

1978

VICTORIA

REPORT

OF THE

BOARD OF INQUIRY

INTO

THE MELBOURNE AND METROPOLITAN BOARD OF WORKS

PRESENTED TO BOTH HOUSES OF PARLIAMENT BY HIS EXCELLENCY'S COMMAND

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THE
REPORT
OF THE
BOARD OF WORKS INQUIRY

R. DARVALL
G. SAMUEL

BOARD OF INQUIRY

INTO THE

MELBOURNE AND METROPOLITAN BOARD OF WORKS

To His Excellency, the Honorable Sir Henry Winneke, K.C.M.G.,
O.B.E., Q.C., Governor of the State of Victoria.

Your Excellency,

By an Order in Council made on 27th April, 1977, and published in the Victoria Government Gazette of 28th April, 1977, No. 28, we, Charles Roger Darvall and George Samuel, were constituted and appointed as a Board of Inquiry to inquire into, report upon and make recommendations on the operations of the Melbourne and Metropolitan Board of Works, and in particular and without affecting the generality of the foregoing on the following questions:

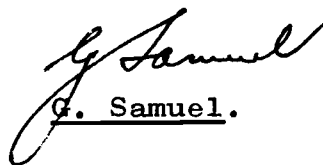
- (1) Whether the Board should continue to perform all or any and which of its functions.
- (2) Whether the constitution of the Board under the Melbourne and Metropolitan Board of Works Act 1958 is inappropriate in any and what respects, having regard to the functions of the Board.
- (3) Whether the Board should be reconstituted in any and what way and with any and what functions.
- (4) Whether having regard to its powers, duties and functions, any and, if so, what changes should be made to the administrative structure of the Board.
- (5) Whether any and, if so, what changes are necessary or desirable in the manner in which the Board finances its functions having regard, in particular, to -
 - (a) the raising and repayment of loans and the setting aside of amounts for interest, redemption and depreciation;

- (b) the method of preparation of annual revenue estimates;
- (c) the levying of rates based upon the net annual value of the property;
- (d) the use of moneys provided by way of -
 - (i) area contributions on new subdivisions of land,
 - (ii) the compulsory servicing of land in new subdivisions,
 - (iii) the national sewerage program by the Federal Government, and
 - (iv) contribution to capital works from rate revenue,to finance capital works.

We have completed our inquiries as directed and now have the honour to submit the following report.



Roger Darvall.



G. Samuel.

15 December, 1977.

C O N T E N T S

Opening Address

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Chapter OneP R E A M B L E

1.1 Throughout this Report, the following terms are used:

'Board of Works' refers to the total organisation of the Melbourne and Metropolitan Board of Works, and includes, unless stated otherwise, the Commissioners, the officers and the activities of that organisation;

'Board of Commissioners' refers to the existing, and later the proposed, board of management of the Board of Works;

'Inquiry' refers to this Board of Inquiry;

'the Act' refers to the Melbourne and Metropolitan Board of Works Act 1958 (No. 6310);

'the Planning Scheme' refers to the Melbourne Metropolitan Planning Scheme.

1.2 This Inquiry commenced its operations on 2 May, 1977, initially by studying the general history and background of the Board of Works since its inception in 1890 through to present times.

1.3 To this end, early contact was made with the Chairman, Deputy Chairman and senior executives of the Board of Works and it is reported with pleasure the ready co-operation and assistance we have received from them.

In particular, the Inquiry appreciates the active and willing assistance given by Mr. John Brindley and Mr. John Ayers, the Board of Works' liaison officers.

We have also greatly valued the contribution made by the Secretary to this Inquiry, Miss Pamela Hicks. Her enthusiasm, ability and steady application have

been a great help to us. Mrs. Shirley McDonald has also made a good contribution in the necessary task of collating and typing.

1.4 During a previously arranged business trip in June, 1977, the Chairman of the Inquiry took the opportunity of visiting the following authorities -

- Stockholm Water and Sewerage Authority
- Stockholm, Sweden.
- The Waterworks of Munich
- Munich, Germany.
- Thames Water Authority
- London, U.K.
- The Board of Water Supply for Greater Vancouver Regional District
- Vancouver, B.C., Canada.
- Board of Water Supply
- Honolulu, U.S.A.

At each place, facilities for discussion and information were readily made available and the courtesies extended were very much appreciated. The experience was valuable and it was most interesting and instructive to note how each of these great authorities had evolved and developed in consonance with their respective historical and geographical environments; although they varied in their constitutions, administration and often financial provisions and ranges of functions, they have each found the basis for effectively serving their own communities.

1.5 At intervals over the whole period, the Inquiry visited the following Board of Works' installations and activities:

the Head Office in Melbourne; the Werribee Sewerage Farm; Brimbank and Jell's Regional Parks; the Central Mechanical Workshop and the Pipe Coating Section, both at Preston; the Central and Western Areas Operations Centre; the Scientific Services Department Laboratory in Gardiner; the

Chemical and Bacteriological Laboratory in Francis Street, City; the Board's plant nursery at Moorabbin; the Eastern Depot; Carrum Purification Plant; community sewerage installations;

the Sugarloaf Project; the Thompson River Project; Cardinia Reservoir; the Upper Yarra Reservoir; the main catchment areas; a number of service reservoirs.

The other major reservoirs were already familiar to us.

In this process, we were afforded the opportunity of meeting a wide range of Board of Works' personnel of all ranks.

- 1.6 The study of the volume of historical, financial and background data thus made available from the Board itself and from other Government sources provided a formidable preliminary task, but one invaluable to the exercise.
- 1.7 On 12 and 19 May, 1977, an advertisement setting out the Terms of Reference of the Inquiry and inviting submissions from interested parties was inserted in the newspapers listed in Appendix One and in the form shown therein. Other advertisements were placed from time to time indicating the progress of the Inquiry and giving additional information. Details of these are also given in Appendix One.
- 1.8 Concurrently, all commissioners of the Board as well as the 52 municipalities they represent were invited by letter to make written submissions.
- 1.9 All persons or groups were requested to indicate whether they desired to have the opportunity of amplifying their written submissions by oral evidence and discussion, and whether they preferred to do this in 'Open Hearing' or 'In Camera'. It was also advised

that all submissions received would be treated by the Inquiry as confidential in its hands unless the author indicated otherwise.

- 1.10 In all, 158 submissions were received, and 38 people or organisations were heard in open hearings and some other submissions were discussed in camera with the authors. No-one who requested to appear in open hearings or otherwise to discuss a submission was refused.

Prior to the public hearings, all the written submissions were carefully studied and much helpful additional information resulted from the questions to and answers from the parties who had submitted them.

- 1.11 Lists of the organisations, groups and individuals who made submissions and who appeared before the Inquiry are set out in Appendices Two, Three and Four. Some submissions were made in a representative capacity conveying the agreed views of a number of agencies.

- 1.12 As the Inquiry proceeded, it became clear that while a number of issues were raised, many of them of a domestic and procedural nature in the day-to-day conduct of the Board of Works, there were three main issues, these being:

- (a) The constitution of the Board of Commissioners and its committee system,
- (b) The functions of the Board of Works; whether its original basic service functions, i.e. water, sewerage and drainage, should remain and the later added planning function be hived off,
- (c) The financial considerations raised in Term of Reference No. 5.

1.13 In general, the submissions received directed much more attention to the planning responsibilities of the Board of Works than to its other operations, some being in favour of a separation of this function from the Board of Works and some not. The bias overall was marginally in favour of a separation but the means of achieving it and the resultant organizational models were numerous and diverse, and some, in fact, would have resulted in even more complicated administrative systems.

Most submissions favoured a retention of a municipal connection with planning, whether it stayed with the Board of Works or was separated.

1.14 In considering the evidence and whole planning question, and in looking beyond the Board of Works' total activities, the Inquiry felt obliged to examine State-wide planning and its relationship to metropolitan planning and the issues at hand.

1.15 It was also necessary to look at the historical background since 1939 in order to appreciate the circumstances which led up to the very heavy and costly works program undertaken since 1950. This must continue for a period of six to ten years ahead before any expectation of a respite in heavy capital expenditure can be envisaged if the whole community is to be provided with the amenities it demands.

Consideration and understanding of the financial aspects not only called for the study of much documentary and official data, but for considerable discussion with officers of the Board of Works.

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1.16 The members of the Inquiry are satisfied that, arising from the submissions, observations and activities referred to above and the wide range of data studied, we have had sufficient evidence to enable us to submit, with confidence, the recommendations contained in this Report.

1.17 However, in approaching this task and in framing recommendations, the Inquiry has endeavoured to make recommendations which are constructive, workable and capable of fulfillment.

In doing this, the Inquiry has been conscious of the need, at least in the short term, for the vast undertaking which is the Board of Works to be able to continue its operations with a minimum of disruption; in the longer term, the Inquiry believes that the quite major changes which it has recommended will lead to increased efficiency and better communication both with the public and local government.

Chapter Two

R E C O M M E N D A T I O N S

Reference 1

WHETHER THE BOARD SHOULD CONTINUE TO
PERFORM ALL OR ANY AND WHICH OF ITS
FUNCTIONS.

