Authorised Version No. 043
Municipal Association Act 1907
No. 2080 of 1907
Authorised Version incorporating amendments as at 4 October 2012

TABLE OF PROVISIONS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Short title</td>
</tr>
<tr>
<td>2</td>
<td>Association to be a body corporate etc.</td>
</tr>
<tr>
<td>3</td>
<td>Rules</td>
</tr>
<tr>
<td>4</td>
<td>Power to establish Fidelity Guarantee Fund</td>
</tr>
<tr>
<td>5</td>
<td>Contributions of municipalities etc.</td>
</tr>
<tr>
<td>6</td>
<td>Alteration of rates of contributions</td>
</tr>
<tr>
<td>7</td>
<td>Liability of municipalities etc.</td>
</tr>
<tr>
<td>8</td>
<td>Division of funds if discontinued</td>
</tr>
<tr>
<td>9</td>
<td>Payment of conditions etc.</td>
</tr>
<tr>
<td>9A</td>
<td>Distribution of surplus</td>
</tr>
<tr>
<td>10</td>
<td>Effect of guarantee</td>
</tr>
<tr>
<td>10A</td>
<td>Repealed</td>
</tr>
<tr>
<td>10B</td>
<td>Power to Association to issue accident insurance policies to members of certain authorities</td>
</tr>
<tr>
<td>10C</td>
<td>Association may arrange insurance</td>
</tr>
<tr>
<td>10CA</td>
<td>Members’ insurance</td>
</tr>
<tr>
<td>10CB</td>
<td>Establishment of liability insurance scheme</td>
</tr>
<tr>
<td>10CC</td>
<td>Terms and conditions of the insurance scheme</td>
</tr>
<tr>
<td>10CD</td>
<td>Accounts and report</td>
</tr>
<tr>
<td>10D</td>
<td>Association may publish journal</td>
</tr>
<tr>
<td>11</td>
<td>Accounts</td>
</tr>
<tr>
<td>12</td>
<td>Association does not require registration as a general insurer under Duties Act 2000</td>
</tr>
</tbody>
</table>

Local Government Investment Service Fund

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Definitions</td>
</tr>
<tr>
<td>14</td>
<td>Local Government Investment Service Fund</td>
</tr>
<tr>
<td>15</td>
<td>Payments into Fund</td>
</tr>
<tr>
<td>16</td>
<td>Application of Fund</td>
</tr>
<tr>
<td>17</td>
<td>Authorized depositors</td>
</tr>
<tr>
<td>18</td>
<td>Authorized investments</td>
</tr>
<tr>
<td>19</td>
<td>Borrowing power, etc.</td>
</tr>
<tr>
<td>20</td>
<td>Accounts</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>ENDNOTES</td>
<td>17</td>
</tr>
<tr>
<td>1. General Information</td>
<td>17</td>
</tr>
<tr>
<td>2. Table of Amendments</td>
<td>18</td>
</tr>
<tr>
<td>3. Explanatory Details</td>
<td>21</td>
</tr>
</tbody>
</table>
Preamble

WHEREAS an Association called the Municipal Association of Victoria was established in the year One Thousand eight hundred and seventy-nine 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:

AND WHEREAS it is desirable that such Association should be empowered to establish and conduct a Municipal Officers Fidelity Guarantee Fund:

AND WHEREAS it is desirable for the convenient and effectual carrying out of such purposes that the said Association should be incorporated:

BE IT THEREFORE ENACTED by the King's Most Excellent Majesty by and with the advice and consent of the Legislative Council and the Legislative Assembly of Victoria in this present Parliament assembled and by the authority of the same as follows (that is to say):

1 Short title

This Act may be cited as the Municipal Association Act 1907.
2 Association to be a body corporate etc.

(1) The Municipal Association of Victoria (hereinafter called the Association) shall be a body corporate and by that name shall have perpetual succession and a common seal and shall be capable in law of suing and being sued.

