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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.

Acts administered

The following Acts of the Victorian Parliament come in whole or in part within the responsibility of the Minister for Local Government: *Local Government Act 1958*; Acts relating to local government in the Cities of Melbourne and Geelong; *Building Control Act 1981*; *Cluster Titles Act 1974*; *Cultural and Recreational Lands Act 1963*; *Dog Act 1970*; *Drainage Areas Act 1958*; *Hawkers and Pedlars Act 1958*; *Litter Act 1964*; *Local Authorities Superannuation Act 1958*; *Local Government Department Act 1958*; *Markets Act 1958*; *Municipalities Assistance Act 1973*; *Municipal Association Act 1907*; *Newmarket Sheep Sales Act 1974*; *Petrol Pumps Act 1958*; *Pounds Act 1958*; *Public Authorities Marks Act 1958*; *Valuation of Land Act 1960*; *Victoria Grants Commission Act 1976*; and *Weights and Measures Act 1958* (except packaging and labelling provisions).

Functional responsibilities

In carrying out its role within the overall structure and machinery of government administration in Victoria, the Department has the following specific functional responsibilities:

- (1) to act as a focus for the development, articulation, and implementation of the Victorian Government's policies and programmes in the area of local government;
- (2) to ensure that municipalities are administered in accordance with the Local Government Act, and to administer the other Acts assigned to the Minister for Local Government;
- (3) to provide advice to the Victorian Government on local government policy, priorities, and strategic planning and to develop appropriate policy options in conjunction with local government bodies;
- (4) to liaise with other government departments and agencies with a view to co-ordinating the services provided by the Victorian Government to local government;
- (5) to provide advisory services to local councils for the development and improvement of services to their communities;
- (6) to provide advice to the Minister concerning financial assistance to local government; to administer the payment of assistance programmes as required; and to provide advice on Victorian Government policies in relation to the allocation of subsidies and payments to councils;
- (7) to consult with appropriate Commonwealth Government departments and other State local government departments and local government associations on matters relevant to local government with the intention of developing consistent standards of services;
- (8) to provide advice to the public, councils, and municipal officers on local government matters;
- (9) to monitor and report on the implementation of government policies in local government;
- (10) to ensure that financial activities of municipalities incorporate appropriate financial management including accounting and audit systems;
- (11) to investigate complaints about municipal administration and decisions and advise the Minister concerning appropriate action;
- (12) to review relevant legislation and advise the Minister on changes to the legislation;
- (13) to develop and introduce improved building control systems and advise councils and the building industry in relation to them;

- (14) to provide and co-ordinate property valuation services and advice for the Victorian Government and its agencies, and for valuers and rating authorities;
- (15) to provide administrative support to the Land Valuation Boards of Review, the Victoria Grants Commission, the Local Government Commission, municipal boards, and other appropriate agencies, and advise the Minister on related matters;
- (16) to administer State weights and measures legislation (except for the packaging and labelling of goods) in conformity with relevant Commonwealth legislation and to maintain liaison with all agencies involved in that process including local (municipal) authorities; and
- (17) to administer the House Builders' Liability legislation and monitor relevant performance in the interest of protecting house purchasers.

In respect of the Department's co-ordinative function at the State level it should be noted that municipal councils in Victoria have a significant level of contact with other departments and agencies dealing with local government functions such as town and country planning, transport and roads, health, community welfare, youth, sport and recreation, employment, and training. Other departments and agencies control and administer a wide range of payments and subsidies made available to municipal councils in respect of the provision of certain services and also provide policy advice and information in relation to them. Some departments have also embarked on partnership arrangements with local councils in respect of service provision.

Organisational structure

The Department has been the subject of an extensive management review undertaken by the Public Service Board at the request of the Minister. The functional role, responsibilities, and administrative structure are therefore currently under examination.

In reflecting the Department's existing functional role and responsibilities, however, the organisational structure comprises:

- (1) Ministerial Unit: Ministerial Advisor and secretarial staff;
- (2) Executive Management Unit: Director-General for Local Government, Deputy Director-General for Local Government, Assistant Director, and secretarial staff;
- (3) a number of sections providing administrative support, legal and research services: General Administration, Finance, House Builders' Liability Investigation, Information Management, Personnel, Legislation, Policy and Research; and
- (4) Four major specialist divisions and branches: Division of Building Control, Local Government Consultancy Division, Valuer-General's Office, Weights and Measures Branch.

In addition, the Minister for Local Government is responsible for the following statutory bodies: Building Control Accreditation Authority, Building Control Technical Advisory Council, Building Qualifications Board, Building Referees Panel, Land Valuation Boards of Review, Local Authorities Superannuation Board, Local Government Commission, Municipal Auditors Board, Municipal Clerks Board, Municipal Electrical Engineers Board, Municipal Engineers Board, Municipal Valuation Fees Committee, Valuers Qualification Board, Victoria Grants Commission.

Support staff for the above statutory bodies, with the exception of the Local Authorities Superannuation Board, are provided by the Local Government Department.

Operating strategies

In carrying out its functional responsibilities, the Department operates four programmes: Corporate Services Program, Land Valuations Program, Financial Assistance Program, Advisory and Regulatory Program.

Corporate Services Program

The essential objective of this Program is the provision of sound and accurate advice to the Minister; and the development, provision, and maintenance of effective administrative support to facilitate the provision of Departmental services and to maintain a high standard of service to municipal councils and where appropriate, other government bodies and the public.

The Program embraces the Executive Management function, the co-ordination and servicing of the requirements of the Department's operational programmes, as well as the research and policy development function.

Executive Management. Executive Management provides the direction and leadership for Departmental activities and facilitates the implementation of policy and procedures and is responsible for the accuracy and quality of policy advice to the Minister and the implementation of Ministerial directions and instructions.

Administrative Support Services. Administrative Support Services provides technical, professional, and administrative support services to Executive Management and performs the general administration, finance, information management, and personnel functions.

Policy Development. The Policy and Research and Legislation Branches undertake research and provide policy and legal advice, and information and, in association with Executive Management, other sections of the Department, relevant statutory boards, committees and working groups, formulate and develop policy and prepare draft legislation and regulations with respect to the implementation of the Victorian Government's overall objectives for local government. Advice is also provided on the impact of policy initiatives in the municipal sphere.