2.1.1 Recommendation

In broad outline, the present functions of the
Board of Works are divided into two parts -

(1) The Service Function: Water,
Sewerage, Drainage.

and

Regional Parks: Within the
metropolitan area.

(2) The Planning Function: For the
Melbourne and Metropolitan
Region, as defined.

After careful examination, the Inquiry recommends
that THE BOARD OF WORKS SHOULD CONTINUE AS A
STATUTORY CORPORATE STRUCTURE AND SHOULD ALSO CONTINUE
TO PERFORM ALL ITS PRESENT BASIC FUNCTIONS, INCLUDING
PLANNING.

The factors and reasoning influencing this recom-
mendation are set out in Chapter Three of this
Report.

2.1.2 With particular regard to the planning function, it
is apparent from submissions, both written and verbal,
and arising from discussion at open hearings, that
there is great and increasing public interest in
planning and its effect on people and areas. There

was considerable divergence of opinion as to whether it should stay with the Board of Works and, if not, the manner in which this should be accomplished and the methods to be adopted in order to retain the municipal connection. It is obvious, too, that communities and municipalities will seek ever more strongly to exert influence and to have a greater part in planning.

For these reasons, the Inquiry has found it necessary to examine the place of planning for the metropolitan region within the State framework before recommending that planning for the Melbourne and metropolitan area should remain with the Board of Works, certainly for the present.

Reference 2

WHETHER THE CONSTITUTION OF THE
BOARD UNDER THE MELBOURNE AND
METROPOLITAN BOARD OF WORKS ACT
1958 IS INAPPROPRIATE IN ANY AND
WHAT RESPECTS HAVING REGARD TO
THE FUNCTIONS OF THE BOARD.

2.2.1 Recommendation

THIS INQUIRY IS OF THE OPINION THAT THE BOARD OF 54 COMMISSIONERS PLUS AN EXECUTIVE CHAIRMAN AND AN EXECUTIVE DEPUTY CHAIRMAN HAS BECOME INAPPROPRIATE TO THE CURRENT NEEDS OF THE ORGANISATION AND THE COMMUNITY.

2.2.2 This conclusion has been reached having due regard to the present functions of the Board of Works and bearing in mind its historical evolution since 1890,

which has seen the inevitable change in its accountability from Local to State Government. This change has been clarified and given recognition in the 1968 amendments to the Act.

2.2.3 The Board of Works has grown greatly in size, complexity and breadth of its operations since its inception, and a Board of 54 members is now too unwieldy to meet the demands of modern business methods, which dictate that each Board member should be fully informed as to all the organisation's activities, and should be in a position to positively contribute to the decision-making process.

2.2.4 This recommendation that a change should now be made in the constitution of the Board has been arrived at with reluctance by the Inquiry.

For 86 years the commissioner system has applied and over that period a great number of commissioners have faithfully served the community of Melbourne and, indeed, the whole State of Victoria, and in a totally honorary capacity. Their's has indeed been an outstanding contribution to successive generations, which we feel should be recorded in some suitable way.

However, we conclude that now, in the interests of the community, a change is essential and so recommend.

2.2.5 This recommendation is central to this whole Report and the suggested manner of the Board's reconstitution is further examined under References 3 and 4 and Chapters Four and Five, together with proposals for a changed relationship between the Board of Works and the municipal councils.

Reference 3

WHETHER THE BOARD SHOULD BE RECONSTITUTED IN ANY OR WHAT WAY AND WITH ANY AND WHAT FUNCTIONS.

and

Reference 4

WHETHER HAVING REGARD TO ITS POWERS, DUTIES AND FUNCTIONS, ANY AND, IF SO, WHAT CHANGES SHOULD BE MADE TO THE ADMINISTRATIVE STRUCTURE OF THE BOARD.

2.3.1 Recommendation

The Inquiry has already recommended that the Board of Works should retain its present functions, and should continue as a statutory corporate structure, but with a differently constituted Board of Commissioners. IN ACCORDANCE WITH THIS, THE INQUIRY NOW RECOMMENDS THE REPLACEMENT OF THE PRESENT BOARD OF 54 COMMISSIONERS BY A BOARD OF SIX NON-EXECUTIVE, PART-TIME COMMISSIONERS PLUS THE STATE GOVERNMENT APPOINTED EXECUTIVE CHAIRMAN AND, (IF THEN THOUGHT APPROPRIATE), A GOVERNMENT APPOINTED EXECUTIVE DEPUTY CHAIRMAN.

2.3.2 The six non-executive commissioners to be nominated by the Minister or Ministers whom the Government appoints for that purpose, three being from a panel of ten councillors submitted by the Metropolitan Section of the Municipal Association of Victoria, and three from outside the municipal field appointed by the Governor-in-Council, possessing 'special knowledge and experience' in such areas as the Minister (or Ministers) deem appropriate.

2.3.3 The non-executive commissioners should be suitably remunerated as occurs with other semi-government authorities.

2.3.4 IT IS FURTHER RECOMMENDED THAT THE GOVERNMENT SHOULD NOMINATE FIVE SUB-REGIONS, MADE UP OF THOSE MUNICIPALITIES ALREADY REPRESENTED ON THE BOARD, FOR THE PURPOSES OUTLINED BELOW.

(This does not preclude other municipalities being included as the Government sees fit).

2.3.5 The panel of ten councillors referred to in 2.3.2 will comprise two councillors from each of the five sub-regions which are detailed further in Appendix five and its associated map.

2.3.6 IN CONJUNCTION WITH THIS, IT IS ALSO RECOMMENDED THAT THE NEWLY ESTABLISHED BOARD OF COMMISSIONERS SHOULD PROMPTLY, IN CONSULTATION WITH THE 52 MUNICIPAL COUNCILS, SET UP FIVE SUB-REGIONAL ADVISORY AND CONSULTATIVE COMMITTEES COMPOSED OF A REPRESENTATIVE FROM EACH MUNICIPAL COUNCIL IN THE SUB-REGION. Each sub-committee will appoint its own chairman; the method of regular communication between the Board of Commissioners and sub-regional committees to be mutually determined.

2.3.7 Although the Terms of Reference are confined primarily to the administrative structure of the Board of Commissioners, we are conscious of the inter-dependence of the Commissioners and the staff structure. We feel, therefore, that A FURTHER RECOMMENDATION IS WARRANTED, TO THE EFFECT THAT A SUITABLE PROFESSIONAL ORGANISATION SHOULD BE COMMISSIONED AS SOON AS POSSIBLE TO STUDY ALL ASPECTS OF THE STAFFING AND WORKFLOW OF THE BOARD OF WORKS AND THE RELATIONSHIP WITH THE PROPOSED COMMISSIONER STRUCTURE.

More detailed matters relative to these recommendations and also to the accountability of commissioners, declarations of pecuniary interests etc., are dealt with in Chapter Five of the Report.

2.3.8 Reference 3 raised the question of functions of the Board of Works. The Inquiry has recommended a continuance of present functions but the reference also implies a question as to additional functions. This aspect is also referred to in a more general sense in Chapter Five.

2.3.9 However, there is a matter which has a strong influence on the present functions of the Board of Works which, in our opinion, because of community implications and the effect upon the operations of the Board of Works, needs clarification.

We refer to the whole aspect of total catchment control with its twin problems of purity of water supply, and flood and drainage control.

THE INQUIRY CONSIDERS THESE MATTERS TO BE OF SUCH PUBLIC INTEREST THAT IT RECOMMENDS TO THE GOVERNMENT THAT A THOROUGH EXAMINATION BE MADE OF THE IMPLICATIONS OF ADDING THESE FUNCTIONS TO THE PRESENT RESPONSIBILITIES OF THE BOARD OF WORKS WHERE THEY ARE NOT ALREADY COVERED BY THE BOARD.

Reference 5 (a)

WHETHER ANY AND, IF SO, WHAT CHANGES ARE NECESSARY OR DESIRABLE IN THE MANNER IN WHICH THE BOARD FINANCES ITS FUNCTIONS HAVING REGARD, IN PARTICULAR, TO -

- (a) THE RAISING AND REPAYMENT OF LOANS AND THE SETTING ASIDE OF AMOUNTS FOR INTEREST, REDEMPTION AND DEPRECIATION.

2.5.1 Recommendation

THE INQUIRY DOES NOT RECOMMEND ANY CHANGE IN THE PROCEDURES PRESENTLY ADOPTED BY THE BOARD OF WORKS FOR THE RAISING AND REPAYMENT OF LOANS AND THE SETTING ASIDE OF AMOUNTS FOR INTEREST, REDEMPTION AND DEPRECIATION.

The current procedures are largely dictated by the circumstances applying to State semi-government borrowings generally. These procedures are referred to in Chapter Six.

Reference 5 (b)

WHETHER ANY AND, IF SO, WHAT CHANGES ARE NECESSARY OR DESIRABLE IN THE MANNER IN WHICH THE BOARD FINANCES ITS FUNCTIONS HAVING REGARD, IN PARTICULAR, TO -

(b) THE METHOD OF PREPARATION OF ANNUAL REVENUE ESTIMATES.