(2) Each council in Victoria from time to time may appoint a councillor to be the representative of such council and the representatives so appointed shall constitute the Association.

(3) The Association shall have power—

(a) to compound or prove in any court of competent jurisdiction all debts or sums of money due to the Association;

(b) to purchase take hold sell lease take on lease exchange or dispose of land or any real or personal property;

(c) to erect buildings on any land acquired by the Association, to alter buildings thereon, or to demolish buildings thereon and erect new buildings in their place whether such buildings or any part or parts thereof are intended for use or occupation by the Association or for leasing;

(d) to lease any buildings the property of the Association or any part or parts thereof on such terms and conditions as the Association thinks fit;

(e) to purchase rent hire or otherwise make provision for the use of furniture or fittings and business equipment or services;

(ea) to establish and manage a mutual liability insurance scheme for the purpose of providing public liability and professional indemnity insurance;
(f) subject to the making of sufficient provision for meeting liabilities and expenses to use any moneys under its control other than any money required to be paid into the Local Government Investment Service Fund pursuant to section 15 in purchasing or financing the purchasing of property and may borrow moneys, whether with or without security, for the purchase of any such property; and

(g) to do all things necessary or convenient to be done for or in connexion with the operation of the Local Government Investment Service Fund.

3 Rules

(1) The rules of the Association in force at the commencement of this Act except in so far as the same are inconsistent with any of the provisions of this or any other Act shall be the rules of the Association until revoked or altered by rules made pursuant to this Act.

(2) It shall be competent for the Association with the approval of the Governor in Council to make rules (a) for the management of the association; (b) for the regulation of its proceedings; (c) for fixing the amount of the subscription to be paid annually to the Association by each municipality; (d) for the regulation and management of and for fixing the rate of contributions to the Municipal Officers Fidelity Guarantee Fund and terms and conditions upon which the benefit of such fund shall be available; and (e) generally for all matters whatsoever affecting the management of the Association not inconsistent with the laws of Victoria.
4 **Power to establish Fidelity Guarantee Fund**

It shall be lawful for the Association to establish a Municipal Officers Fidelity Guarantee Fund.

5 **Contributions of municipalities etc.**

(1) Any council any Authority under the Water Act 1989 or any corresponding previous enactments or other body constituted under any Act for any public or local governing purpose or any Weights and Measurers Union may contribute to the said fund such sum as shall be fixed by the Association as a premium or consideration for the guarantee of such council Board authority or union against all or any loss which may be occasioned by the dishonesty of any person in its employment and on the acceptance of such sum the Association upon such terms and conditions as may be determined shall enter into an agreement to pay out of the said fund all or any loss sustained by such council Board authority or union by reason or in consequence of the dishonesty of such person as shall amount to a criminal act or acts.


6 **Alteration of rates of contributions**

The amount to be so contributed by any council Board authority or union may from time to time be altered to such amount as in the opinion of the Association will be sufficient to maintain the fund at a sufficient level for making provision for all liabilities and expenses in respect of the fund.
7 Liability of municipalities etc.

In the event of the amount to the credit of the fund being at any time insufficient to pay all liabilities and expenses in respect thereof every council Board authority or union which at such time is contributing to the fund shall pro rata to the amount of its contribution pay to the Association such amount as may be necessary to enable the Association to pay such liabilities and expenses.

8 Division of funds if discontinued

If the Association at any time determines to discontinue such fund the amount which after payment of all liabilities and expenses shall be to the credit thereof shall be divided amongst the councils Boards authorities and unions which at such time are contributing to the fund, and the sum payable to each such council Board authority or union shall be pro rata to the sums contributed by each of them respectively during the five years next preceding such discontinuance.

9 Payment of conditions etc.

The amount for which any council Board authority or union is liable to the Association shall be paid within one month after a written notice specifying the amount payable and signed by the secretary of the Association has been delivered or sent by post to the clerk of secretary of such council Board authority or union.

