

WATER SUPPLY LOAN APPLICATION BILL 1964.

EXPLANATORY MEMORANDUM.

This Bill is to give Parliamentary authority for the expenditure of loan moneys to the extent of £15,125,000 for carrying out works of country water supply, drainage, sewerage, flood protection and river improvement, as set out in the Schedule to the Bill.

Expenditure authorized in previous Acts and actual expenditure in recent years are set out hereunder :—

<i>Water Supply Loan Application Act.</i>		<i>Actual Expenditure.</i>	
	£		£
1960—No. 6708 ..	13,000,000	Financial Year 1960-61 ..	8,565,000
1961—No. 6820 ..	11,300,000	Financial Year 1961-62 ..	8,341,000
1962—No. 6934 ..	11,300,000	Financial Year 1962-63 ..	8,465,000
1963—No. 7056 ..	13,400,000	Financial Year 1963-64 ..	8,899,000
1964—Present Bill ..	15,125,000	Amount allotted 1964-65 ..	9,315,000

The full amount of the provision for which authority is sought in the Bill will not be expended during the current financial year, but Parliamentary authority is required so that investigations may proceed, plans may be prepared for improvements to town water supplies controlled by local authorities, and works already authorized continued or commenced after the close of the financial year prior to the enactment of the next Loan Act.

CAPITAL LIABILITY.

The net capital liability debited to country water supply works and related works as at 30th June, 1964, was £145,418,000. Of this amount, £115,933,000 is borne by the State of Victoria. The remainder (£29,485,000) is made up as follows :—

Capital liability borne directly by water users in districts other than irrigation districts :—	£
(a) administered by Waterworks Trusts and Local Governing Bodies ..	12,866,000
(b) under the jurisdiction and control of the State Rivers and Water Supply Commission	9,381,000
Irrigation Districts—Bacchus Marsh.. .. .	189,000
Proportion of capital liability borne by ratepayers in areas administered by River Improvements Trusts	208,000
Capital liability incurred in respect of Latrobe Valley Water Supply Works ..	5,213,000
Plant and machinery, plant depots, workshops, &c.	1,628,000
	29,485,000

The net capital liability of works of country sewerage authorities as at 30th June, 1964, was £5,287,000 of which £1,529,000 is borne by the State. The remainder, £3,758,000, is debited to the sewerage authorities.

Pursuant to the *Water Act* 1937, No. 4513, the capital liability was adjusted by transferring from the direct debit of water-users to the "Capital Expenditure Borne by the State Account" such amounts of the capital liability for waterworks as could not be borne by water-users on the basis of the existing rates and charges. In 1944, legislation was enacted consequent upon which a further portion of the capital liability was transferred to the State. It has since been the practice to charge all expenditure, as incurred on country water supply works under the jurisdiction of the Commission, to the State. Authority, however, is contained in the Water Acts for the Governor in Council on the recommendation of the Minister of Water Supply to transfer such portion of the capital liability from the State to the district as is commensurate with local development. An amount of £1,262,163, representing capital liability in respect of thirty-three urban districts was so transferred during the financial year ended 30th June, 1964. The clauses contained in the *Water Supply Loan Application Bill* 1964 are in accord with this procedure.

SCHEDULE OF WORKS.

The Schedule to the Bill is divided into Twelve Parts. The First and Second Parts authorize expenditure for the construction of works, as set out under the respective items, under the direct control of the State Rivers and Water Supply Commission ; the Third Part contains provision for the procurement of plant and machinery ; the Fourth to Eighth Parts inclusive deal with loans to local Water Authorities ; the Ninth Part provides for loans to country Sewerage Authorities ; the Tenth Part provides for advances to Authorities for river improvement and land drainage works ; the Eleventh Part deals with water supply and sewerage works in the Latrobe Valley ; the Twelfth Part represents the contribution of the State of Victoria towards the cost of works being constructed under the River Murray Waters Acts.

FIRST AND SECOND PARTS.

The amount of £9,225,000 set down in the First and Second Parts of the Bill is to meet commitments, commence construction on approved major projects, and provide for a continuation of works in hand under the direction and control of the State Rivers and Water Supply Commission.