2.5.2 Recommendation

THE INQUIRY, HAVING BEEN AFFORDED EVERY OPPORTUNITY TO LOOK INTO THE MATTER, SEES NO LACK OF EFFICIENCY IN THE PREPARATION OF THE ANNUAL REVENUE ESTIMATES OF THE BOARD OF WORKS AND SEES NO NEED FOR CHANGE.

Reference 5 (c)

WHETHER ANY AND, IF SO, WHAT CHANGES ARE NECESSARY OR DESIRABLE IN THE MANNER IN WHICH THE BOARD FINANCES ITS FUNCTIONS HAVING REGARD, IN PARTICULAR, TO -

(c) THE LEVYING OF RATES
 BASED UPON THE NET ANNUAL
 VALUE (N.A.V.) OF
 PROPERTY.

2.5.3 Recommendation

We have researched a great deal of material and had discussions with a number of people on this subject: the main conclusion we have reached is that the authority concerned must not be limited in the manner in which it raises its funds.

The Inquiry therefore considers the present Act to be too restrictive and RECOMMENDS THAT THE ACT SHOULD BE AMENDED IN ORDER TO ENABLE THE BOARD OF COMMISSIONERS TO USE EITHER THE N.A.V. OR THE U.C.V. (UNIMPROVED CAPITAL VALUE) OR A COMBINATION OF BOTH. Nor, in our view, should any amendment to the Act place any bar against the principle of charging for water by use, particularly when used in conjunction with rating procedures.

2.5.4 THE INQUIRY ALSO RECOMMENDS TO THE BOARD OF COMMISSIONERS THAT A THOROUGH EXAMINATION BE MADE OF THE WHOLE MATTER OF THE BASIS OF RATING, AND THAT THE QUESTION OF CHARGING BY USAGE BE REVIEWED. In the meantime, the present system should be maintained.

Reference 5 (d)

WHETHER ANY AND, IF SO, WHAT CHANGES
 ARE NECESSARY OR DESIRABLE IN THE
 MANNER IN WHICH THE BOARD FINANCES
 ITS FUNCTIONS HAVING REGARD, IN
 PARTICULAR, TO -

THE USE OF MONEYS PROVIDED BY WAY
 OF -

- (i) AREA CONTRIBUTIONS ON
NEW SUBDIVISIONS OF
LAND,
 - (ii) THE COMPULSORY SERVICING
OF LAND IN NEW SUB-
DIVISIONS,
 - (iii) THE NATIONAL SEWERAGE
PROGRAM BY THE FEDERAL
GOVERNMENT,
 - (iv) CONTRIBUTIONS TO CAPITAL
WORKS FROM RATE REVENUE,
- TO FINANCE CAPITAL WORKS.

2.5.5 Recommendation

It has been necessary throughout this Report to reiterate the magnitude and wide variety of the Board of Works' functions and the financial effect of economic pressures experienced by it since the 1950's due to:

- The continuing heavy capital program;
- The borrowing constraints;
- The discipline of containing rate income within reasonable and acceptable levels;
- The constraints this places on expenditure;
- The inflationary spiral.

These factors have resulted in a constant dilemma, not only in budgetting for capital requirements, but also in estimating revenue and expenditure as part of the effort to include all the essential services demanded by the community. As has happened elsewhere, the squeeze has proved too tight, hence schemes such as area contributions and compulsory servicing of land in new subdivisions have been introduced in order to facilitate these urgent and necessary activities in the sensitive field of housing.

UNDER PRESENT CIRCUMSTANCES, THE INQUIRY SEES NO
ALTERNATIVE OPEN TO THE BOARD OF WORKS BUT TO
CONTINUE WITH CURRENT POLICIES AND SO RECOMMENDS.

We have commented further on this in Chapter Seven.

Chapter Three

FURTHER COMMENTS

3.1 The Term of Reference 1 is -

Whether the Board should continue to perform all or any and which of its functions.

The Inquiry's recommendation is that -

The Board of Works should continue as a statutory, corporate structure and should also continue to perform all its present basic functions, including planning.

The following comments are submitted in amplification:

- (1) The Service Function - Water, Sewerage, Drainage, Regional Parks.
- (2) The Planning Function - relative to the Melbourne and Metropolitan Region.

3.2 The activities carried out by the service sections fit neatly into a cohesive and related group, including the regional parks with their relationship to drainage and flood plain operations; while there is room for debate, submissions made to the Inquiry generally recognised this situation.

However, much more attention was directed to the planning function. The Board of Works was empowered in 1949 to prepare and submit for approval a planning scheme for the Melbourne and Metropolitan Area and to raise a planning rate for the purpose; later, in 1954, it was made a responsible authority under the Town and Country Planning Act for the purposes of implementation of the proposed Melbourne Metropolitan Planning Scheme. In all respects, therefore, the Board of Works is clothed with the

powers of a regional planning authority and carries out its planning functions in that way.

3.3 The commissioner system of municipal representation was in force in the Board of Works prior to its appointment as the Metropolitan Planning Authority, but the newly added responsibility brought another and more volatile ingredient into its relationship with municipal councils, ratepayers and the general public.

3.4 In regulating and directing growth, and in the very process of planning orderly development for the benefit of the community, there has to be a degree of regimentation and it is inevitable that some individuals feel aggrieved. The municipal councils, being at the grass roots, are rightly sensitive to the views of their constituents, and seek to play an expanding part in the planning development of their own areas. Councils and people situated in the outer fringe areas are also very sensitive to the preservation of the natural beauty and places of special interest in their localities, whereas the inner suburbs are often concerned to maintain the individual character of their areas.

It is a fact of life that people everywhere have become more and more interested in environmental matters and this applies to a marked degree in relation to the preservation of good living conditions in big cities, where large concentrations of people create problems of urban planning.

Hence the emphasis in submissions towards the planning function.

3.5 The questions explored were - Should the planning function remain with the Board of Works? If not, how should it be reconstituted? Should the municipal connection be retained? If so, how? As referred to in the Preamble, while some submissions were for a separation and others against, the bias was

marginally in favour of separation.

- 3.6 However, when it came to proposals for a reconstitution of the planning function and its administrative machinery, the proposed models for this were many and varied.

Generally, they envisaged regional or sub-regional groupings of municipal councils, as the tertiary level of a three-tier State planning structure. This structure would extend from a State strategic planning body at the top (most submissions then cited the State Co-ordination Council) thence down to a metropolitan planning body and then to the regional authorities.

In contrast to this, there was considerable divergence of opinion as to the degree of control exercised by the various levels and their structures and representation. Some proposals saw the regional authorities as the second tier in the planning process, leaving out a separate metropolitan body, with municipal councils making up the third tier. In many instances, the implementation of these models could so decentralise the operation as (in the opinion of the Inquiry) to render planning innocuous and dysfunctional.

Most submissions favoured a retention of a municipal connection with metropolitan planning, whether it stayed with or was separated from the Board of Works.

- 3.7 After careful consideration, the Inquiry recommended that the metropolitan planning function should remain with the Board of Works for the following reasons:

- (a) The existing Planning Branch, with its substantial number of competent and specialised personnel, has developed jointly with the Planning Scheme for the Metropolitan Region. The Branch is well-

housed and should preferably be kept together as a single controlling unit. It is already a soundly established and ongoing operation and has provision for further decentralisation.

- (b) The Board of Works is a rating authority and is empowered to strike a rate to serve the financial needs of the Melbourne Metropolitan Planning Scheme. If the planning function is separated, new arrangements will be necessary. A separate rating authority could be required or funds provided from another source such as through the municipalities, but this could in all probability prove a more costly way of proceeding.
- (c) If the recommendations of this Report as to the reconstitution of the Board of Commissioners are accepted and the plan for the creation of Sub-Regional Consultative and Advisory Committees is implemented, we believe municipal interests will be safeguarded sufficiently in relation to the planning function of the Board of Works.
- (d) The Metropolitan Planning Scheme is in many respects unique and an object of respect but such a scheme brings its problems due to its very nature and necessary procedures. It can be cumbersome and unresponsive to change, and the length of time involved in passing amendments and their consequent applications is extremely frustrating to both the individual involved and the planner. However, for this reason, and because planning affects and alters the aims and aspirations of so many people, the Inquiry feels that the Planning Branch

needs to be attached to a powerful organisation with authority and a developed infrastructure. The Board of Works remains the best prospect for this at this time.

- 3.8 The Inquiry appreciates and understands the concern of municipalities and groups for greater local control and grass-roots input but feels, with the above reasons, that at present the provision for Advisory Committees will allow for informed exchange of information and opinion. It is hoped that the Board of Works will continue to seek means of delegating greater authority to municipalities, and that present State planning procedures will be rationalised.
- 3.9 We have noted and indeed sympathise with the growing expression of opinion that the wide diversity of agencies working in the planning field need to be drawn together, and their various activities directed, controlled and rationalised through an authority provided with the necessary powers for strategic planning by the Government. For instance, although the Town and Country Planning Act provides for the formulation of statements of planning policy, powers for implementation of this policy are fragmented, difficult to exercise and out of reach of any real control by the Town and Country Planning Board.
- 3.10 The Inquiry therefore considers this lack of alternative to be a further and powerful reason why the planning for the Melbourne and Metropolitan Region should stay with the Board of Works, certainly for the present. In the longer term, in the event of State planning being reviewed, we are of the opinion that the new structure outlined for the Board of Works is sufficiently flexible to provide a base for close liaison with and clarification of metropolitan planning.