Local Government Commission. The Local Government Commission was established under section 17 of the *Local Government Act 1958* (as amended by the *Local Government Board of Review Act 1982*) replacing the Local Government Advisory Board as the standing body which investigates and reports on matters relating to the external and internal boundaries of municipalities which are referred to it by the Minister.

The six person Commission serves as a panel from which the Minister appoints Divisions comprising three members for the purposes of considering proposals for the alteration of municipal boundaries.

Land Valuations Program

The overall objective of this programme lies in the enhancement of the uniformity of municipal valuations across Victoria and maintenance of an equitable basis for land and property valuations.

The Program embraces the activities of the Valuer-General's Office, the Valuers Qualification Board, and the Municipal Valuation Fees Committee.

Valuer-General's Office. The Valuer-General's Office is responsible for:

- (1) co-ordinating and supervising the general municipal property valuation used for rating and taxing purposes;
- (2) undertaking valuations at the request of government departments in respect of property dealings and for assessment of probate and gift duties, and performance of valuations for municipal councils; and
- (3) providing other valuation services, including a land sales information service and publication of property sale statistics.

Registration and regulation of valuers. Constituted under section 10 of the *Valuation of Land Act 1960* the Valuers' Qualification Board is responsible for the registration and regulation of the valuation profession in Victoria. At 30 June 1984, there were 909 registered valuers in Victoria.

Determination of valuation fees. Appointed pursuant to section 254(6A) of the *Local Government Act 1958* the Municipal Valuation Fees Committee regulates the fees charged for municipal property valuation by private practising registered valuers. The Committee also provides a review mechanism in respect of these fees in certain cases.

Financial Assistance Program

The Department provides specific purpose funds to municipal councils to assist them in undertaking particular works and services for the benefit of their local communities. Additionally, the Victoria Grants Commission determines allocations to councils of general revenue grants pursuant to the *Local Government (Personal Income Tax Sharing) Act 1976*.

In 1983-84, a total of \$11,179,793 was distributed to councils in specific purpose funding through:

- (1) Departmental Works and Services Program in respect of municipalities assistance and subsidies for beach cleaning activities, saleyards, drainage works, and ex-gratia payments as reimbursements to Councils for the costs of street construction or drainage works;
- (2) Commonwealth and State Trust accounts in respect of job-creation initiatives sponsored by local government; and
- (3) Commonwealth Trust Account in respect of natural disaster relief.

Although funds are actually provided through the Department of Community Welfare Services, the Local Government Department is also responsible for the overall administration of the Pensioner Rates Assistance Scheme. This involves: disseminating information about the Scheme; ensuring that councils and other rating authorities respect the intent of the legislation and that on-going checks of eligibility are carried out; and processing claims for reimbursement. A total of \$48,499,480 was provided in 1983-84 under the scheme to assist pensioners with the payment of their rates.

Constituted pursuant to section 3 of the Victorian *Grants Commission Act 1976* the Victoria Grants Commission determines allocations to municipalities of general purpose funds received from the Commonwealth Government pursuant to the provisions of the Commonwealth *Local Government (Personal Income Tax Sharing) Act 1976*. The Commonwealth Act provides for payment to the States, for allocation to local government authorities, of an amount determined by the net collections of personal income tax for the financial year immediately prior to the year to which the payments apply. Two per cent of personal income tax collections are allocated for general revenue grants for local government in the six States; Victoria's share of the total amount was 25.4513 per cent. A total of \$123,829,199 was distributed to Victorian municipalities in August 1984.

Advisory and Regulatory Services Program

The objective of this Program is to facilitate local government adherence to standards of municipal management contained in legislation and government policy and to ensure the provision of technical and managerial advice to councils so that residents of municipalities receive the best possible services.

The Program includes: the provision by the Local Government Consultancy Division of advisory and inspectorial services in the areas of municipal management, finance, and administration; qualification, registration, and regulation of statutory officers by municipal examining boards; development, maintenance, and control of building standards and regulations; administration of the House Builders' Liability provisions of the *Local Government Act 1958*; administration of the Victorian *Weights and Measures Act 1958*; and determination of disputes arising out of valuations and classifications of land for rating purposes, compulsory acquisitions of land by statutory authorities, and land occupied for mining purposes.

Municipal management, finance, and administration

Local Government Consultancy Division. The Inspectorate of Municipal Administration and the Engineers' Section merged in October 1983 to form the Local Government Consultancy Division to assist the provision of more effective consultancy and advisory services to local government.

Specific functional activities undertaken include:

- (1) Consultancy and advisory services. Consultancy and advisory services are provided to municipal councils, councillors, and officers, in respect of financial and accounting matters, administrative and organisational practices with respect to the Local Government Act, and other legislation affecting local government. Advice and assistance is given to municipal officers with regard to the requirements of the Municipal Accounting (Amendment) Regulations 1982.
- (2) Examination of complaints. Complaints and inquiries relating to the activities of municipal councils, councillors, and officers are examined by the Consultants.
- (3) Review of legislative proposals and statutory procedures. Consultants participate in the departmental review of local government legislation, requests for Governor in Council and Ministerial consents pertaining to certain actions proposed to be taken by municipal councils, and examine inter-municipal and regional arrangements including library, valuation, and refuse disposal agreements.

Committee on Municipal Accounting in Victoria. The Committee on Municipal Accounting was established in November 1977 to undertake a complete revision of the Municipal Accounting Regulations 1968.

The Committee issued an interim report in 1980, forming the basis of the Municipal Accounting (Amendment) Regulations 1982, which became operative on 1 October 1982. The major features of the Amendment Regulations were the adoption of full accrual accounting for all municipal funds and the introduction of a new classification of accounts for the Municipal General Fund.

The Committee's Final Draft of suggested Amendments, which includes a review of the remainder of the 1968 Regulations and the inclusion of new material on such matters as electronic data processing and the application of accounting standards to municipal accounting, was distributed for comment in June 1984.

Streetworks Co-Ordination Steering Committee. The Streetworks Co-Ordination Steering Committee is a standing committee convened by the Minister to consider matters associated with the co-ordination of streetworks and, as necessary, to review and update the Co-Ordination of Streetworks Code of Practice, Victoria, 1980.

Liveweight Selling Review Committee. The Liveweight Selling Review Committee is a standing committee convened by the Minister to monitor the application of the provisions of the Liveweight Selling Code of Practice (Cattle) and update its provisions as necessary.