The amounts for actual expenditure on planned works during the 1964-65 financial year are indicated below.

The provisions outlined in the Schedule to the Bill will give authority for expenditure on works from approximately November, 1964, until November, 1965, whereas the amounts shown in the Explanatory Memorandum allotted from the Loan Fund for 1964-65 are the amounts available for expenditure in the present financial year between 1st July, 1964, and 30th June, 1965.

BRIEF DESCRIPTION OF STATE WORKS.

Item.	Description of Works.	1964 Loan Bill Provision.	1964-65 Loan Fund Allocation.
FIRST PART—STORAGES AND HEADWORKS.			
		£	£
1	Eppalock Project The provision of £225,000 is required mainly to continue channel construction work in the Campaspe Irrigation District.	225,000	175,000
2	Bellfield Reservoir Project To construct a major new storage on Fyans Creek near Halls Gap. This reservoir will store up to 60,000 acre feet for use in the important Wimmera and Mallee areas.	1,300,000	1,025,000
3	Buffalo Reservoir Project To construct a small storage of 16,000 acre feet on the Buffalo River below Yarrarabula Creek to supply water to irrigators along the Buffalo River, the Ovens River below Myrtleford and the City of Wangaratta	1,800,000	1,210,000
4	Tarago Reservoir Project To commence construction of a storage about three miles north of Neerim South, with a capacity of about 20,000 acre feet, to meet anticipated development in the Mornington Peninsula System	600,000	105,000
5	Lake Corangamite To provide for the continuation of minor works at Lake Corangamite and for the purchase of land as recommended by the Parliamentary Public Works Committee.	75,000	18,000
6	Other Storages and Headworks Provision is made under this item to meet the cost of minor works, payments for land compensation and improvements to be carried out on storages, headworks, and main channels, including camping, picnic, and recreational facilities and conveniences at storages. Commencement of construction of a storage of 35,000 acre feet capacity at Nillahcootie on the Broken River near Mansfield is also provided for in this item.	400,000	176,000
	Total	4,400,000	2,709,000

BRIEF DESCRIPTION OF STATE WORKS—*continued.*

Item.	Description of Works.	1964 Loan Bill Provision.	1964-65 Loan Fund Allocation.
	SECOND PART—OTHER STATE WORKS.	£	£
1	Irrigation Districts	2,300,000	1,889,000
	(a) <i>Goulburn-Murray Works</i>	(1,500,000)	(1,250,000)
	Continuation of the programme of substantial enlargement of main channels and other distributory works within the Goulburn System is necessary to enable full use to be made of additional water available for irrigation following completion of the Eildon Dam and other major storages.		
	This provision will include the cost of a further stage of the enlargement of main irrigation and drainage channels in the East and Central Goulburn districts, including the Dunbulbalane Soldier Settlement Area. Drainage work in Murray Valley Soldier Settlement Area will be continued. Provision of a pumped supply to Swan Hill Irrigation area is included, and land resumption payments will also be met from this provision		
	(b) <i>Irrigation and Water Supply Districts</i>	(800,000)	(639,000)
	Provision is made in this item for construction of water supply and drainage works to serve Irrigation Districts, including Urban Districts. Further works in Central Gippsland are provided for, also continuation of drainage works in Swan Hill Irrigation Area		
2	Coliban System	250,000	180,000
	This item provides for improvements, enlargements, and extensions of water reticulation and distribution and the continuation of concrete lining of channels		
3	Mornington Peninsula System	1,150,000	810,000
	Required for the installation, enlargement and extension of main supply works, pipelines and reticulation to meet rapid urban and industrial development within the Mornington Peninsula area. Provision is made for the completion of Devilbend Creek Reservoir with a capacity of 3,300 million gallons, to meet the expanding water supply needs of the Dromana-Portsea and Western Port urban areas.		
4	Bellarine Peninsula System	225,000	150,000
	This provision meets the cost of enlarging and extending the existing distribution and reticulation systems, and also enables a start to be made on the first stage of the Bellarine Pipeline		
5	Otway System	200,000	135,000
	Required for the enlargement and duplication of main pipelines and the extension of main supply works and reticulation		
6	Waterworks Districts—Generally	165,000	125,000
	Provision is made for the extension and enlargement of channels and pipelines, also the construction of storages and improvements to urban and rural water supply-works within Waterworks Districts, principally the extensive Wimmera-Mallee system		