3.11 Presently, the service functions of the Board of Works are the responsibility of the Minister of Water Supply and the planning functions of the Minister for Planning. Under the Minister for Planning there are a considerable number of agencies performing a wide array of duties. There are also a number of activities in train which will provide the Government with information and advice bearing on planning - such as the Building and Development Approvals Committee and the Gobbo Report. (See Appendix Eight).

This State Government interest would seem to indicate a movement towards closer oversight and regulation in this whole field.

3.12 The Inquiry is of the opinion that the Board of Works should continue to act as the regional planning authority, particularly in view of the present cumbersome planning situation. We would see the Board maintaining its co-operation with the municipalities, each of which differs from the other in its revenue, characteristics, administrative resources and aims.

Chapter Four

FURTHER COMMENTS

4.1 The Term of Reference 2 is -

Whether the constitution of the Board under the Melbourne and Metropolitan Board of Works Act 1958 is inappropriate in any and what respects, having regard to the functions of the Board.

The Inquiry's finding is that -

The constitution of the Board of Commissioners has become inappropriate.

4.2 The following amplifying remarks in relation to Reference 2 are now submitted -

The Inquiry, after careful consideration, is of the opinion that the present constitution of the Board of Works, consisting as it does of 54 commissioners plus an Executive Chairman and an Executive Deputy Chairman, has become too unwieldy and recommends replacement of the Board of Commissioners by a smaller Board, and also recommends a revised basis of contact and communication with the municipal councils. These latter proposals are set out and examined in greater detail under References 3 and 4.

4.3 The evolution of the Board of Works since 1890 has been referred to in Chapter Six and Appendix Six. Initially, there were 39 commissioners which gradually, as a result of population growth and geographical spread, grew to the present 54 commissioners representing 52 municipalities. Over the same period, the complexity of the Board of Works' operations and the accompanying financial implications have also greatly increased.

4.4 The appointment of the Board of Works by the Government in 1954 as the responsible authority, under the Town and Country Planning Act, for the purposes of implementation of the proposed Melbourne and Metropolitan planning scheme, introduced a new dimension into the Board's activities and one which inevitably intensified the spotlight of public interest and public opinion on its whole operation. It also intensified the problem for commissioners as to division of loyalties: this problem persists.

4.5 A feature of the commissioners' activities has been the committee system which consists of six standing committees each of nine commissioners, one of whom acts as the vice-chairman of that particular committee. These committees are:

Officers' and Servants' Committee,
Finance Committee,
Water Supply Committee,
Sewerage Committee,
Farm Committee,
Planning Committee.

There is an additional standing committee called the General Purposes Committee which is made up of the vice-chairmen of the above committees. The Chairman and Deputy Chairman of the Board, by virtue of their offices, are members of these committees, and the Chairman, or in his absence, the Deputy, presides at all their meetings.

4.6 Each committee deals with the matters which come under its purview and makes recommendations to the full Board, but it is apparent that many commissioners do not feel it possible to become fully conversant with matters dealt with by the committees other than the one on which they serve. It has also been stated that it is not possible to fully participate in their own committee, due to lack of time and insufficient information being made available.

4.7 By tradition, this committee system has become subject to an hierachial procedure largely determined by length of service under which appointments are made to the committees and by which progression through one committee or transfer to another is dictated. This, too, is the subject of some criticism.

4.8 If they are to meet the challenges which face the Board of Works now and in the future, the Inquiry is of the firm view that firstly, the Board of Commissioners is too large by present day standards, and secondly, that the committee system is unsuitable and outmoded and has resulted in procedures which have proved unsatisfactory to at least some of the commissioners themselves.

4.9 We consider also that this structure does not lend itself as well as it should to prompt and unanimous decision-making or to a fully satisfactory basis for delegation on to senior executives and thence down the line, and for a returning flow of information back up to the Board.

4.10 In these days of business pressure and the ever-increasing public interest in so many facets of a business undertaking such as the Board of Works, it is vitally important that the Board of Commissioners should be clearly seen to be an efficient decision-making and monitoring group; not too numerous to be unwieldy, and determined to delegate the implementation of the Board's decisions to the executive officers.

The delegation process (and its results) should be regularly reviewed so that the Board can satisfy itself that it is working properly. Only in this way can the Board of such a large operation assure itself that it has time to efficiently determine policy. A properly determined system of delegation does not get bogged down in a mass of detail and

leads to greater efficiency by reducing frustration through the ranks and increasing job satisfaction.

- 4.11 A further aspect which appears to lead to a conflict of interest and creates embarrassment for some commissioners of the Board is that of a commissioner's accountability. He is elected by the municipal council of which he is also a councillor and is expected to report back. However, there must necessarily be many matters (particularly in relation to planning) which should be kept confidential to the Board of Works. Further, if because of metropolitan needs, as distinct from his council's needs, a decision is taken by the Board of Works which is contrary to the desires of his council, then he is placed in an invidious and sometimes embarrassing position in deciding where his obligation lies.

Some commissioners and councils have expressed disagreement with the judgment of His Honour Mr. Justice Street in the case of *Bennetts v. the Board of Fire Commissioners of New South Wales and others* (Appendix Seven); but clearly, if the understanding on which each member was elected by the municipal council to serve as a Commissioner of the Board of Works was such that he could not comply with the ruling of Justice Street, then inevitably such conflicts of interest will continue to arise.

- 4.12 It follows that if the present Board of Commissioners is replaced by a much smaller Board of Commissioners, then the basis of contact, consultation and liaison by that Board with the municipalities will necessarily have to change from the present system by which each commissioner represents one municipality.

Many submissions to the Inquiry and particularly those from past and serving commissioners emphasised the value they saw in this local contact. The Inquiry has found that a significant volume of Board of Works' and municipal contact takes place,

particularly in operational matters, at an executive to executive level and this will no doubt continue, irrespective of the type of Board in control; however, the proposed new constitution of the Board of Commissioners will necessarily call for greater vigilance and sensitivity by the Board of Works to the individual needs and complaints of its constituent ratepayers.

Chapter FiveFURTHER COMMENTS5.1 The Terms of Reference are -

Reference 3. Whether the Board should be reconstituted in any or what way and with any or what functions.

and

Reference 4. Whether having regard to its powers, duties and functions any and if so, what changes should be made to the administrative structure of the Board.

The Inquiry, having concluded that the constitution of the present Board of Commissioners is inappropriate, then recommended that -

The reconstituted Board should consist of six outside non-executive commissioners plus the Government appointed executive chairman and, if then thought appropriate, a Government appointed executive deputy chairman.

5.2 All six non-executive commissioners to be nominated by the Minister or Ministers whom the Government appoints for the purpose. Three commissioners to be selected from a panel of ten councillors submitted by the Metropolitan Section of the Municipal Association of Victoria. This panel will comprise two councillors from each of the five metropolitan sub-regions and three from outside the municipal field possessing 'special knowledge and experience' in such areas as the Minister or Ministers deem appropriate.

- 5.3 The non-executive commissioners should be suitably remunerated as occurs with other semi-government authorities.
- 5.4 The Inquiry is of the opinion that a Board of Commissioners of seven including an executive chairman, or eight with an executive deputy chairman added, is the maximum number which should be considered.
- 5.5 The proposed sub-regions would also form the basis for the purpose of forming five Advisory and Consultative Committees and their boundaries generally coincide with areas where the Board of Works itself will have Area Offices. In fact, some such offices already exist and are fully operative in three of the five areas proposed. These sub-regions we propose are Western, Northern, Eastern, Southern and Central, and the existing Area Offices of the Board referred to above are situated within the Eastern, Southern and Central sub-regions; the other two sub-regions where Area Offices are planned are temporarily administered by regional staff located in the head office, pending provision of suitable accommodation in the appropriate sub-region.
- Other possibilities for subdivision can readily be envisaged, such as the eight regions designated by the former Department of Urban and Regional Development (Appendix Five), but the Inquiry considers five sub-regions to be a suitable and sufficient number.
- Appendix Five also includes a map setting out the proposed sub-regions. It also gives details of statistics as to area and population, and lists the municipalities included in each sub-region.
- 5.6 In regard to the three councillors to be appointed from the ten nominated - a three year term would seem appropriate and would allow a turn-around in municipal representation on the Board of Commissioners at regular intervals. Should a councillor lose his

municipal seat during his three year term as a commissioner of the Board of Works, it would seem appropriate that he should retain the opportunity of completing the three year term with the Board.

As regards the three with 'special knowledge and experience', it may be considered wise to appoint them for terms which would not result in all three completing their appointments simultaneously. The areas of 'special knowledge and experience' in mind would include - Finance and Fund Raising, Engineering and Construction, Planning and Environment, Personnel and Publicity, Legal, and of course there are others.