9A Distribution of surplus

The Association may distribute any surplus existing in the fund from time to time amongst contributors pro rata with contributions made by the contributors in the period of 5 years immediately preceding the distribution.
10 Effect of guarantee

A guarantee obtained under the provisions of this Act shall to the extent of the sum thereby guaranteed be deemed to be a compliance with the provisions of the Local Government Act 1989 or of any other relevant Act or enactment relating to fidelity guarantee of officers or employees of any such authority.

10B Power to Association to issue accident insurance policies to members of certain authorities

The Association may for such premium as it determines issues to—

(a) a councillor of a municipality; or
(b) a member of an Authority under the Water Act 1989; or

(c) a member of the Melbourne and Metropolitan Board of Works—

a policy of accident insurance insuring him against accidents which arise out of or in the course of the performance of his functions as a councillor, commissioner or member or of his travelling by a reasonably direct route between his place of residence and any other place where the travelling is undertaken solely for the purpose of his performing any such function at that other place and may to the extent that it thinks fit re-insure any risk under the policy.

10C Association may arrange insurance

The Association may, in relation to insurance requirements of its members and any other bodies constituted under any Act for any public or local governing purpose or constituted for a joint purpose by two or more of such members and other bodies—

(a) do all such things as are ordinarily done by financial services licensees (as defined in section 761A of the Corporations Act) whose licence covers arranging contracts of insurance; and

(b) in particular, receive commission for arranging those contracts of insurance.
10CA Members' insurance

Where the Association effects a policy of accident insurance under section 10C with respect to any of the persons constituting any of the bodies referred to in that section generally each and every such person shall severally be deemed to be insured under the terms of the policy in all respects as if he personally had made a proposal for and entered into a policy of accident insurance in those terms for so long as he remains a person constituting any of those bodies.

10CB Establishment of liability insurance scheme

(1) The Association must establish and manage a mutual liability insurance scheme for the purpose of providing public liability and professional indemnity insurance.

(2) The insurance scheme must be managed for the benefit of—

(a) the Association;
(b) Councils;
(c) any other body constituted by or under the Local Government Act 1989 for any public or local governing purpose;
(d) any other body which the terms and conditions of the insurance scheme provide may be a member of, or participate in, the insurance scheme.

10CC Terms and conditions of the insurance scheme

The Association may determine the terms and conditions on which the insurance scheme is to be managed.
10CD  Accounts and report

(1) The Association must keep a separate account for all money received or expended on account of the insurance scheme.

(2) The Association must cause proper accounts and records of its transactions in respect of the insurance scheme to be kept.

(3) The Association must cause to be prepared within four months after the end of each financial year a financial report on the insurance scheme which must include—

   (a) a profit and loss account and a balance-sheet; and

   (b) a report on the insurance scheme as at the end of the financial year—

and contain such information as is necessary to give a true and fair view of the financial transactions and state of affairs of the insurance scheme.

(4) The financial report prepared pursuant to subsection (3) must be audited by the registered company auditor.

(5) The Association must as soon as is practicable after the end of each financial year and not later than the following 31 December submit to the Minister and members the financial report prepared pursuant to subsection (3) and the report of the auditor pursuant to subsection (4).

(6) The Minister must cause the financial report and the report of the auditor submitted to the Minister under subsection (5) to be laid before the Legislative Council and the Legislative Assembly before the expiration of the fourteenth sitting day of the Legislative Council or the Legislative Assembly (as the case may be) after the financial
report and the report of the auditor have been received by the Minister.

(7) For the purposes of this section, the financial year is the 12 month period ending on 30 June.

10D Association may publish journal

The Association may publish and sell copies of a journal dealing with matters of interest to members and officers of bodies constituted under any Act for any public or local governing purpose.

11 Accounts

(1) The Association shall cause full and accurate accounts to be kept of all sums of money received or expended by it and of the matters and things for which sums of money shall have been received or expended.

(2) A separate account shall be kept for all moneys received or expended on account of the Municipal Officers Fidelity Guarantee Fund and with respect to every policy of accident insurance under section 10B.