BRIEF DESCRIPTION OF STATE WORKS—*continued.*

Item.	Description of Works.	1964 Loan Bill Provision.	1964-65 Loan Fund Allocation.
SECOND PART—OTHER STATE WORKS.— <i>continued.</i>		£	£
7	Flood Protection and Drainage Districts Required mainly for improvements to Carrum drainage system, including work on the Kananook Creek and enlargement of the Eel Race, Bardia-avenue, and Seaford Swamp Drains	150,000	110,000
8	Surveys, Investigations and Designs For surveys, designs, investigations, and hydrological studies in connexion with further projects ; the compilation of data in respect of the water resources of the State of Victoria ; for engineering research generally	250,000	165,000
9	Works Generally—Water Supply Stores Suspense Account This sum is provided to augment the amount available in the Water Supply Stores Suspense Account for the purchase in bulk of fuel, stores and equipment pending their use and consumption on, or hire to, authorized works	10,000	..
10	Works Generally—Workshops, Storesheds, Administrative and Other Buildings For the purchase, acquisition, erection, enlargement, extension, remodelling, alteration, and improvement of and additions to administrative buildings, workshops, storesheds, buildings for testing and research purposes, and other buildings, including the equipping, fitting and furnishing thereof, and for all other expenses incidental to the transfer to and establishment of buildings at new locations	125,000	50,000
	Total	4,825,000	3,614,000

THIRD PART.

The amount of £250,000 set down in the Second Part of the Bill is required to cover the cost of purchase of movable plant and machinery by the State Rivers and Water Supply Commission for use on construction and maintenance works. £100,000 has been allocated for expenditure in 1964-65.

Item.	Description of Works.	1964 Loan Bill Provision.	1964-65 Loan Fund Allocation.
1	Purchase or Acquisition of Movable Plant and Machinery Plant purchased under this provision would be operated on works at hire rates sufficient to provide for interest on capital account, redemption, maintenance, and adequate depreciation to renew the plant when necessary	£ 250,000	£ 100,000

FOURTH TO EIGHTH PARTS.

The amount of £3,000,000 included in the Fourth to Eighth Parts inclusive, of the Schedule to the Bill represents provision for expenditure in 150 locally-controlled centres on investigations, improvements, and extensions of the respective town water supply systems. The provision does not necessarily represent the total cost of each scheme. Advances of less than £5,000 to each Waterworks Trust will be made by way of loan, pursuant to the provisions of Section 7 (1) (b) of the Bill, to existing or proposed Trusts, including—

Alexandra	Lismore	Riddell's Creek
Apollo Bay	Macedon	Romsey
Ararat Shire	Mansfield	Rutherglen
Axedale	Miners Rest	Stawell Shire
Buninyong	Mortlake	Timboon
Euroa	Mount Macedon	Trentham
Foster	Murchison	Tungamah
Goornong	Murrayville	Underbool
Hepburn	Murtoa	Violet Town
Kiewa	Nagambie	Walwa
Koo-wee-rup	Noojee	Warracknabeal
Lindenow	Numurkah Shire	Yackandandah
Linton	Omeo	Yallourn North
		Yarragon

The estimated total cost of the proposed works itemized in the Fourth to Eighth Parts, inclusive, will involve an expenditure of £4,303,000.

The amount for actual expenditure on planned works during 1964-65 by these Authorities is £1,440,000.

In no case does the Treasurer of Victoria advance a loan to a Waterworks Trust or Local Governing Body until the proposal has been examined by the Commission. There are 181 local authorities in operation, representing a net capital outlay of £19,988,000.

With the object of assisting local urban authorities to establish and extend local water supply works, the Governor in Council is authorized on the recommendation of the Minister of Water Supply to determine what part of the amount advanced shall be transferred from the debit of the respective authorities to the State and the amount as transferred is determined in accordance with a formula applying generally to country town supplies.