5.7 The Inquiry thinks it is important that on appointment each commissioner should acknowledge his understanding that, as such, his accountability and responsibility are to the Board of Works. Further, a register of pecuniary interests of each commissioner should be on record within the Board and this should be regularly updated in a similar manner as required by the Companies Acts.

5.8 Coming then to the five proposed sub-regional Advisory and Consultative Committees. Each municipality would elect one councillor to the committee for that sub-region which, using the possible groupings listed in Appendix Five, would give a membership as follows if Alternative One is used:

Western	Sub-Region - A committee of 8 councillors
Northern	Sub-Region - A committee of 10 councillors
Eastern	Sub-Region - A committee of 12 councillors
Southern	Sub-Region - A committee of 14 councillors
Central	Sub-Region - A committee of 8 councillors

It would be envisaged that each of these committees would appoint its own chairman and meet as often as the group felt to be necessary, for its own purposes. The Inquiry feels that these Advisory Committees should be sufficiently flexible to allow for direct

participation by local people other than councillors, where that Advisory Committee itself or the Board of Commissioners sees fit.

- 5.9 Each committee would meet separately with either the whole Board of Commissioners or with a committee of their number together with senior officers of the Board of Works. It would be expected that full discussions covering matters of mutual interest and concern would ensue with a view to closer understanding where problems exist. It is probable that meetings at three-monthly intervals would suffice and it is for this reason the five rather than, say, eight sub-regions have been proposed as otherwise the additional burden on the commissioners could prove too great.
- 5.10 As with a public company, the Board of Commissioners should play a vital role (in which all commissioners participate fully and equally) in influencing policy, determining targets, monitoring performance, presenting and fostering the public image of the undertaking to the community and its own staff, controlling the financial structure and performance, etc. However, in the final analysis, all this will depend for its fulfillment upon the calibre of the commissioners and the efficiency of the executive team and the whole work force.
- 5.11 The Board and its executive team are completely interdependent. An efficient and mutually acceptable system of interaction is therefore of vital importance, with delegation the key. One means of keeping commissioners and heads of the various departments in close touch is to arrange the agenda for Board meetings in sections and for the senior executive concerned to participate during the consideration of matters relative to his responsibility.
- 5.12 For this reason the Inquiry is examining not only

the structure of the Board of Commissioners but also the structure of the top executive posts. The latter would no doubt finally be a matter for the Board of Commissioners; however, we have set out below a type of flow-chart which would appear to us to fit in well with the present senior executive grouping, but which is based on discontinuing the commissioner committee system as presently practiced.

Because the committee system has been an integral feature of the commissioner/senior executive relationship and has been in operation over a very long period, such a change itself would call for considerable adjustment.

ORGANISATION CHART

BOARD

OF

COMMISSIONERS

Executive Chairman

(Executive Deputy Chairman)

6 non-executive Commissioners

Director
of
Engineering
and
Construction

Water
Sewerage
Drainage
Farm
Regional
Parks

Director
of
Planning
and
Environment

Planning
Environment
Municipal
Liaison

Director
of
Finance

Accounts
Fund
Raising
Rating
Budgetting

Director
of
Administration

Personnel
Legal
Publicity and
Public Relations
Resource Planning
Industrial
Relations
Audit
Property

Secretary to the
Board of Commissioners



5.13 The Inquiry considers it important and therefore recommends that a suitable professional organisation should be commissioned as soon as possible to study the allocation of functions, work flow, work delegation and staff resources and utilization aspects and, in the process, examine the roles and responsibilities of the executive chairman, executive deputy chairman and commissioners as they affect the final structure. This is frequently done with satisfactory results in private sector undertakings, particularly large public companies.

5.14 On completion of a survey along the lines referred to in 5.13, qualified experts should also be in a position to advise the Board of Commissioners as to co-ordination between sections, general staff outlook, morale, job satisfaction, etc., and make recommendations where considered necessary.

The need for such a study is emphasised by the evidence we received of significant and, it would appear, justified staff dissatisfaction. This applied particularly to conditions for women and temporary employees, superannuation, hours of work and study leave. Regardless of considerations of equity, such matters will inevitably cause dissatisfaction if conditions are of a lower standard than applying in other comparable organisations.

5.15 The Act provides as follows in Section 48:

'The Board shall appoint a Committee of their number for the purpose of dealing with all matters relating to the officers and servants of the Board'

That committee inevitably came to be styled 'Officers and Servants' Committee. It is recommended that the opportunity now be taken to dispense with this outmoded description, which is a source of irritation to staff.

- 5.16 Further, if the recommendations herein are adopted, the need for the Act to stipulate such a committee would no longer apply as, through acceptable delegation procedures, staff and personnel matters would rightly be channelled through a senior executive officer such as 'Director of Administration' and, where necessary under the terms of a delegation and work flow chart, on to the Chairman and/or the Board of Commissioners.
- 5.17 The Inquiry is firmly of the opinion that the combined effects of the creation of a smaller Board of Commissioners, the disappearance of the unwieldy and outmoded committee structure and a carefully laid down system of delegation and work flow, will be capable of streamlining the decision-making process and providing clear levels of responsibility.

This should lead to increased efficiency throughout the whole organisation, but will not be fully effective unless reflected right down the line in terms of job satisfaction and staff contentment.

5.18 Functions of the Board of Works

Quite apart from the planning function which has been referred to elsewhere in this Report, a number of submissions proposed either subtraction or addition of functions for the Board of Works. Some were in favour of deletion of one or more activity while others suggested quite major additions.

In general the Inquiry, while recommending a continuance of present functions, has not proposed any material additions except to draw attention to the problems which face the Board of Works in regard to certain aspects of catchment control, and flood and drainage control, and to recommend to the Government a thorough examination of the implications of adding

such additional functions to the Board of Works' present responsibilities.

The important matter of refuse disposal was also raised in submissions but the Inquiry makes no recommendation on this in view of the comparatively recent regionalisation of this activity by municipalities.

Chapter SixFURTHER COMMENTSBACKGROUND6.1 The Term of Reference 5 is -

Whether any and, if so, what changes are necessary or desirable in the manner in which the Board finances its functions having regard, in particular, to -

- (a) the raising and repayment of loans and the setting aside of amounts for interest, redemption and depreciation;
- (b) the method of preparation of annual revenue estimates;
- (c) the levying of rates based upon the net annual value of property;
- (d) the use of moneys provided by way of -
 - (i) area contributions on new subdivisions of land,
 - (ii) the compulsory servicing of land in new subdivisions,
 - (iii) the national sewerage program by the Federal Government, and
 - (iv) contribution to capital works from rate revenue,

to finance capital works.

6.2 For a coherent understanding of these matters and their present and future impact on the Board of Works and the community, it is necessary to look back to 1939 and the onset of the Second World War.

The war effort resulted in a deferral of normal development, among the casualties being housing and, therefore, development of capital works such as sewerage and water storage. The construction of the Upper Yarra Dam was deferred. Following the war, a vigorous migration policy resulted in a large and relatively sudden population growth accompanied by a boom in demand for housing and all the resulting services. This happened at a time when the Board of Works was short of both materials and funds.

Thus, in the 1950's, it was apparent that water and sewerage facilities then existing were inadequate to serve the population, let alone make provision up towards the turn of the century for a growing population and an expanding metropolis.

6.3 Meantime, given the constraints which exist as regards fund raising, priorities have had to be determined, not only by the Board of Works, but also by the Government. In this process it has proved impossible to adequately keep abreast of the total sewerage requirements of the growing metropolis. As far back as 1939 it had been recognised that the Western Outfall Sewer Main should be replaced.

In 1964 the completion of the Brooklyn Pumping Station (a major project in itself) upgraded the capacity of the Western System but did nothing to replace the antiquated outfall main to the Farm at Werribee. The cost of maintenance and constant patching and repair is very high and replacement of the main, together with an additional primary treatment plant at the Farm, is at present estimated to cost \$184 million, and no doubt inflation will add to the final cost. This work is a priority.

- 6.4 Due to rapid development to the south and east, the Government approved in 1966 the development of the South Eastern Sewerage System, centered on the Carrum Purification Plant. This is still being developed at a cost, so far, of \$236 million, of which \$43 million was the additional cost of conveying the effluent to Cape Schank.
- 6.5 The completion in 1957 of the Upper Yarra Dam doubled Melbourne's water supply, but this was insufficient to insulate the metropolis against a prolonged drought, let alone meet the Government target of providing a storage of three years' reserve supply. To that end, a Parliamentary Public Works Committee on future water supplies for metropolitan Melbourne recommended in 1967 the implementation of the Thompson River System, the Lower Yarra System (Sugarloaf), and the Cardinia Reservoir. Cardinia is now completed and full, and the Thompson and Lower Yarra schemes are in varying stages of development, with the Thompson already supplying some water to Melbourne. The distribution systems required for these major undertakings, in themselves, have been carried out at a very heavy capital cost.
- 6.6 Added to these considerations is the problem of the substantial backlog of sewerage installations which, together with the steady demand arising from newly developing areas, also materially adds to forward capital requirements.
- 6.7 Thus, major capital spending has been involved and continues during a period of heavy inflation and, concurrently, a rapidly increasing interest component. The results of the rising interest rates will be felt by the Board of Works for many years to come.

