etc.	..	530	272	801
Other	64	732	418	1,213
Plant, furniture, etc., purchase	13	1,010	2,297	3,320
Land and buildings purchase	991	6,587	1,702	9,280
Off-street parking	55	53	1,872	1,980
Other	268	246	1,024	1,538
Total ordinary services	2,254	28,450	14,681	45,385
Business undertakings	2,195	1,763	540	4,498
Other (non-works)	..	408	29	437
Total expenditure	4,449	30,621	15,250	50,320

(a) See list on page 196.

Municipal loan liability

The loan liability of the municipalities in Victoria at the end of each of the five years ended 30 September 1971 to 1975 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	\$
1971	3,459	237,509	240,968	16,286	224,682	63.82
1972	3,663	260,129	263,792	18,229	245,563	68.89
1973	3,799	284,198	287,996	19,429	268,567	74.61
1974	3,976	306,102	310,078	21,845	288,233	84.88
1975	4,314	337,859	342,173	24,342	317,831	85.26

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.

The following table shows the receipts and expenditure, etc., for the year ended 30 September 1975 of the Private Street Account for areas outside that controlled by the Melbourne City Council (which has no such account) :

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES : PRIVATE
STREET ACCOUNT : RECEIPTS, EXPENDITURE, ETC.,
YEAR ENDED 30 SEPTEMBER 1975
(\$'000)**

Particulars	Municipalities in Melbourne Statistical Division (a)	Municipalities outside Melbourne Statistical Division	Total
Receipts—			
Loans	1,525	635	2,160
Bank overdraft (increase)	2,373	494	2,867
Owners' contributions	12,635	2,611	15,246
Other	683	169	852
Total	17,215	3,909	21,125
Expenditure—			
Works	11,818	2,712	14,530
Bank overdraft (decrease)	508	125	633
Debt charges	4,701	505	5,207
Other	1,355	309	1,664
Total	18,382	3,651	22,033
Cash in hand or in bank at 30 September 1975	4,342	964	5,305
Bank overdraft at 30 September 1975	7,117	1,524	8,641
Loan liability at 30 September 1975	21,022	2,223	23,245

(a) See list on page 196.

Details of receipts and expenditure of the Private Street Account, including the net increase or decrease in bank overdraft, during each of the years ended 30 September 1971 to 1975 are shown in the following table :

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

Particulars	Year ended 30 September—				
	1971	1972	1973	1974	1975
Receipts—					
Loans	2,241	4,882	2,470	1,185	2,160
Bank overdraft (increase)	..	..	..	..	2,234
Owners' contributions	17,698	18,786	18,642	15,467	15,246
Other	534	527	423	802	852
Total	20,473	24,194	21,536	17,454	20,492
Expenditure—					
Works	12,841	13,528	12,108	11,669	14,530
Bank overdraft (decrease)	598	1,531	2,050	1,133	..
Debt charges	5,724	5,664	5,846	5,444	5,207
Other	1,219	1,355	1,276	900	1,664
Total	20,381	22,078	21,280	19,146	21,400
Loan liability at 30 September	24,728	26,334	25,486	23,788	23,245

Further reference, 1977

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 Revenue 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 Account), 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.

**VICTORIA—LOCAL GOVERNMENT AUTHORITIES : COUNTRY ROADS
BOARD ACCOUNT, YEAR ENDED 30 SEPTEMBER 1975
(\$'000)**

Particulars	Municipalities in Melbourne Statistical Division (a)		Municipali- ties outside Melbourne Statistical Division	Total
	City of Melbourne	Other		
Receipts—				
Refunds from Country Roads Board	81	11,951	25,830	37,862
Direct payment by Country Roads Board	..	2,678	8,062	10,740
Council's proportion of works on unclassified roads	38	2,783	4,141	6,962
Bank overdraft (increase)	44	1,356	1,218	2,618
Other	1	449	214	664
Total	164	19,217	39,465	58,846
Expenditure—				
Main roads	19	9,626	13,984	23,630
Unclassified roads	145	8,605	23,343	32,092
Other roads (State highways, etc.)	..	183	828	1,011
Bank overdraft (decrease)	..	683	1,194	1,876
Other	..	121	116	237
Total	164	19,217	39,465	58,846
Bank overdraft at 30 September 1975	60	3,048	3,362	6,471

(a) See list on page 196.

Details of receipts and expenditure of the Country Roads Board Account, including the net increase or decrease in bank overdraft, during each of the years ended 30 September 1971 to 1975 are shown in the following table :

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

Particulars	Year ended 30 September—				
	1971	1972	1973	1974	1975
Receipts—					
Refunds from Country Roads Board	28,518	30,678	28,339	29,712	37,862
Direct payment by Country Roads Board	7,914	8,222	8,530	7,765	10,740
Council's proportion of works on unclassified roads	4,742	5,130	5,069	5,546	6,962
Bank overdraft (increase)	683	..	182	2,311	742
Other	298	367	160	352	664
Total	42,155	44,397	42,279	45,686	56,969
Expenditure—					
Main roads	19,620	19,097	18,944	18,951	23,630
Unclassified roads	21,180	22,864	22,387	25,234	32,092
Other roads (State highways, etc.)	1,142	1,373	771	1,204	1,011
Bank overdraft (decrease)	..	970	..	..	..
Other	214	93	178	297	237
Total	42,155	44,397	42,279	45,686	56,969
Bank overdraft at 30 September	4,272	3,347	3,528	5,839	6,471

Length of roads and streets

The following table shows the estimated length of all roads and streets open for general traffic in Victoria in 1976. 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 1976
(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.	7,011	13,549	1,059	35,074	56,693
Water-bound macadam, gravel, sand, and hard loam pavements	248	925	775	43,897	45,845
Formed, but not otherwise paved	..	103	..	27,957	28,060
Not formed but open for general traffic	..	..	..	28,962	28,962
Total	7,259	14,577	1,834	135,890	159,560

(a) Includes 223 kilometres of freeways consisting of extra-metropolitan freeways (by-pass roads) and metropolitan freeways.

Further reference, 1977

Country Roads Board

Melbourne and Metropolitan Board of Works

Information on these two authorities will now be found in Chapter 23, pages 569 to 575, and Chapter 13, pages 317 to 325, respectively.

Metropolitan Fire Brigades Board

Country Fire Authority

Information on these two authorities will be found in Chapter 20, pages 505 to 507.

Country town water supplies

Information on country town water supplies will be found in Chapter 13, pages 334 to 335.

BIBLIOGRAPHY***Victorian Office**

1304.2 General statistics of local government areas

5501.2 Local government finance

Central Office

1103.0 AMIS Manual (Australian Municipal Information System)

5503.0 Public authority finance

5504.0 Public authority finance: State and local authorities

5507.0 Local authorities and public corporations

* Bibliographies for Chapters 6 to 28 inclusive list selected publications issued by the Victorian and Central Offices of the Australian Bureau of Statistics which provide detailed statistical information on topics covered in the chapters.