Statutory officer qualification and regulation

Municipal examining boards conduct examinations, or prescribe the courses of study and examinations which must be completed and specify the other conditions to be fulfilled by applicants seeking to hold the statutory office of Municipal Clerk, Municipal Engineer, Municipal Electrical Engineer, Municipal Building Surveyor, Municipal Building Inspector, Municipal Auditor, and Inspector of Municipal Administration.

Established under section 168 of the Local Government Act the municipal examining boards issue Certificates of Qualification to applicants who satisfy the particular requirements laid down by the Regulations of the respective boards. The boards are also empowered to exercise certain disciplinary measures in respect of certificate holders.

Standards regulation

The Building Control Division is responsible for the preparation of building regulations, the periodic review of the *Building Control Act* 1981 and regulations made under that Act, and the dissemination of information relating to building matters.

Building Control Technical Advisory Council. The Act established the Building Control Technical Advisory Council, the functions of which, laid down in section 10(2), are:

- (1) to advise the Minister with respect to all draft building regulations; and
- (2) to ensure that the draft building regulations are: expressed as simply as possible; comply with the objects of the Act to the extent that they relate to the building regulations; and extend no further than is required in the public interest.

Building Referees Panel/Boards. Section 46 of the *Building Control Act* 1981 prescribes that there shall be a Building Referees Panel appointed by the Governor in Council from which persons are drawn to sit on Building Referees Boards to consider appeals and applications for modifications to the regulations under Part IV of the Act.

Building Control Accreditation Authority. The Authority came into operation on 1 May 1984. Its functions, as laid down in section 67 of the Act, are:

- (1) to examine and accredit materials, methods of construction, designs, and components;
- (2) to approve applications for accreditation;
- (3) to issue certificates of accreditation;
- (4) to cancel accreditations;
- (5) to arrange for an Accreditation Register to be kept;
- (6) to enter into and give effect to reciprocal arrangements with the Building Control Accreditation Authority or any other similar authority in any place outside Victoria with respect to the accreditation of materials, methods of construction, designs, and components;
- (7) to advise the Minister on draft regulations relating to accreditation; and
- (8) generally to carry out any other function or duty given to or imposed on it by or under Part V of the Building Control Act.

House Builders' Liability

The Department is responsible for the administration of the House Builders' Liability provisions of the *Local Government Act* 1958. This provides for a six year guarantee on new houses, through an industry self-regulation scheme. A House Builders' Liability Investigations Officer liaises with the public, industry, State and local government, and investigates and reports on complaints alleging breaches of the House Builders' Liability provisions.

Weights and Measures Administration

The Weights and Measures Branch undertakes the following functional responsibilities:

- (1) preservation and maintenance of State standards of measurement for the purpose of the *Weights and Measures Act* 1958;
- (2) verification, inspection, and stamping of certain prescribed weights, measures, and instruments;
- (3) instruction and qualification of weights and measures inspectors;
- (4) supervision of local (municipal) administration of weights and measures legislation; and
- (5) charging and collection of fees for tests and verifications performed.

Land Valuation Boards of Review

The Boards, constituted under section 15 of the *Valuation of Land Act* 1960, are administrative tribunals with jurisdiction to hear and determine:

- (1) appeals against valuations made by or for rating or taxing authorities, or in connection with plans of subdivision of land;
- (2) appeals, under section 266(5) of the *Local Government Act* 1958, in respect of the classification of land as farm land for rating purposes and, under section 266(6) of the Act, in respect of the declaration of land as urban farm land or residential use land for the same purposes;
- (3) claims for compensation upon compulsory acquisitions of lands by the Crown in right of the State of Victoria or by an authority of the State or any municipal authority;
- (4) claims, under the *Town and Country Planning Act* 1961, for compensation for loss arising from the operation and administration of planning instruments; and
- (5) applications for determination of compensation, payable in various connections, under the *Mines Act* 1958.

Further references: Constituting and altering the constitution of municipalities, *Victorian Year Book* 1977, pp. 174-5; Constitutional recognition of Local Government in Victoria, 1984, pp. 127-8

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 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 was \$14.6m in 1974-75 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 \$459.3m for 1983-84 and \$486.5m for 1984-85.

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.) It was decided at the 1983 Premiers' Conference to set up a working group of officers to report by the end of

October 1983 on terms of reference for a further review of the relativities for the distribution of tax sharing and identified health grants. Formal terms of reference for the distribution of tax sharing grants to apply after 1984-85 were received by the Chairman from the Minister on 10 February 1984, with a report deadline of 31 March 1985.

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, 1981-82, 1982-83, and 1983-84 was \$45.7m, \$56.4m, \$76.6m, \$89.3m, \$108m, and \$116.9m respectively, out of total payments of \$179.4m, \$221.7m, \$300.8m, \$350.9m, \$424.5m, and \$459.3m.

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 1977-78 to 1982-83.

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 1977-78 to 1982-83.

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

Programme	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
General purpose assistance (a)	42,078	45,666	56,436	76,554	89,300	108,037
Direct payments –						
Children's services (b) –						
Maintenance	1,018	1,711	2,264	3,532	4,057	5,198
Capital	1,193	665	338	312	178	322
Aged or disabled persons' homes –						
Maintenance	—	—	199	346	336	609
Capital	368	248	610	982	1,005	1,190
Aged persons' hostels	1,771	1,523	158	1,412	469	11
Delivered meals subsidy	516	595	656	1,011	1,253	1,422
Handicapped persons	137	—	—	—	—	—
Community Youth Support Scheme	111	385	—	—	—	—
Homeless persons assistance	8	9	—	—	—	—
Community arts activities	69	45	36	65	88	109
Aerodrome local ownership plan –						
Maintenance	173	280	231	314	394	397
Capital	41	268	370	753	302	235
Total	47,483	51,395	61,298	85,281	97,382	117,530

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

Programme	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
Other payments through Victorian Governments (a) —						
Children's services (b)	5,408	4,179	3,868	4,487	4,129	4,183
Community health facilities	370	280	391	410	—	—
Home care services	2,520	3,450	4,226	4,331	4,098	5,892
Senior citizens' centres —						
Maintenance	328	350	574	620	677	977
Capital	1,616	608	859	1,118	696	1,944
Capital assistance for leisure facilities	507	92	—	—	—	—
National Estate	88	173	104	54	81	92
Roads assistance	38,000	39,800	42,100	43,200	53,400	58,815
Total	48,837	48,932	52,122	54,220	63,081	71,903
Grand total	96,320	100,327	113,420	139,501	160,463	189,433

(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'.