The eight Authorities listed in the Seventh Part are those with new water supplies where construction has commenced or has been authorized to commence, and where, in addition to the assistance already provided by way of interest subsidies and capital grants under the Formula already mentioned, special additional assistance will be provided to ensure that the rate in each case need not be greater than 3s. 6d. in the pound of net annual valuation. This additional assistance will be provided by deferring portion of an Authority's loan liability. The amount of liability to be charged to the Capital Borne by the State Account in each case will be determined by the Governor in Council on the recommendation of the Minister of Water Supply. The amounts of deferred liability will be reviewed each year and adjusted by the Governor in Council for each Authority as development occurs and enables the Authority to carry a larger proportion of its loan liability with the maximum rate.

Provision is also made in the Seventh Part for other new town supplies which might be approved during the 1964-65 financial year.

NINTH PART.

The amount of £900,000 included in the Ninth Part of the Schedule to the Bill represents provision for advances towards the cost of sewerage works of approximately twenty-seven Authorities in country centres. The amount for actual expenditure during 1964-65 on planned works by these Authorities is £475,000.

With the object of assisting Sewerage Authorities to establish and extend country sewerage works, the Governor in Council is authorized on the recommendation of the Minister to determine what part of the amount advanced shall be transferred from the debit of the respective Sewerage Authorities to the State, and in these cases also, the amount so transferred is determined in accordance with a formula having general application throughout the State.

TENTH PART.

The amount of £375,000 included in the Tenth Part of the Schedule to the Bill is required to implement the provisions of the *River Improvement Act 1958* which empowers the Treasurer of Victoria to make advances by way of loan to River Improvement Trusts and other Public Authorities for the purpose of undertaking river improvement and land drainage works. Twenty-four Trusts are now operating and others are proposed. No advance is made for the purpose of river improvement until the proposal has been examined by the Commission. The amount for actual expenditure during 1964-65 on planned works by these Authorities is £220,000.

In view of the national importance of these works, the Governor in Council is authorized on the recommendation of the Minister of Water Supply to determine what part of the amounts advanced shall be transferred from the debit of any local Authority to the State.

ELEVENTH PART.

The amount of £625,000 included in the Eleventh Part of the Schedule to the Bill represents provision for expenditure by the Latrobe Valley Water and Sewerage Board on works pursuant to the provisions of the *Latrobe Valley Act 1958*.

The amount of £115,000 under Item 1 is required for completion of a service storage and other works to improve the supply available to the State Electricity Commission, the Gas and Fuel Corporation, private industry and the town supplies at Morwell and Traralgon. Under Item 2, a further £50,000 is provided to continue works for the treatment and disposal of waste and sewage, while the £4,000 provided under Item 3 represents the balance of a special grant of £90,000 to extend the outfall pipeline beyond the township of Rosedale.

Provision is made under Item 4 for works of water supply and sewerage for the new township of Hazelwood which is being developed by the Housing Commission for an ultimate population of some 40,000 people who will require housing in this area in connexion with power development by the State Electricity Commission.

After the first three years when a local population of some 4,000 to 5,000 has been established, it is proposed that these works shall be transferred to local water and sewerage Authorities constituted for the purpose of managing and expanding these services.

A proportion of the capital liability will be transferred to the Expenditure Borne by the State Account, and this amount will be adjusted by the Governor in Council each year in such a way that, despite the abnormally great allowances which will have to be made for large and rapid future expansion, the locally borne liability will not exceed that which would be carried under the water and sewerage assistance Formula by a growing township in which only normal provision is made for future expansion.

TWELFTH PART.

The amount of £750,000 included in the Twelfth Part of the Schedule to the Bill represents provision for the contribution by the State of Victoria towards the cost of works constructed under Agreements ratified by the River Murray Waters Acts. It allows for the start of construction on Chowilla Reservoir on the lower part of the River Murray.

The River Murray Agreement prescribes that the contracting Governments shall each contribute one-fourth of the total aggregate capital expenditure.

As the River Murray Works are National works, the amount of the State Contribution will be charged to the "Capital Expenditure Borne by the State Account".

The amount of £294,000 has been allotted for contribution by the State of Victoria during 1964-65 towards the cost of works constructed under the River Murray Waters Acts.