(3) The accounts of the Association shall before the thirty-first day of October in each and every year be balanced up to and inclusive of the thirtieth day of June in such year; and forthwith on the accounts being so balanced an annual account shall be made up which shall exhibit a true statement of the receipts and expenditure respectively of the Association during the year immediately preceding with the statement of the balance of such account, and all books accounts and vouchers of the Association shall be examined and audited by a registered company auditor and the balance and account shall be certified by the treasurer of the Association and by the said auditor.
12 Association does not require registration as a
general insurer under Duties Act 2000

Despite section 185 of the Duties Act 2000, the
Association is not required to be registered under
Part 2 of Chapter 8 of that Act.

Local Government Investment Service Fund

13 Definitions

In sections 14 to 20, unless inconsistent with the
context or subject-matter—

authorised deposit-taking institution has the same
meaning as in the Banking Act 1959 of the
Commonwealth;

authorized depositor means an authorized
depositor pursuant to section 17;

Fund means the fund established pursuant to
section 14;

Treasurer means the Treasurer of Victoria.
Municipal Association Act 1907
No. 2080 of 1907

14 **Local Government Investment Service Fund**

The Association shall establish and keep a Fund to be called the Local Government Investment Service Fund.

15 **Payments into Fund**

(1) There shall be paid into the Fund—

(a) all money received from authorized depositors;

(b) all money borrowed by the Association pursuant to section 19;

(c) all interest, dividends or other income received on money invested by the Association pursuant to section 18; and

(d) all money received by the Association in respect of the repayment of any loan or the proceeds of the sale of any investments pursuant to section 18.

(2) The Association may deposit in the Fund any money which it has received under this Act—

(a) other than any money referred to in subsection (1); and

(b) which is not immediately required for the purposes for which that money was received—upon the same terms and conditions which would apply to the Association if it was an authorized depositor with a deposit of that value in the Fund.

16 **Application of Fund**

(1) The Association may apply money in the Fund—

(a) in the payment of any expenses incurred in the administration of the Fund;
(b) in the repayment of money received from the Association and authorized depositors and interest thereon;

(c) in the repayment of money borrowed by the Association pursuant to section 19 and interest thereon; and

(d) in investments authorized by section 18.

(2) The Association may apply any surplus in the Fund at the end of each financial year in the payment to each authorized depositor during that financial year of an amount calculated on a proportionate basis having regard to the value of deposits made by each authorized depositor and the period of time during which such deposits were held in the Fund.

17 Authorized depositors

The Association may accept money on deposit from the following authorized depositors—

(a) any council which is a member of the Association; and

(b) any body constituted—

(i) by or under the Local Government Act 1989 for any public or local governing purpose; or

(ii) for a joint purpose by councils or a council and any other body—

and which body is declared by the Governor in Council on the recommendation of the Minister after consultation with the Treasurer.
to be an authorized depositor for the purposes of this section—

upon such forms and conditions as may be agreed between the Association and the authorized depositor.

18 Authorized investments

(1) The Association may invest any money in the Fund in—

(a) any manner in which trust funds may be invested pursuant to section 4(1) of the Trustee Act 1958 other than—

(i) securities of New Zealand; and

(ii) any manner referred to in paragraphs (ia) and (l) of section 4(1) of the Trustee Act 1958;

(b) any loans irrevocably guaranteed or confirmed by a body that is permitted to use the expression "bank" under section 66 of the Banking Act 1959, whether by direct loan, guarantee, letter of credit or any other means;

(c) any other manner declared by the Governor in Council on the recommendation of the Treasurer by notice published in the Government Gazette to be an authorized manner of investment for the purposes of this section.
19 Borrowing power, etc.