The Board's outstanding loans, as shown on the Statement of Accounts in Appendix Nine, rose from \$215 million at 30 June, 1962, to \$1,130.5 million at 30 June, 1977, made up as follows:

	<u>\$s Million</u>
Loans raised under Section 187 of the Act	915.4
Loans raised under Section 220 of the Act	0.8
Loan Advances by the Treasurer of Victoria under Section 200 of the Act	
From State Funds	149.3
From Commonwealth Funds	64.9
	<u>\$1,130.5 million*</u>

*To the nearest Thousand.

6.8 At the same time, estimates of cost of the following major works in progress and/or already planned over the next six to ten years are:

	<u>\$s Million</u>
Completion of the Thompson River and Sugarloaf Projects	167 <u>135</u> 302
Completion of the current phase of the South-Eastern Sewerage System based on Carrum Purifi- cation Plant	49
Replacement of the Western Out- fall Sewer Main and additional primary treatment plant at Werribee Sewerage Farm	184
Backlog Sewerage	419
Based on present day currency.	<u>\$954 million</u>

6.9 This is indeed a heavy forward program, but there is nothing there which is not essential to the well-being of the community or which the community has not demanded. The questions to be asked all pose the problem - in what form does the community pay? This also emphasises that a heavy responsibility lies with the Board of Works to assure the greatest efficiency possible throughout the whole undertaking.

- 6.10 In view of the scope and likely final cost of the above program, Melbourne's needs into the next century must be considered carefully as to the possible future demands which may be placed upon the Board of Works once this program is concluded.

In such a question, the likely forward population trends for the metropolitan area become important. It is not possible to give a certain estimate; the Board of Works itself has done considerable research over the years and uses for its particular purposes not a per capita basis but a projection of new household formations. The present projection is for 20,000 new households per annum.

Other considerations affecting the metropolis will be the nature and effectiveness of Government policies for satellite cities and other decentralisation policies. However, provided a steady trend prevails, it could be expected (and hoped) that the capital works program outlined above will be substantially completed within a six to ten year span, after which the Board of Works' operations would reduce in capital intensity and instead become maintenance intensive, thus providing some measure of relief financially.

- 6.11 In regard to major capital works, a well prepared submission was presented on behalf of a considerable number of contractors in which it was questioned whether such works when undertaken by the Board of Works itself resulted in higher final costs than comparable work done by outside contractors under tender. The cost margin quoted by the contractors was of significant dimensions.

The Inquiry is aware that this question has arisen elsewhere within Victoria and also interstate. The Board of Works carries out a large percentage of its capital works by outside tender and by sub-contracting, and has its own views on the whole matter.

To arrive at any authoritative conclusion would require an exhaustive investigation of the assumptions used and the basis of measurement of the final

comparison. However, in view of enquiries made as to the experience of other organisations and the fact that all possibilities for cost saving should be explored, the Inquiry recommends to the Board of Commissioners that a means be found for meaningful and objective discussions and examination of the relative costs with the contracting groups.

6.12 Over its whole history the Board of Works has based its finances on utilizing borrowed funds for capital works and on using mainly rating to raise sufficient income to cover its annual commitments for maintenance works, interest and redemption provisions, and administration. It is difficult for such an authority to provide any material contribution to the cost of capital works from revenue.

6.13 Looked at in isolation, the cost per day to 'the average household' for the total services that the Board of Works provides, i.e. water, sewerage, etc., is estimated to average 50 cents for three people. (See Appendix Ten). Expressed in this way, it is a remarkably inexpensive service, but ratepayers do not look at it in isolation. Their problem is the margin of income remaining after they have met the sum total of annual taxation, and municipal and Board of Works rates.

6.14 Another factor which has necessarily exercised a marked bearing on the timing of capital works and the forward planning process has been the constraint on capital raising which has applied in the past and continues to do so now.

Due to the Nation's need for steady development in all fields, Government, both Federal and State, has been obliged to regulate the utilisation of funds for capital works through the operations of the Australian Loan Council. Under this scheme, each State receives a direct allocation of loan funds and an authority

for semi-government borrowing. The State Government then allots borrowing limits for the year to certain of its semi-government authorities such as the Board of Works, the Gas and Fuel Corporation, the State Electricity Commission, etc., and, where possible and necessary, lends from its own resources additional moneys to these authorities.

These procedures, although necessary in regulating semi-government fund raising, act as a considerable constraint and finally determine the upper level of capital expenditure that can be undertaken in any one year.

6.15 With those authorities which have a product to sell, this constraint is not quite so inhibiting, as traditionally, they could expect to trade in such a way as to be in a position to each year direct some proportion of income towards the capital expenditure program. In the case of the Board of Works whose income is derived mainly through rating, the traditional pattern has been to finance capital works from borrowing and cover administration costs, interest and redemption, and maintenance works from revenue.

Thus, with the pent-up demand for water and sewerage referred to previously, the Board of Works has been forced to meet the constraints in fund raising by establishing priorities and in this it has been strongly influenced by Government and community attitudes.

6.16 It has been necessary to provide this background of events in order to place in context the matters raised under the various Sections of Term of Reference No. 5.

Chapter SevenFURTHER COMMENTSTERM OF REFERENCE NO. 57.1.1 Loan Raisings, Redemption and Interest

The Inquiry did not recommend any change in the procedures presently adopted by the Board of Works for the raising and repayment of loans and the setting aside of amounts for interest, redemption and depreciation.

7.1.2 On receiving final advice from State Treasury of its borrowing limit for the ensuing year, the Board of Works proceeds to plan its fund raising program over that period partly by way of underwritten issues through the market and partly by private placements. The Loan Council determines the semi-government interest rates and, while the longer terms up to 15 to 20 years add stability to the portfolio, it is necessary to offer lenders a choice of term. In recent times lenders have generally tended to choose short to medium terms. The trend to shorter terms, and levels of redemption or conversion of loans, are important factors in the cost of underwritten issues.

7.1.3 The present level of the Board's borrowing from the public has already been discussed and reference was made to the heavy forward capital expenditure program. In the Statement of Accounts (Appendix Nine), the Section 187 Loans totalling \$915.4 million are those subscribed to by the public and guaranteed by the Government of Victoria. The upper level of this fund must be kept within a statutory limit set by the Government from time to time. This limit was recently raised to \$1,300 million.

The Statement also shows Section 200 loan advances totalling \$214 million; of these, \$149 million are from State funds and \$65 million are from Commonwealth funds.

- 7.1.4 It is certain that with the essential works program ahead, total loan liabilities will rise steadily; of a budgetted capital works program of \$170.4 million for the year ending 30 June, 1978, the sum of \$142 million is expected to be financed from Loan raising, comprising \$113 million, Section 187 Loans from the Public and \$29 million, Section 200 Loans from the Government. It is therefore difficult to see the rising expense of interest being met by means other than through a substantially increased level of rates spread over the years of heavy expense. The inflationary factor also has to be borne in mind.

This need for increased revenue will be evidenced by the necessity to keep the relationship between annual cost of interest and annual income to a level which will leave sufficient to also provide for maintenance works and management costs. The present annual cost of interest is approximately 52% of annual income and in recent years has been as high as 56%.

- 7.1.5 The asset in the Statement of Accounts under the heading Securities Short Term, \$141 million, is an important aspect, as these short-term and readily realised securities represent funds which support a number of contingencies such as Sinking Fund, Renewals Fund, etc. They also act as a temporary assurance against short-term liquidity fluctuations.

By far the main proportion of the fixed assets are of a highly specialised nature; of the \$1,360 million shown under Fixed Assets in the Statement, water, sewerage and main drainage works represented \$1,291 million, and in the overall operations the raising of provisions for Depreciation did not play a significant part. However, at the same time, the Renewals Fund, which is akin to a depreciation

situation, stood at \$28 million.

7.1.6 The Board of Works' procedures in regard to redemption of loans comply with the usual pattern adopted by semi-government authorities in Australia whose borrowings are Government guaranteed. The more recent tendencies for lenders to opt for short to medium terms and the quicker maturity re-borrowing cycle and also the conversion experience all have a bearing on the matter.

7.1.7 To sum up, in regard to the raising and repayment of loans and the setting aside of amounts for interest, redemption and depreciation, in view of the overall position as we see it, we find it difficult to recommend any material change in the manner in which the Board of Works raises its loans from the Public.

7.2.1 Preparation of Annual Revenue Estimates

The Inquiry, having examined the matter carefully, sees no lack of efficiency in the preparation of annual revenue estimates and therefore has not recommended any change.

7.2.2 Budgetting procedures for estimating revenue are not as clear cut as those for estimating capital, when the total of capital available is pre-determined to a large extent by the Loan Council. In balancing capital and revenue, it is necessary, with individual works continuing over a long period, to have long-term budgets carried forward for five years or more and updated each 12 months. These are used internally as a tool to facilitate forward planning and the assumptions used in their preparation, such as the likely movement in interest rates, are constantly reviewed.