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 1983, Victoria was divided, for local government purposes, into 211 municipal districts and the Yallourn Works Area, which was severed from the municipal districts of which it then formed part by the *State Electricity Commission (Yallourn Area) Act 1947*. For certain purposes it is deemed to be a borough and municipal administration is the responsibility of the Commission, assisted by an Advisory Council. The 211 municipalities comprise 65 cities, 6 towns, 7 boroughs, and 133 shires.

The only unincorporated areas of Victoria are French Island (154 square kilometres) in Western Port, Lady Julia Percy Island (1.3 square kilometres) off Port Fairy, Bass Strait islands (3.8 square kilometres), Gippsland Lakes (part) (309 square kilometres), and Tower Hill Lake Reserve (5 square kilometres) adjacent to the Borough of Koroit.

Municipal councils

The powers vested in municipal corporations are exercised by councils elected by persons who are enrolled on the municipal voters rolls under a franchise system based on property. The Victorian Government introduced adult franchise at the 1983 municipal elections. Municipal elections are held annually in August. Extraordinary elections may be held to fill vacancies occurring between annual elections. Voting is compulsory in all municipalities. Voting is not compulsory for those on the rolls who are not usually resident within the municipal district, are not naturalised Australian citizens, and are not the principal owner or occupier of their place of residence. Non-naturalised Australian citizens who are not the principal owner or occupier of their place of residence may apply to be included on the rolls.

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. Councils are permitted to 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, and 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 1983, 150 were rating on net annual value, 58 on site value, and three, the Cities of Brunswick and Caulfield and the Shire of Broadford, 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 Road Construction Authority.

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, creches, 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.

Road Construction Authority

Municipalities throughout Victoria undertake construction and maintenance work on main roads within their boundaries on behalf of the Road Construction Authority under the provisions of the *Transport Act 1983*. Expenditure on this work is incurred in the first instance by the municipalities and, subject to adherence to prescribed conditions and satisfactory performance of the work, the Road Construction Authority reimburses the municipalities to the extent of that expenditure. Each municipality, however, is required to make an annual contribution to the cost of main roads work, and the amount of the contribution is calculated by the Road Construction Authority as a proportion of the total expenditure on main roads by the municipality for the particular year. In calculating the contribution payable, reference is made to the capacity of a municipality to pay, the proportion of non-local traffic using the roads, and the extent to which the municipality has benefited from the work carried out.

Municipalities also receive annual allocations from the Road Construction Authority to assist in the construction and maintenance of unclassified roads. Allocations for these roads are subject to similar conditions as those which apply to main road allocations. However, expenditure claimed is only partially reimbursed to ensure that municipalities also contribute to the cost of these works.

Allocations are provided to municipalities by the Road Construction Authority from funds made available by appropriation.

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.

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.

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 Harbour 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 dependents 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; Commonwealth general revenue assistance to Local Government, 1984, pp. 125-7; Board of Review of the Role, Structure and Administration of Local Government, 1984, pp. 128-30

City of Melbourne

Melbourne has the distinction of being the oldest municipality in Victoria. Incorporated as a town by an 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 1982-83 of \$218.2m, rate income of \$42.1m, other general revenue of \$36.6m, 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 57,300 persons at 30 June 1983 ranked only twentieth 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, resubdivided 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 resubdivided 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 distributes 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 was 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 since the year ended 30 September 1980 have been 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. 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: 1977, 1,617,821; 1978, 1,649,521; 1979, 1,677,173; 1980, 1,696,249; 1981, 1,696,951; and 1982, 1,702,911.

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 years ended 30 September 1981 and 1982 are shown in the following tables:

**LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES,
REVENUE AND LOAN RECEIPTS, VICTORIA, YEAR ENDED
30 SEPTEMBER 1981**

Particulars	Amount (\$'000)	Per cent
SOURCE OF REVENUE		
Rates (including penalties)	449,383	43.6
Ex-gratia receipts	1,468	0.1
Building fees, etc.	8,184	0.8
Parking fines	10,458	1.0
Dog registration	2,674	0.3
Other fees, licences, and fines	10,047	1.0
Garbage charges	18,548	1.8
Other charges	97,797	9.5
Interest received	29,367	2.8
Advances repaid by public	417	—
Sale of land and other fixed assets	11,518	1.1
Transfers from trading activities	2,022	0.2
Government grants (general purpose)	76,858	7.5
Total untied revenue	718,742	69.7
Government grants (specific purpose) —		
Capital	52,959	5.1
Current	66,865	6.5
Contributions and donations received	34,995	3.4
Reimbursements received —		
Construction of roads and bridges	32,572	3.2
Maintenance of roads and bridges	21,120	2.0
Other	7,353	0.7
Total tied revenue	215,864	20.9
Total revenue	934,607	90.6
SOURCE OF LOAN RECEIPTS		
Commonwealth and State Government	1,008	0.1
Other lenders	95,479	9.3
Total loan receipts	96,487	9.4
Total revenue and loan receipts	1,031,094	100.0

LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES,
REVENUE AND LOAN RECEIPTS, VICTORIA, YEAR ENDED
30 SEPTEMBER 1982

Particulars	Amount (\$'000)	Per cent
SOURCE OF REVENUE		
Rates (including penalties)	514,640	44.6
Ex-gratia receipts	1,887	0.2
Building fees, etc.	8,599	0.7
Parking fines	13,557	1.2
Dog registration	2,780	0.2
Other fees, licenses, and fines	6,635	0.6
Garbage charges	23,504	2.0
Other charges	100,862	8.7
Interest received	44,737	3.9
Advances repaid by public	480	0.1
Sale of land and other fixed assets	13,804	1.2
Transfers from trading activities	1,412	0.1
Government grants (general purpose)	89,857	7.8
Total untied revenue	822,752	71.3
Government grants (specific purpose) –		
Capital	57,260	5.0
Current	75,053	6.5
Contributions and donations received	42,731	3.7
Reimbursements received –		
Construction of roads and bridges	35,883	3.1
Maintenance of roads and bridges	23,596	2.0
Other	8,762	0.8
Total tied revenue	243,284	21.1
Total revenue	1,066,037	92.4
SOURCE OF LOAN RECEIPTS		
Commonwealth and State Government	713	0.1
Other lenders	86,313	7.5
Total loan receipts	87,026	7.6
Total revenue and loan receipts	1,153,063	100.0

Details of specific purpose revenue (classified by source and purpose) and expenditure items are shown in the following tables for the years ended 30 September 1981 and 1982.

LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES: SPECIFIC PURPOSE
REVENUE (a), SOURCE AND PURPOSE, VICTORIA,
YEAR ENDED 30 SEPTEMBER 1981
(\$'000)

Purpose	Charges	Contributions and donations received	Reimbursements received	Specific purpose Government grants	
				Capital	Current
General administration	21,802	61	300	—	122
Law, order and public safety –					
Fire protection	627	18	73	41	54
Animal control	114	—	4	—	—
Other	142	15	1	48	2,209
Education –					
Pre-schools	353	99	8	351	9,568
Other	8	5	1	4	41
Health –					
Infants and mothers	77	28	104	57	5,525
Preventive services	187	16	122	2	453
Other	40	10	—	—	129
Welfare –					
Families and children	3,610	27	25	153	7,770

LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES, SPECIFIC PURPOSE
REVENUE (a), SOURCE AND PURPOSE, VICTORIA,
YEAR ENDED 30 SEPTEMBER 1981 — *continued*
(\$'000)

Purpose	Charges	Contributions and donations received	Reimbursements received	Specific purpose Government grants	
				Capital	Current
<i>Welfare — continued</i>					
Aged and disabled	5,264	134	15	406	10,966
Other	132	63	12	75	1,109
Housing	2,447	464	91	1,588	318
<i>Community amenities —</i>					
Protection of the environment —					
Sanitation (garbage)	21,382	75	25	1	868
Sewerage	2,535	61	58	9	92
Urban stormwater drainage	84	616	119	440	16
Other protection of the environment	3,572	38	7	53	142
Community and regional development	378	207	16	33	28
Other community amenities	226	282	9	847	36
<i>Recreation and culture —</i>					
Public halls, civic centres	2,547	370	52	639	54
Swimming pools and beaches	4,049	209	45	424	493
Other recreation and sport	7,941	2,402	499	4,373	1,239
Libraries	569	10,639	140	200	12,844
Other culture	1,136	133	36	2,435	642
<i>Economic services —</i>					
Transport —					
Construction/maintenance of roads and bridges	5,079	16,422	53,693	39,038	11,421
Road plant purchases	—	—	91	—	—
Street lighting	—	2	2	—	—
Parking	7,004	1,013	106	—	—
Aerodromes	204	51	48	734	408
Other transport	142	2	25	49	—
Rural services	109	427	5	6	13
Tourism and area promotion	4,005	71	32	199	71
Building control	59	—	3	—	—
Saleyards and markets	4,753	—	—	130	—
Other economic services	10,961	217	68	83	181
Natural disaster relief	68	—	3	—	44
<i>Unclassified —</i>					
Plant purchases	—	—	6	—	—
Other	4,739	819	5,201	539	10
Total	116,345	34,995	61,045	52,959	66,865

(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.

LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES OUTLAY, VICTORIA,
YEAR ENDED 30 SEPTEMBER 1981 (a)
(\$'000)

Purpose	Capital outlay		Current outlay		Total	
	From revenue	From loans	From revenue	From loans	(\$'000)	Per cent
General administration	7,777	6,311	150,024	45	164,157	16.5
<i>Law, order and public safety —</i>						
Fire protection	128	202	1,861	8	2,199	0.2
Animal control	98	32	2,992	—	3,122	0.3
Other	344	30	5,121	1	5,497	0.6
Total	570	264	9,974	9	10,818	1.1
<i>Education —</i>						
Pre-schools	834	1,061	11,488	29	13,413	1.4
Other	24	76	194	—	293	—
Total	858	1,137	11,682	29	13,706	1.4
<i>Health —</i>						
Infants and mothers	313	417	12,907	—	13,637	1.4
Preventive services	181	—	9,260	—	9,441	0.9
Other	29	5	766	—	800	0.1
Total	523	422	22,933	—	23,878	2.4

LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES OUTLAY, VICTORIA,
YEAR ENDED 30 SEPTEMBER 1981 (a)— *continued*
(\$'000)

Purpose	Capital outlay		Current outlay		Total	
	From revenue	From loans	From revenue	From loans	(\$'000)	Per cent
Welfare —						
Families and children	338	69	14,546	—	14,954	1.5
Aged and disabled	1,140	688	23,171	—	25,000	2.5
Other	357	89	5,927	—	6,373	0.7
Total	1,835	846	43,644	—	46,327	4.7
Housing	3,749	658	2,872	—	7,279	0.7
Community amenities —						
Protection of the environment —						
Sanitation (garbage)	3,637	1,562	63,823	3	69,025	6.9
Sewerage	111	69	2,376	4	2,560	0.3
Urban stormwater drainage	2,581	3,238	3,729	216	9,763	1.0
Other protection of the environment	131	81	4,778	45	5,035	0.5
Community and regional development	887	1,358	7,159	206	9,610	1.0
Other community amenities	3,663	3,209	4,244	49	11,164	1.1
Total	11,010	9,517	86,109	523	107,157	10.8
Recreation and culture —						
Public halls, civic centres	2,210	2,606	7,829	93	12,738	1.3
Swimming pools and beaches	1,425	1,746	10,511	16	13,697	1.4
Other recreation and sport	20,379	15,042	54,073	422	89,916	9.0
Libraries	5,241	1,570	36,498	8	43,318	4.4
Other culture	3,158	963	3,521	28	7,671	0.8
Total	32,413	21,927	112,432	567	167,340	16.9
Economic services —						
Transport —						
Construction/maintenance of roads and bridges	112,566	24,485	122,813	3,304	263,169	26.5
Road plant purchases	13,539	3,961	132	—	17,632	1.8
Street lighting	206	74	13,652	—	13,932	1.4
Parking	2,387	4,205	10,075	48	16,715	1.7
Aerodromes	945	2,971	1,073	—	4,989	0.5
Other transport	155	52	94	—	300	—
Rural services	578	119	264	—	961	0.1
Tourism and area promotion	636	508	3,820	1	4,964	0.5
Building control	84	6	10,076	—	10,165	1.0
Saleyards and markets	744	2,311	2,489	15	5,558	0.6
Other economic services	2,518	5,233	16,408	14	24,173	2.4
Total	134,358	43,925	180,896	3,382	362,558	36.5
Natural disaster relief	—	—	154	—	154	—
Unclassified —						
Plant purchases	917	144	—	—	1,060	0.1
Other (b)	1,653	49	-11,562	368	-9,492	-0.9
Total	2,570	193	-11,408	368	-8,278	-0.8
Total outlay by purpose	195,663	85,200	609,158	4,923	894,942	90.2
Other —						
Debt charges —						
Interest	—	—	59,401	—	59,401	6.0
Dept redemption (c)	38,210	—	—	—	38,210	3.8
Total	38,210	—	59,401	—	97,611	9.8
Total outlay	233,873	85,200	668,559	4,923	992,553	100.00

(a) Excludes levies paid to Government, donations, advances to public, and transfers to trading activities. These items totalled \$14.6m for 1982.