For the purpose of enabling the maximum utilization of money in the Fund the Association may—

(a) obtain temporary financial accommodation from any authorised deposit-taking institution by way of overdraft; and

(b) obtain temporary financial accommodation from any institution person or body other than an authorised deposit-taking institution—

(i) which does not exceed 20 per centum or such higher per centum as may be determined by the Treasurer from time to time and specified in a notice published in the Government Gazette of the total liabilities of the Association in respect of the Fund at the time at which the temporary financial accommodation is obtained; and

(ii) which is fully secured by investments the market value of which at the time at which the temporary financial accommodation is obtained is not less than the amount of the temporary financial accommodation.

20 Accounts

(1) The Association shall cause proper accounts and records of its transactions in respect of the Fund to be kept.

(2) The Association shall cause to be prepared within four months after the end of each financial year a financial report on the Fund which shall include—
(a) a profit and loss account and a balance-sheet; and

(b) a report on the Fund as at the end of the financial year—

and contain such information as is necessary to give a true and fair view of the financial transactions and state of affairs of the Fund.

(3) The financial report prepared pursuant to subsection (2) shall be audited by the auditor referred to in section 11(3).

(4) The Association shall as soon as is practicable after the end of each financial year and not later than the following 31 December submit to the Minister the financial report prepared pursuant to subsection (2) and the report of the auditor pursuant to subsection (3).

(5) The Minister shall cause the financial report and the report of the auditor submitted to him under subsection (4) to be laid before the Legislative Council and the Legislative Assembly before the expiration of the fourteenth sitting day of the Legislative Council or the Legislative Assembly (as the case may be) after the financial report and the report of the auditor have been received by him.

(6) The financial year of the Association shall be the year ending on 30 June.
ENDNOTES

1. General Information

The Municipal Association Act 1907 was assented to on 27 August 1907 and came into operation on 27 August 1907.
2. Table of Amendments

This Version incorporates amendments made to the Municipal Association Act 1907 by Acts and subordinate instruments.

Municipal Association Act 1933, No. 4182/1933
Assent Date: 29.12.33
Commencement Date: 29.12.33
Current State: All of Act in operation

Weights and Measures Act 1939, No. 4712/1939
Assent Date: 18.12.39
Commencement Date: 29.10.52: Government Gazette 24.9.52 p. 5441
Current State: All of Act in operation

Assent Date: 18.4.61
Commencement Date: 18.4.61
Current State: All of Act in operation

Municipal Association (Accident Insurance) Act 1964, No. 7176/1964
Assent Date: 24.11.64
Commencement Date: 24.11.64
Current State: All of Act in operation

Water Authorities Accident Insurance Act 1965, No. 7245/1965
Assent Date: 5.5.65
Commencement Date: 1.7.66: Government Gazette 29.6.66 p. 2270
Current State: All of Act in operation

Melbourne and Metropolitan Board of Works (Amendment) Act 1966, No. 7411/1966
Assent Date: 17.5.66
Commencement Date: 17.5.66
Current State: All of Act in operation

Municipal Association (Amendment) Act 1967, No. 7609/1967
Assent Date: 5.12.67
Commencement Date: 5.12.67
Current State: All of Act in operation

West Moorabool Water Board Act 1968, No. 7698/1968
Assent Date: 7.5.68
Commencement Date: 20.6.68: Government Gazette 19.6.68 p. 2183
Current State: All of Act in operation

Municipal Association (Amendment) Act 1971, No. 8090/1971
Assent Date: 6.4.71
Commencement Date: 6.4.71
Current State: All of Act in operation
Municipal Association Act 1907
No. 2080 of 1907

Water Authorities Accident Insurance Act 1971, No. 8168/1971
Assent Date: 16.11.71
Commencement Date: 16.11.71
Current State: All of Act in operation

Assent Date: 21.12.76
Commencement Date: S. 10(a)(b) on 21.12.76: s. 1(3)(xiii)
Current State: This information relates only to the provision/s amending the Municipal Association Act 1907

Assent Date: 29.3.83
Commencement Date: 30.3.83: Government Gazette 30.3.83 p. 692
Current State: All of Act in operation

Assent Date: 7.6.83
Commencement Date: 7.6.83
Current State: All of Act in operation