Thus, so long as the principle continues of capital

expenditure being financed from borrowing and all other operations and expenditure from revenue, the budgetting of these two aspects is interdependent.

7.2.3 In view of the essential nature of the capital expenditure of the Board of Works and the need to continue steadily, it would comply with sound business principles to finance a reasonable proportion of it each year from revenue. However, this does not seem viable to any material extent at present because of the effect it would have on the level of rates.

7.2.4 The annual revenue budget is carefully prepared in relation to anticipated essential expenditure for each of the major activities, i.e. Water Supply, Sewerage, Main Drainage, and also Town Planning and Metropolitan Parks. All revenue income other than from rates is also accounted for and it is from these figures that the rates for the ensuing year are struck, providing the balance of income necessary.

7.3.1 Levying of Rates

The Inquiry recommended that the Act should be amended to enable the Board of Commissioners to use either the N.A.V. or the U.C.V. or a combination of both. It also recommended to the Board of Commissioners that a thorough examination be made of the whole matter of rating, and that the question of charging by usage be reviewed.

7.3.2 One very important aspect in considering this question is whether a property rate is the best way of charging for this type of service. This has been the subject of considerable research by many people, and the conclusion that most have arrived at is that there is no 'best' way which ensures ease of collection, equity and consistent funding.

The Inquiry does not propose to go into the pros and cons of levying a property rate as opposed to a personal charge. The arguments involved have been debated at length in many places and are familiar to most: we have considered these fully and carefully, and explored the ramifications involved in alternative methods.

7.3.3 We consider a property rate to be the most appropriate method in the present context (although not necessarily the most efficient or the most equitable) and one which will allow the Board of Works to continue its operations without excessive disruption. However, we emphasise again the importance of allowing the Board as much flexibility as practicable in the way in which it charges for its services and we urge the Board of Commissioners to make a thorough review of the whole matter of the basis of rating and of charging for water by usage.

7.3.4 In such a review it may prove possible to take into consideration the differing problems which face the ratepayers and the municipalities according to their stage of development. The system bears differently on the inner suburban areas to those now fully developed. The problems of the rapidly developing areas are different again and the whole question is extremely complex.

The Board of Works derives the major part of its revenue from rates, and as this levy affects almost 76% of Victoria's population, it is desirable that the method of raising revenue be the most generally acceptable one available.

7.3.5 The municipalities are empowered to use either N.A.V. or U.C.V. for their rating and it is understood that there is some swing towards U.C.V. The Board of Works itself has been studying the matter. The valuations, whether N.A.V. or U.C.V., are made by the

municipalities but come under the final approval of the State Valuer-General. Due to the effects of inflation on land values and on municipal and Board of Works' costs, the length of time between valuations is of particular interest to these bodies. However, in both cases, it is a combination of valuation and level of rate struck which determines the annual payment by the ratepayer.

- 7.3.6 A number of submissions paid particular attention to this subject and a comprehensive one submitted by The General Council for Rating Reform was of great interest. Suggestions were also made that rather than ratepayers⁷ having the option of paying their annual rates in two moieties, this should be extended to four equal payments, and the Inquiry considers that there is merit in this proposal.

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The Inquiry considers that the matters which follow are largely dictated by necessity or by factors outside the Board of Works' control, and has recommended that the Board continue with its current policies.

7.4.1 Area Contributions

For the year ended 30 June, 1977, these totalled \$9.8 million and represent a charge against new subdivisional schemes towards the cost of the headworks; this provides water and sewerage to the area involved much sooner than might otherwise be possible, and reduces pollution to the environment.

- 7.4.2 Apart from this necessity, the rationale for this procedure is based on the principle of equity, in that over a long period of years the body of ratepayers has been supporting the provision of headworks such as reservoirs, sewer mains, reticulation, etc. to which the new home owner has generally made no

contribution. The argument against area contributions is that they add to the initial cost of each dwelling in the subdivision, making the cost of each dwelling too high; the protagonists of this view contend that these costs should be borne through the general taxation structure, i.e. by the whole community.

7.5.1 The Compulsory Servicing of Land

Similar considerations apply in this regard as referred to under Area Contributions. For the year ended 30 June, 1977, these contributions from developers for provision of services totalled \$22.9 million and of this \$13.2 million was for recoupment of works and \$9.7 million represented the estimated value of work done by developers and taken over at no cost by the Board of Works.

7.5.2 The whole matter of provision of facilities in large subdivisions, not only water and sewerage but also road and street construction, electricity, gas, etc., is a major problem for developers in holding the final cost of a dwelling to a marketable level relative to the final product.

7.5.3 However, it must also be considered that in this so-called affluent society it is a fact that many home owners require that all modern conveniences be supplied and this, and other complicating factors, add to the cost to the end user.

7.5.4 The multiplicity of permits required and consequent long delays in commencement were cited in submissions as also adding greatly to development costs. These particular aspects are being reported on by the Building and Development Approvals Committee and the Commonwealth Government Inquiry into Housing Costs.

7.5.5 The problem for the Board of Works (and through it, the community) is to meet all the demands made for its

services bearing in mind the financial constraints to which it is subject.

7.6.1 The National Sewerage Program by the Federal Government

The Board of Works received \$13.3 million for the year ended 30 June, 1977 under this program.

This was portioned as follows:

	<u>\$s Million</u>
As to <u>Grant</u> and of which \$0.2 million was of a special nature	4.1
As to <u>Loan</u>	9.2
	<hr/>
	\$13.3 million
	<hr/> <hr/>

7.6.2 The backlog of sewerage has been a continuing problem over a long period, particularly in the capital cities. This Federal Government scheme aimed at overtaking the lag has proved most valuable and the Grant Section has been particularly acceptable to the Board of Works because it does not attract an interest burden.

7.6.3 It is to be hoped that a continuing basis for this scheme can be found by the Federal Government amongst all the calls made on it, for this is a most valuable contribution to the efficient sanitation of the metropolis which would otherwise take longer to achieve.

7.7.1 Contribution to Capital Works from Rate Revenue

For the year ended 30 June, 1977, a contribution from the revenue of the Board of Works to its capital program was \$5.9 million. This has previously been discussed relative to the whole context of the Board of Works' operations and their financial implications in the existing economic climate. These implications dictate what is possible to achieve and in some

instances lead to the necessity for such aids as Area Contributions and contributions by developers in the servicing of new developments.

7.7.2 In the circumstances outlined, it is not possible for the Board of Works to allocate relatively substantial sums from annual revenue to capital works; however, the Board does earn some income from sources other than rates, and in the opinion of the Inquiry it is a sound practice for it to continue to allocate to the capital program reasonable amounts which it is able to ear-mark for the purpose, along the lines of the 1976/77 year's experience.

7.8.1 Financial Aspects - Conclusion

The Inquiry recognises the problems posed for the Board of Works by the heavy works program ahead, coupled with the pressure of community sentiment for the greatest possible containment of rates and the other charges which comprise its revenue. It is clear, though, that if the Board is to continue to adequately carry out its essential community functions, its revenue must increase.

7.8.2 The need for further sources of revenue is emphasised by the fact that the Board of Works provides services to other than its own ratepayers and for which it receives little or no revenue.

7.8.3 Through its extensive and costly reservoir system, the Board is being called upon to make a substantial capital investment for which it receives little return. Unless some significant contribution is made for these services, this expenditure and the associated interest charge will be a continuing financial burden to the Board.

7.8.4 Another and not often recognised service which the Board of Works extends to the community is that of statutory remissions or reductions of rates or charges

to organisations of a charitable or public nature, such as churches, hospitals, municipal properties, Commonwealth or State properties, other semi-government agencies, Universities, etc. For 1976/77, this represented a remittance of income amounting to \$1.2 million.

7.8.5 It also seems to the Inquiry that the increasing annual levy which the Board of Works is called upon to make to the Melbourne Underground Rail Loop Authority is inappropriate, particularly as it is a direct charge against revenue. This contribution is made from the Metropolitan Improvement Fund, which is already heavily committed to funding the acquisition of land for Metropolitan Parks and their subsequent development. It is an important and interesting activity, and one which again calls for relatively substantial outlays of capital vis-a-vis the Metropolitan Improvement Fund's income and the borrowing powers.


7.8.6 The major capital expenditure envisaged by the Board of Works emphasises the need to ensure the greatest efficiency in, and performance from, the use of its assets, as one means of minimising or deferring the construction of additional costly works. It follows that, wherever possible, action should be taken to minimise requirements by controlling demand.

The Inquiry regards this type of action as an important measure in the effort to keep the need for expensive loan funds as low as possible.

7.8.7 Many submissions made to the Inquiry proposed substantial capital aid to the Board of Works by both State and Federal Governments, preferably by way of at least some Grant component as distinct from interest bearing loan which, under the circumstances, is a great aid but does nothing to reduce the expense of interest.

It would appear that in discharge of its heavy responsibility to the community, the Board of Works will need all the continuing help that can possibly be extended to it by the State and Federal Governments. The problem for Government is the Nation's overall shortage of capital and the need to allocate limited resources equitably between all Government instrumentalities and agencies.