(b) See note preceding the Plant Operating Account table on page 172.

(c) Includes transfers to Sinking Funds.

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

LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES,
SPECIFIC PURPOSE REVENUE (a), SOURCE AND PURPOSE, VICTORIA,
YEAR ENDED 30 SEPTEMBER 1982
(\$'000)

Purpose	Charges	Contributions and donations received	Reimbursements received	Specific purpose Government grants	
				Capital	Current
General administration	14,588	82	290	2	38
Law, order and public safety –					
Fire protection	708	30	55	93	63
Animal control	22	—	—	—	—
Other	171	19	10	104	2,840
Education –					
Pre-schools	180	114	229	597	11,229
Other	14	11	4	9	44
Health –					
Infants and mothers	101	55	93	79	5,833
Preventive services	78	113	153	10	677
Other	150	4	—	8	253
Welfare –					
Families and children	4,154	23	30	164	8,772
Aged and disabled	6,374	209	17	945	12,754
Other	203	81	14	55	1,227
Housing	3,080	29	34	1,050	370
Community amenities –					
Protection of the environment –					
Sanitation (garbage)	24,977	2,296	226	—	1,008
Sewerage	2,359	28	373	144	81
Urban stormwater drainage	35	249	334	96	40
Other protection of the environment	4,205	34	13	165	341
Community and regional development	333	11	1	35	83
Other community amenities	255	543	21	520	58
Recreation and culture –					
Public halls, civic centres	3,251	349	45	633	59
Swimming pools and beaches	4,513	85	50	163	556
Other recreation and sport	10,093	3,671	288	4,378	1,251
Libraries	849	11,900	143	171	13,832
Other culture	1,423	314	5	1,869	656
Economic services –					
Transport –					
Construction/maintenance of roads and bridges	6,316	19,487	59,479	42,789	12,361
Road plant purchases	—	—	198	—	—
Street lighting	1	2	—	—	—
Parking	7,467	1,068	186	16	—
Aerodromes	177	111	35	586	314
Other transport	184	51	—	136	—
Rural services	168	157	3	10	2
Tourism and area promotion	4,729	120	22	289	69
Building control	131	—	8	—	—
Saleyards and markets	6,031	17	4	50	—
Other economic services	12,238	147	252	721	139
Natural disaster relief	121	—	4	1	66
Unclassified –					
Plant purchases	—	50	1	—	—
Other	4,689	1,271	5,623	1,376	36
Total	124,366	42,731	68,240	57,260	75,053

(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.

LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES OUTLAY, VICTORIA,
YEAR ENDED 30 SEPTEMBER 1982 (a)
(\$'000)

Purpose	Capital outlay		Current outlay		Total	
	From revenue	From loans	From revenue	From loans	(\$'000)	Per cent
General administration	9,311	7,777	168,866	7	185,962	16.7
Law, order and public safety –						
Fire protection	235	40	2,223	—	2,498	0.2
Animal control	211	83	3,265	—	3,559	0.3
Other	384	39	6,052	—	6,475	0.6
Total	10,141	7,939	180,406	7	198,494	17.8
Education –						
Pre-schools	1,214	808	13,760	—	15,781	1.4
Other	22	—	232	1	254	—
Total	1,236	808	13,992	1	16,035	1.4
Health –						
Infants and mothers	195	228	14,637	—	15,059	1.4
Preventive services	217	—	10,948	—	11,165	1.0
Other	71	50	1,101	—	1,222	0.1
Total	483	278	26,686	—	27,446	2.5
Welfare –						
Families and children	210	127	17,554	20	17,911	1.6
Aged and disabled	1,422	1,300	28,066	—	30,787	2.8
Other	289	80	6,855	—	7,223	0.6
Total	1,921	1,507	52,475	20	55,921	5.0
Housing	1,787	406	3,629	1	5,823	0.5
Community amenities –						
Protection of the environment –						
Sanitation (garbage)	4,677	4,147	75,225	2	84,051	7.5
Sewerage	284	109	2,733	—	3,126	0.3
Urban stormwater drainage	2,398	2,587	3,880	29	8,895	0.8
Other protection of the environment	357	211	5,310	17	5,895	0.5
Community and regional development	179	916	8,336	55	9,486	0.9
Other community amenities	3,007	2,143	4,822	1	9,972	0.9
Total	10,902	10,113	100,306	104	121,425	10.9
Recreation and culture –						
Public halls, civic centres	2,567	3,664	9,053	79	15,363	1.4
Swimming pools and beaches	990	1,914	12,552	30	15,486	1.4
Other recreation and sport	22,475	15,685	59,000	71	97,232	8.7
Libraries	5,272	1,347	42,961	2	49,581	4.4
Other culture	2,549	2,790	4,431	32	9,802	0.9
Total	33,853	25,400	127,997	214	187,464	16.8
Economic services –						
Transport –						
Construction/maintenance of roads and bridges	129,039	25,200	124,397	2,671	281,308	25.2
Road plant purchases	16,242	3,553	238	—	20,032	1.8
Street lighting	105	47	16,539	—	16,692	1.5
Parking	3,918	2,891	12,210	41	19,060	1.7
Aerodromes	876	4,041	834	—	5,751	0.5
Other transport	177	—	105	—	282	0.1
Rural services	369	84	403	—	856	0.1
Tourism and area promotion	931	205	4,576	—	5,712	0.5
Building control	197	—	12,231	—	12,428	1.1
Salesyards and markets	798	1,734	3,321	—	5,853	0.5
Other economic services	7,532	5,777	20,833	67	34,208	3.1
Total	160,184	43,532	195,687	2,779	402,182	36.1
Natural disaster relief	1	15	48	—	64	—
Unclassified –						
Plant purchases	1,612	144	—	—	1,756	0.1
Other (b)	1,388	83	-18,475	217	-16,787	-1.5
Total	3,001	242	-18,427	217	-14,967	-1.4
Total outlay by purpose	223,508	90,227	682,749	3,343	999,826	89.6

