

WATER SUPPLY WORKS AND SERVICES BILL 1970.

EXPLANATORY MEMORANDUM.

This Bill is to give Parliamentary authority for the expenditure of \$30,000,000 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>Previous Acts.</i> | | | | <i>Actual Expenditure.</i> | | | |
|-----------------------|----|--------------|---------------|----------------------------|----|------------|----|
| | | | \$ | | | | \$ |
| 1966 | .. | No. 7513 | .. 30,600,000 | Financial Year 1966-67 | .. | 18,385,000 | |
| 1967 | .. | No. 7654 | .. 30,600,000 | Financial Year 1967-68 | .. | 18,414,000 | |
| 1968 | .. | No. 7743 | .. 30,100,000 | Financial Year 1968-69 | .. | 18,642,000 | |
| 1969 | .. | No. 7908 | .. 30,000,000 | Financial Year 1969-70 | .. | 18,566,000 | |
| 1970 | .. | Present Bill | .. 30,000,000 | Amount Allotted 1970-71 | .. | 18,293,700 | |

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 Works and Services Act.

CAPITAL LIABILITY.

The net capital liability debited to country water supply works and related works as at 30th June, 1970, was \$393,184,000. Of this amount, \$305,506,000 is borne by the State of Victoria. The remainder (\$87,678,000), is borne by the following :—

| | \$ |
|---|------------|
| (a) Waterworks Trusts and Local Governing Bodies | 36,797,000 |
| (b) Urban Districts controlled by the State Rivers and Water Supply Commission .. | 31,209,000 |
| (c) Other Commission Districts | 2,895,000 |
| (d) River Improvement and Drainage Trusts | 997,000 |
| (e) Latrobe Valley Water and Sewerage Board | 11,215,000 |
| (f) Dandenong Valley Authority | 627,000 |
| (g) Commission plant and machinery, workshops, &c. | 3,938,000 |
| | 87,678,000 |

The net capital liability of works of country sewerage authorities as at 30th June, 1970, was \$16,942,000 of which \$7,179,000 is borne by the State. The remainder, \$9,763,000 is debited to the sewerage authorities.

In 1937, pursuant to the Water Act, No. 4513, the capital liability was adjusted by transferring from the direct debit of districts to the "Capital Expenditure Borne by the State Account" such amounts of the capital liability for works as could not be borne by districts 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 has been contained in each subsequent Loan Act and is continued in this Bill 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 having regard to development. An amount of \$2,116,600, representing capital liability of \$1,941,600, in respect of forty seven urban districts and \$175,000 in respect of one Waterworks District was so transferred during the financial year ended 30th June, 1970. The clauses contained in the *Water Supply Works and Services Bill* 1970 are in accord with this procedure.

SCHEDULE OF WORKS.

The Schedule to the Bill is divided into Fifteen 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 advances to the Dandenong Valley Authority; the Twelfth Part deals with water supply and sewerage works in the Latrobe Valley; the Thirteenth Part represents the contribution of the State of Victoria towards the cost of works being constructed under the River Murray Waters Acts; the Fourteenth Part provides for expenditure by the State Rivers and Water Supply Commission on an exhibit at the Royal Agricultural Showgrounds, Melbourne; and the Fifteenth Part provides for advances to the Melbourne and Metropolitan Board of Works towards the cost of a water supply to towns on the Dandenong Ridge area.

FIRST AND SECOND PARTS.

The amount of \$18,450,000 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 planned expenditure on works during the 1970-71 financial year are indicated below.

The provisions outlined in the Schedule to the Bill will give authority for expenditure on works from approximately December, 1970, until December, 1971, whereas the amounts shown in the Explanatory Memorandum allotted for 1970-71 are the amounts available for expenditure in the present financial year between 1st July, 1970 and 30th June, 1971.

BRIEF DESCRIPTION OF STATE WORKS.