Assent Date: 9.5.89
Commencement Date: S. 4(1)(Sch. 2 items 82.1–82.12) on 1.11.89: Government Gazette 1.11.89 p. 2798
Current State: This information relates only to the provision/s amending the Municipal Association Act 1907

Water (Consequential Amendments) Act 1989, No. 81/1989
Assent Date: 5.12.89
Commencement Date: 1.11.90: Government Gazette 15.8.90 p. 2473
Current State: All of Act in operation

Local Government (General Amendment) Act 1993, No. 43/1993
Assent Date: 1.6.93
Commencement Date: S. 24 on 1.6.93: s. 2(1); ss 23, 25 on 2.9.93: Government Gazette 2.9.93 p. 2454
Current State: This information relates only to the provision/s amending the Municipal Association Act 1907

Assent Date: 10.5.94
Commencement Date: Pt. 1 (ss 1–8), ss 60, 61 on 10.5.94: s. 2(1); rest of Act on 1.7.94: s. 2(2)
Current State: All of Act in operation

Trade Measurement (Administration) Act 1995, No. 60/1995
Assent Date: 20.6.95
Commencement Date: S. 28(4) on 1.1.96: Government Gazette 7.12.95 p. 3381
Current State: This information relates only to the provision/s amending the Municipal Association Act 1907

Endnotes
### Endnotes

#### Municipal Association Act 1907
No. 2080 of 1907

<table>
<thead>
<tr>
<th>Statute Name</th>
<th>Assent Date</th>
<th>Commencement Date</th>
<th>Current State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector Reform (Miscellaneous Amendments) Act 1998, No. 46/1998</td>
<td>26.5.98</td>
<td>S. 7(Sch. 1) on 1.7.98: s. 2(2)</td>
<td>This information relates only to the provision/s amending the Municipal Association Act 1907</td>
</tr>
<tr>
<td>Statute Law Revision Act 2000, No. 74/2000</td>
<td>21.11.00</td>
<td>S. 3(Sch. 1 item 84.2) on 1.1.96: s. 2(2)(r); s. 3(Sch. 1 item 84.1) on 22.11.00: s. 2(1)</td>
<td>This information relates only to the provision/s amending the Municipal Association Act 1907</td>
</tr>
<tr>
<td>Duties Act 2000, No. 79/2000</td>
<td>28.11.00</td>
<td>S. 285(Sch. 1 item 5) on 1.7.01: s. 2</td>
<td>This information relates only to the provision/s amending the Municipal Association Act 1907</td>
</tr>
<tr>
<td>Statute Law Amendment (Authorised Deposit-taking Institutions) Act 2001, No. 11/2001</td>
<td>8.5.01</td>
<td>S. 3(Sch. item 52) on 1.6.01: s. 2(2)</td>
<td>This information relates only to the provision/s amending the Municipal Association Act 1907</td>
</tr>
<tr>
<td>Corporations (Financial Services Reform Amendments) Act 2002, No. 9/2002</td>
<td>23.4.02</td>
<td>S. 3(Sch. item 12) on 23.4.02: s. 2</td>
<td>This information relates only to the provision/s amending the Municipal Association Act 1907</td>
</tr>
</tbody>
</table>
3. Explanatory Details

1 S. 1: The operation of this Act and the Municipal Association Act 1933, No. 4182/1933 was not limited or affected by the Local Government Act 1934, No. 4279/1934 section 31(1). See section 31(2) of the Local Government Act 1934.

2 S. 10B(ca)–10B(i):

S. 10B(ca) inserted by No. 9895 s. 2(1)(Sch. 1 item 1(d)), repealed by No. 81/1989 s. 3(Sch. item 36.3).

S. 10B(d)–(f) repealed by No. 81/1989 s. 3(Sch. item 36.3).

S. 10B(fa) inserted by No. 7698 s. 68, repealed by No. 81/1989 s. 3(Sch. item 36.3).

S. 10B(g)–(i) repealed by No. 81/1989 s. 3(Sch. item 36.3).