LOCAL GOVERNMENT AUTHORITIES: ORDINARY SERVICES OUTLAY, VICTORIA,
YEAR ENDED 30 SEPTEMBER 1982 (a) — continued
(\$'000)

Purpose	Capital outlay		Current outlay		Total	
	From revenue	From loans	From revenue	From loans	(\$'000)	Per cent
Other —						
Debt charges —						
Interest	—	—	70,491	—	70,491	6.3
Debt redemption (c)	44,984	—	—	—	44,984	4.1
Total	44,984	—	70,491	—	115,475	10.4
Total outlay	268,492	90,227	753,240	3,343	1,115,301	100.00

(a) Excludes levies paid to Government, donations, advances to public, and transfers to trading activities. These items totalled \$12.0m for 1981.

(b) See note preceding the Plant Operating Account table on page 172.

(c) Includes transfers to Sinking Funds.

Municipal business undertakings

In Victoria during 1980-81 and 1981-82, eleven municipal councils conducted electricity supply undertakings. These constituted the principal trading activities of municipalities. Other trading activities included water supply, abattoirs, quarries, and markets, 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 years ended 30 September 1981 and 1982:

LOCAL GOVERNMENT AUTHORITIES: TRADING ACTIVITIES, CURRENT
TRANSACTIONS, VICTORIA, 1980-81
(\$'000)

Particulars	Trading activities				
	Electricity	Water supply (a)	Abattoirs	Other	Total
Income —					
Total trading income	198,981	112	1,713	3,683	204,489
Interest received	798	2	14	—	814
Transfer from ordinary services	—	—	—	—	—
Total income	199,779	114	1,727	3,683	205,303
Current outlay —					
Purchase of goods and services	182,346	87	1,532	3,880	187,846
Pay roll tax	1,067	—	27	—	1,094
Depreciation	3,928	3	47	—	3,978
Trading working expenses	187,342	90	1,606	3,880	192,919
Interest paid	3,859	9	68	—	3,936
Transfer to ordinary services	1,981	—	40	—	2,022
Levies paid to governments	5,152	—	50	—	5,203
Total current outlay	198,335	99	1,765	3,880	204,079
Surplus or deficit (-)	1,444	15	-38	-197	1,224

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

LOCAL GOVERNMENT AUTHORITIES: TRADING ACTIVITIES, CURRENT
TRANSACTIONS, VICTORIA, 1981-82
(\$'000)

Particulars	Trading activities				
	Electricity	Water supply (a)	Abattoirs	Other	Total
Income —					
Total trading income	241,198	135	1,811	4,332	247,475
Interest received	1,347	3	1	—	1,351
Government Grants — current	2	1	—	—	3
Transfer from ordinary services	—	3	—	—	3
Total income	242,547	141	1,812	4,332	248,832

LOCAL GOVERNMENT AUTHORITIES: TRADING ACTIVITIES, CURRENT
TRANSACTIONS, VICTORIA, 1981-82 — *continued*
(\$'000)

Particulars	Trading activities				
	Elec- tricity	Water supply (a)	Abattoirs	Other	Total
Current outlay –					
Purchase of goods and services	227,739	112	1,664	2,563	232,079
Payroll tax	1,536	—	28	—	1,564
Depreciation	4,034	3	48	—	4,085
Trading working expenses	233,309	116	1,740	2,563	237,728
Interest paid	4,248	9	62	—	4,319
Transfer to ordinary services	1,409	2	—	—	1,412
Levies paid to governments	—	—	59	—	59
Total current outlay	238,967	128	1,861	2,563	243,519
Surplus or deficit (-)	3,580	13	-49	1,769	5,313

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

LOCAL GOVERNMENT AUTHORITIES: TRADING ACTIVITIES, CAPITAL
TRANSACTIONS, VICTORIA, 1980-81
(\$'000)

Particulars	Trading activities				
	Elec- tricity	Water supply (a)	Abattoirs	Other	Total
Source of funds –					
Loan receipts (b)	3,705	8	—	—	3,713
Depreciation allowances	3,929	3	47	—	3,978
Contributions and donations received	53	—	—	—	53
Advances repaid by public	86	—	—	—	86
Other (surplus on current account, etc.)	1,404	18	224	—	1,646
Total source of funds	9,177	29	271	—	9,476
Use of funds –					
Expenditure on new fixed assets	7,308	24	250	—	7,582
Debt redemption	1,869	4	21	—	1,894
Total use of funds	9,177	29	271	—	9,476

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

(b) All loan receipts came from lenders other than Commonwealth and State Governments.

LOCAL GOVERNMENT AUTHORITIES: TRADING ACTIVITIES, CAPITAL
TRANSACTIONS, VICTORIA, 1981-82
(\$'000)

Particulars	Trading activities				
	Elec- tricity	Water supply (a)	Abattoirs	Other	Total
Source of funds –					
Loan receipts (b)	4,465	—	22	—	4,487
Depreciation allowances	4,034	3	48	—	4,085
Contributions and donations received	134	—	—	—	134
Other (surplus on current account, etc.)	-333	21	89	1,787	1,564
Total source of funds	8,300	25	159	1,787	10,270
Use of funds –					
Expenditure on new fixed assets	6,154	21	141	1,709	8,024
Purchase of land, other fixed assets	—	—	—	78	78
Debt redemption	2,146	4	18	—	2,168
Total use of funds	8,300	25	159	1,787	10,270

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

(b) All loan receipts came from lenders other than Commonwealth and State Governments.

Plant Operating Account

The following tables show 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 167.