| Item. | Description of Works. | 1970 Works and Services Bill Provision. | 1970-71 Works and Services Account Allocation. |
|-------|--|--|--|
| | FIRST PART—STORAGES AND HEADWORKS. | \$ | \$ |
| 1 | Eppalock Project The provision is required mainly to continue channel construction work in the Campaspe Irrigation District. | 250,000 | 150,000 |
| 2 | Lake Merrimu Project Commencement of second stage, including tunnel from the Lerderderg River, and increased storage of 40,000 acre feet, to provide for urban and industrial development and to further safeguard irrigation supplies, is planned. | 800,000 | 400,000 |
| 3 | Tandarra-Calivil Pondage To construct a storage 25 miles north of Bendigo alongside the Waranga Western Main Channel to enable rapid adjustment of supply according to weather conditions to 220,000 acres of the Calivil and Tragowel Plains Irrigation areas. | 450,000 | 430,000 |
| 4 | Lake Mokoan Project To continue construction of an off-river storage at Winton Swamp near Benalla, together with a large diversion channel from the Broken River, the main source of supply, which will be augmented by the Hollands Creek. Construction of levees and associated works along the Broken River between Nillahcootie Dam and the Diversion Weir to protect river flats during periods of regulated diversion from the Reservoir to Lake Mokoan. | 3,300,000 | 1,950,000 |
| 5 | Rosslynne Reservoir Project To construct a storage on Jackson's Creek, a feeder stream of the Maribyrnong River, to provide for urban development at Sunbury and areas north-west of the metropolis and to provide a safeguard for irrigation by diversion from streams below the dam. | 800,000 | 300,000 |
| 6 | Other Storages and Headworks Provision is made under this item to meet the cost of improvements to be carried out on storages, headworks, and main channels, including camping, picnic, and recreational facilities and conveniences at storages. Provision is also made under this item for the commencement of construction of a regulating structure for Moloney's Creek, an effluent of the Ovens River ; continuation of diversion works on the Upper Wannon River ; and the purchase of a site and provision of an office and garage for the purpose of operating the Lake Corangamite Drainage works. | 1,000,000 | 522,000 |
| 7 | Millewa Pipelines Project To continue the replacement of the present earth channel distribution system supplying stock and domestic needs throughout the Millewa Waterworks District by a new pipeline scheme ; vastly improved distributary efficiency and reduction in water losses will result. | 600,000 | 400,000 |
| | Total | 7,200,000 | 4,152,000 |

BRIEF DESCRIPTION OF STATE WORKS—*continued.*

| Item. | Description of Works. | 1970 Works and Services Bill Provision. | 1970-71 Works and Services Account Allocation. |
|-------|--|--|--|
| | SECOND PART—OTHER STATE WORKS. | \$ | \$ |
| 1 | <p>Irrigation Districts</p> <p>(a) <i>Goulburn-Murray Works</i></p> <p>Continuation of the programme of substantial enlargement of main channels and other distributory works within the Goulburn System should enable full use to be made of additional water available for irrigation following completion of major storages.</p> <p>This provision includes the cost of further works in the enlargement and extension of irrigation and drainage channels throughout the Goulburn-Murray Irrigation District. Land resumption payments will also be met from this provision.</p> | 4,500,000 (2,900,000) | 3,500,000 (2,150,000) |
| | <p>(b) <i>Irrigation and Water Supply Districts</i></p> <p>Provision is made in this item for construction of water supply and drainage works to serve Irrigation Districts, including Urban Districts therein. Further drainage works in Central Gippsland are provided for, also continuation of drainage works in Swan Hill irrigation area and conversion of channels to pipelines in Red Cliffs, Merbein, Tresco and Nyah.</p> | (1,600,000) | (1,350,000) |
| 2 | <p>Coliban System</p> <p>This item provides for improvements, enlargements, and extensions of water supply channels and mains and reticulation works, the continuation of concrete lining of channels and metering of supplies.</p> | 500,000 | 400,000 |
| 3 | <p>Mornington Peninsula System</p> <p>Required for the installation, enlargement and extension of main supply works, pipelines and reticulation, including metering of supplies to meet rapid urban and industrial development within the Mornington Peninsula area including the proposed industrial complex at Hastings and extension of the Westernport Scheme.</p> | 2,800,000 | 2,100,000 |
| 4 | <p>Bellarine Peninsula System</p> <p>This provision meets the cost of increased storage capacity, enlarging and extending the existing distribution and reticulation systems, including metering of supplies, and also to continue work on the Bellarine pipeline enlargement.</p> | 400,000 | 325,000 |
| 5 | <p>Otway System</p> <p>Required for enlargement of headworks, including the South Otway Pipeline, improvements to storages and service basins, distributory and reticulation works, including metering of supplies, commencement of the South Camperdown Rural Scheme, and further investigations to augment supplies to the Otway System.</p> | 1,000,000 | 900,000 |

BRIEF DESCRIPTION OF STATE WORKS—*continued.*

| Item. | Description of Works. | 1970 Works and Services Bill Provision. | 1970-71 Works and Services Account Allocation. |
|-------|---|--|--|
| | SECOND PART—OTHER STATE WORKS— <i>continued.</i> | \$ | \$ |
| 6 | Waterworks District—Generally Provision is made for the extension and enlargement of channels and pipelines, also the construction of urban storages and improvements to urban and rural water supply works within Waterworks Districts, principally the extensive Wimmera-Mallee system. Also provides for further work on supply to Cape Patterson within the Wonthaggi Urban District. | 550,000 | 420,000 |
| 7 | Flood Protection Districts Required for replacement of bridges and structures and improvements to flood protection works throughout the Koo-wee-rup Flood Protection District. | 150,000 | 85,000 |
| 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. | 850,000 | 650,000 |
| 9 | 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 such buildings. | 400,000 | 150,000 |
| 10 | Private Diversions—Meter Installations Provides for installation of water meters to record and control usage of water by private diverters located outside district boundaries. | 100,000 | 50,000 |
| | Total | 11,250,000 | 8,580,000 |

THIRD PART.

The amount of \$340,000 included in the Third 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. \$200,000 has been allocated for expenditure in 1970-71.

| Item. | Description of Works. | 1970 Works and Services Bill Provision. | 1970-71 Works and Services Account 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 | \$ 340,000 | \$ 200,000 |

FOURTH TO EIGHTH PARTS.

The amount of \$6,330,000 included in the Fourth to Eighth Parts inclusive of the Schedule to the Bill, represents provision for expenditure in at least 104 locally-controlled centres on investigations, improvements, and extensions of the respective town water supply systems.

The amount for actual expenditure on planned works during 1970-71 by these authorities is \$2,885,000.

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 201 local authorities in operation, representing a capital outlay of \$55,728,000.

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, the amount to be transferred being determined in accordance with a Formula applying generally to country town supplies.

The seventeen 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 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 17·5 cents in the dollar 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 Expenditure 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 made within Item 18 of the Seventh Part for other new town supplies which might be approved during 1970-71 financial year.

The amount of \$10,000 included in the Eighth Part of the Schedule to the Bill represents provision for advances to be made to the Geelong Waterworks and Sewerage Trust towards the cost of works to supply the township of Lara. Amounts so advanced shall be charged to the "Capital Expenditure Borne by the State Account" in each year and shall not be debited to the Trust.

NINTH PART

The amount of \$1,600,000 included in the Ninth Part of the Schedule to the Bill represents provision for advances towards the cost of sewerage works of at least twenty three authorities in country centres. The amount for actual expenditure during 1970-71 on planned works by these authorities is \$800,000.

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 \$900,000 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 and drainage authorities for the purposes of undertaking river improvement and land drainage works. Thirty Trusts are now operating, and others are proposed. No advance is made for the purpose of river improvement until each proposal has been examined by the Commission. The allocation of funds for reimbursement of actual expenditure during 1970-71 on planned works by these authorities is \$585,700.

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 \$250,000 included in the Eleventh Part represents the provision for grants to the Dandenong Valley Authority in respect of river improvement and drainage works.

The authority's works are financed by private borrowings and grants, the Government having agreed to provide \$200,000 in 1970-71. The basis of subsidies towards river improvement and drainage works and towards the purchase of land required for flood retention basins has been approved by the Government.

TWELFTH PART.

The amount of \$400,000 included in the Twelfth 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 \$100,000 under Item 1 is required for extensions to the water supply system. Under Item 2, a further \$300,000 is provided to continue works for the treatment and disposal of waste and sewage.

The amount of \$240,000 has been provided for these purposes in 1970-71.

THIRTEENTH PART.

The amount of \$1,200,000 included in the Thirteenth 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. 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 \$390,000 has been allotted for contribution by the State of Victoria during 1970-71 towards the cost of works constructed under the River Murray Waters Acts.

FOURTEENTH PART.

The amount of \$30,000 included in the Fourteenth Part of the Schedule to the Bill represents provision for the cost of an exhibit at the Royal Agricultural Showgrounds, Melbourne, for the purpose of preparing and providing information relating to the proper utilization of water as applied to agriculture and the rural economy of the State of Victoria.

Amounts so expended shall be charged to the "Capital Expenditure Borne by the State Account".

The amount of \$20,000 has been provided for these purposes in 1970-71.

FIFTEENTH PART.

The amount of \$500,000 included in the Fifteenth Part of the Schedule to the Bill represents provision for advances to the Melbourne and Metropolitan Board of Works towards the cost of a water supply to the townships of Sassafras, Kalorama and other towns on the Dandenong Ridge.

The amount of \$240,000 has been provided for these purposes in 1970-71.