**LOCAL GOVERNMENT AUTHORITIES: PLANT
OPERATING ACCOUNT, VICTORIA
(\$'000)**

Particulars	1980-81	1981-82
Income –		
Plant hire charges	54,863	69,061
Transfers from Ordinary Services	242	—
Total income	55,106	69,061
Outlay –		
Working expenses	36,443	41,590
Transfers to Ordinary Services (a)	18,662	—
Total outlay	55,106	41,590

(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 1981 and 1982 is shown in the following table:

**LOCAL GOVERNMENT AUTHORITIES:
LONG-TERM DEBT, VICTORIA
(\$'000)**

Particulars	1980-81	1981-82
New loans, etc. raised during year	100,825	91,513
Debt redemption –		
From revenue	38,227	42,824
From sinking funds	4,076	5,442
Balance of liability at end of year	687,286	732,497

Financial investments and bank balances

The following table shows the total financial investments and bank balances of municipalities in Victoria at 30 September 1981 and 1982:

**LOCAL GOVERNMENT AUTHORITIES: FINANCIAL INVESTMENTS
AND BANK BALANCES, VICTORIA
(\$'000)**

Financial investments and bank balances	1980-81	1981-82
Financial investments –		
Commonwealth Government stocks and bonds	4,323	3,698
Securities of State Public Authorities	29,304	29,320
Securities of Local Government Authorities	12,576	12,073
Deposits with short-term money market	31,093	58,160
Advances to public	1,011	2,179
Other investments	5,168	12,679
Total financial investments	83,476	118,108
Bank balances –		
Fixed deposits	136,674	162,265
Cash on hand and at bank	100,410	124,201
Overdraft	-55,813	-95,624
Total bank balances	181,271	190,843
Total financial investments and bank balances	264,747	308,951
Sinking fund for loan repayment	44,474	47,221



The altar in the Main Temple of the Chinese Joss House (House of Prayer) at Emu Point, Bendigo. The Joss House, constructed in 1860, is the only surviving building of its type in the Victorian countryside.

Victorian Tourism Commission

Hargreaves Mall, one of Bendigo's retail areas, has been remodelled into a pleasant and relaxed shopping environment.

Victorian Tourism Commission





The elaborate architectural style of the Shamrock Hotel in Bendigo, one of the city's most outstanding landmarks. The hotel, which was originally built in 1897, was fully restored in 1981.

Victorian Tourism Commission

(Below left) Popular tourist attractions in Bendigo include the Central Deborah Gold Mine and a 'talking tram'. The tram transports passengers through Bendigo while explaining the history of the city's buildings and landmarks.

(Below right) Alexandra Fountain, located at Charing Cross, Bendigo, stands as a tribute to the workmanship of the many Bendigo artisans responsible for its construction.

Victorian Tourism Commission





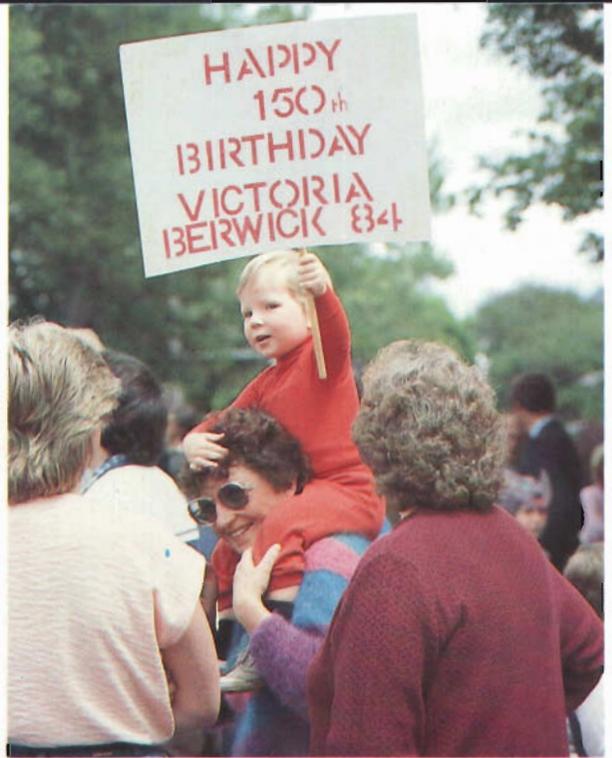
A laser light show, depicting Victoria's 150th Anniversary logo, adds to the spectacle of the celebrations held in Melbourne.

Telecom Australia



A 46 metre flagpole (30.6cm. for each year of Victoria's history) was erected in 1984 at the Haymarket roundabout at the top of Elizabeth Street in Melbourne.

Gordon Lyall, Westpac Banking Corporation



Children at Learmonth (above left) and Berwick (above right) participate in some of the many events held throughout the State in 1984 and 1985 to celebrate Victoria's 150th Anniversary.

Telecom Australia

Re-enactment of the burning of the Eureka Hotel in Ballarat. The original hotel was burnt down by angry miners in October 1854 during events leading up to the action at the Eureka Stockade.

Telecom Australia



Length of roads and streets

The following tables show the estimated length of all roads and streets open for general traffic in Victoria in 1981 and 1982. The information was supplied by the Country Roads Board, municipal councils, and other authorities.

**LENGTH OF ALL ROADS AND STREETS OPEN FOR GENERAL TRAFFIC AT 30 JUNE
1981 (a), VICTORIA
(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.	7,083	13,565	1,112	41,436	63,196
Water-bound macadam, gravel, sand, and hard loam pavements	243	999	716	46,239	48,197
Formed, but not otherwise paved	—	—	—	24,183	24,183
Not formed but open for general traffic	—	—	—	22,499	22,499
Total	7,326	14,564	1,828	134,357	158,075

(a) Excludes roads which are the responsibility of the State Electricity Commission (72 kilometres), Melbourne and Metropolitan Board of Works (39 kilometres) and the Forests Commission (38,431 kilometres).

(b) Includes 353 kilometres of freeways consisting of extra-metropolitan freeways (by-pass roads) and metropolitan freeways.

**LENGTH OF ALL ROADS AND STREETS OPEN FOR GENERAL TRAFFIC AT 30 JUNE
1982 (a), VICTORIA
(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.	7,117	13,644	1,109	42,056	63,926
Water-bound macadam, gravel, sand, and hard loam pavements	233	941	718	46,013	47,905
Formed, but not otherwise paved	—	—	—	23,503	23,503
Not formed but open for general traffic	—	—	—	21,867	21,867
Total	7,350	14,585	1,827	133,439	157,201

(a) Excludes roads which are the responsibility of the State Electricity Commission (64 kilometres), Melbourne and Metropolitan Board of Works (39 kilometres) and the Forests Commission (39,656 kilometres).

(b) Includes 403 kilometres of freeways consisting of extra-metropolitan freeways (by-pass roads) and metropolitan freeways.

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