- 7.8.8 All this also highlights the vital importance of the performance of the Board of Works and the need for a close and sensitive relationship between it and the Government of Victoria.

A handwritten signature in cursive script, reading "R. Daxall", with a horizontal line underneath.A handwritten signature in cursive script, reading "G. Samuel", with a horizontal line underneath.

Appendix One

PUBLICITY FOR THE INQUIRY

1. Newspapers in which advertisements appeared:

The Sun, The Herald, The Age,
The Financial Review, The Australian.

2. Text of original public advice:

'INQUIRY INTO THE MELBOURNE AND METROPOLITAN
BOARD OF WORKS'

'Sir Roger Darvall and Mr. George Samuel have been appointed as a Board to inquire into aspects of the operation of the Melbourne and Metropolitan Board of Works.

Under its Terms of Reference, the Board is asked in particular to examine the questions:

1. Whether the Melbourne and Metropolitan Board of Works should continue to perform all or any and which of its functions?
2. Whether the constitution of the Board under the Melbourne and Metropolitan Board of Works Act 1958 is inappropriate in any and what respects having regard to the functions of the Board?
3. Whether the Board should be reconstituted in any and what way and with any and what functions?
4. Whether having regard to its powers, duties and functions, any and, if so, what changes should be made to the administrative structure of the Board?
5. Whether any and, if so, what changes are necessary or desirable in the manner in which the Board finances its functions having regard in particular to:

- (a) The raising and repayment of loans and the setting aside of amounts for interest, redemption and depreciation.
- (b) The method of preparation of annual revenue estimates.
- (c) The levying of rates based on the annual value of property.
- (d) The use of moneys to finance capital works provided by way of -
 - (i) Area contributions on new subdivisions of land;
 - (ii) The compulsory servicing of land in new subdivisions;
 - (iii) The national sewerage program by the Federal Government; and
 - (iv) Contribution to capital works from rate revenue.

Persons and organisations wishing to express views to the Board in relation to these questions are invited to forward written submissions, in triplicate, to Miss P. Hicks, Secretary to the Inquiry into the Melbourne and Metropolitan Board of Works, c/o Premier's Department, 1 Treasury Place, Melbourne, 3002 (Telephone 651-1349), not later than 31st July, 1977.

The Board will consider requests for the presentation of oral submissions if sufficient reason is given. It will consider, also, requests, accompanied by reasons,

from persons and organisations seeking to appear before the Board in support of their written submissions.'

This advertisement appeared in the above newspapers on 12 and 19 May respectively.

3. Advertisements were also placed in the above newspapers:

- (a) Advising of the change of address of the Inquiry;
- (b) Reminding the public of the date on which submissions closed and the address they should be sent to; and
- (c) Advising of the dates and location of open hearings.

4. All advertisements were scheduled for the General News section of each paper and appeared on the same day in two consecutive weeks.

Appendix TwoPEOPLE OR ORGANISATIONS MAKING SUBMISSIONS

Aberdeen, Mr. I.
 Adamson, Mr. E.V.C.
 Ajani, Mr. E.A.M., M.I.E. Aust., E.W.S., J.P.
 Alexander, Mr. W.A.
 Almond, Mr. G.W.
 Altmann, Mr. K.G.
 Altona, City of
 Anti-Discrimination Bureau - Premier's Department
 Anti-Fluoridation Association of Victoria
 Association of Architects, Engineers, Surveyors
 and Draughtsmen of Australia
 Association of Professional Engineers
 Association of Professional Scientists of Australia
 Australian Earthmovers and Road Contractors'
 Federation
 Australian Federation of Construction Contractors
 Australian Labor Party (Victorian Branch)

 Banoon Residents' Association
 Baster, Ms. A.
 Beaumont, Mr. S.
 Beneficial Finance Corporation
 Berwick, City of
 Bown, Cr. J.E.
 Box Hill, City of
 Bricker, Cr. G.R.
 Brighton, City of
 Broadmeadows, City of
 Brunswick, City of
 Bulla, Shire of
 Burren, Mr. W.H.

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Camberwell, City of

Capp, Cr. A.H., O.B.E., J.P.

Caswell, Mr. N.P.

Chelsea, City of

Cluhan, Mr. I.S.

Coleman, Mr. C.T.

Collingwood, City of

Committee for Urban Action

Conservation Council of Victoria

Cornelisson, Mr. A.F.

Cranbourne, Shire of

Croydon, City of

Dandenong, City of

Diamond Valley, Shire of

Doncaster and Templestowe, City of

Dugdale, Mr. E.F.

Dyson, Mr. L.J., M.B.E.

Eades, Mr. V.

Elms, Cr. B., J.P.

Eltham, Shire of

Essendon, City of

Evans, Mr. D.J., Dip. Bus. Stud., A.A.S.A.

Finch, Dr. L.

Finn, Mr. F.

Fitzroy, City of

Forsyth-Grant, Miss T.

Fox, Mr. L.T.

Frankston, City of

General Council for Rating Reform

Grant, Cr. D.K.

Grant, Mr. R.

Hardy, Cr. M.G.

Hawkins, Mr. L.

Hawthorn, City of

Hayes, Mr. K.W.

Heidelberg, City of

Henderson, Mr. J.A.

Hill, Mr. C.E.

Holyoak, Mr. A.

Hordern, Cr. A.G.

Hubbard, Mr. S.A.

The Institution of Engineers

The Institution of Surveyors, Australia - Victorian Division

Irving, Mr. B.

Jennings Industries Ltd.

Johnston, Cr. T.E., J.P.

Kermonde, Cr. G.G.

Kew, City of

King, Cr. T.H., M.B.E.

Kinglake Environmental Society

Knowles, Mr. G.F.

Laing, Cr. A.C.M., J.P.

Liberal Party - Cranbourne Branch

Lillydale, Shire of

Local Government Engineers' Association

Low, Mr. N.

Malvern, City of

Master Plumbers and Mechanical Services' Association of
Victoria

Melbourne, City of

Melbourne and Metropolitan Board of Works - Planning
Committee Members

Melton, Shire of

Merri Creek Co-ordinating Committee

Michael, Cr. V.R.

Mordialloc, City of

Moorabbin, City of

Municipal Association of Victoria

Municipal Officers' Association

McGlade, Mr. A.J. (Valuer-General)

McRae, Cr. J.

National Trust of Australia (Victoria)

Northcote, City of

Nunawading, City of

O. & A. Projects Pty. Ltd.

Oates, Cr. W.

Pakenham, Shire of

Palmer, Mr. M.

Park Orchards and Warrandyte Ratepayers' Protection
League

Park Orchards Ratepayers' Association

Patterson, Cr. A.R.

Payne, Cr. L.F.

Phillips, Mr. J.R., M.I.E. Aust.

Pickthall, Mr. R.R., Dip. A.I.I.

Pond, Mr. R.

Port Melbourne, City of

Prahran, City of

The Prahran, South Yarra Group

Preston, City of

Proportional Representation Society of Australia

Public Reserves Protection League

Quirk, Mr. A.J.

Real Estate and Stock Institute

Renfrey, Cr. W.

Ringwood, City of

Royal Australian Institute of Architects (Victorian Chapter)

Royal Australian Planning Institute (Victorian Division)

Sandringham, City of

Savage, Mr. E.J.

Sharkey, Mr. R.B.

Sherbrooke, Shire of

Souter, Mr. W.

South Melbourne, City of

Spiers, Ms. J.

Springvale, City of

St. Kilda, City of

St. Monica's College - Epping

Stacey, The Hon. N.F., M.L.C.

Thompson, Mr. G.

Thompson, Mr. J. (Western Region Commission)

Town and Country Planning Association of Victoria

Urban Development Institute of Australia (Victoria)

Urban Land Institute

Vandeloo, Mr. J., J.P.

Vandeloo, Mrs. S.

Victorian Congress of Employer Associations

Victorian Council of Social Services

Wade, Miss E.V.

Warrandyte Environment League

Watershed Association of Victoria

Waverley, City of

Webb, Mr. G.A.

Werribee, Shire of

Western Port Regional Planning Authority

White, Cr. R.D., J.P.

Whittlesea, Shire of

Williamstown, City of

Wilkinson, Mr. N.

Willis, Mr. G.B.

Workers' Party of Australia

Working Women's Centre

Wylie, Mr. J.L.

Appendix ThreePERSONS AND ORGANISATIONS WHO APPEARED AT OPEN HEARINGS

Ajani, Mr. E.A.M., M.I.E. (Aust.), E.W.S., J.P.

The Anti-Fluoridation Association of Victoria

- Mr. R. Petersen,
- Mr. G. Walker.

The Association of Architects, Engineers, Surveyors and Draughtsmen

- Ms. J. Bornstein,
- Ms. A. McCourt,
- Mr. R. Mylius.

Australian Labor Party (Victorian Branch)

- Mr. B. Hartnett,
- Mr. A. McCutcheon,
- Mr. G. Proctor.

Australian Earthmovers and Road Contractors' Federation
Australian Federation of Construction Contractors

- Mr. W. Dobson, A.E. & R.C.F.
- Mr. D. Dowling, A.E. & R.C.F.
- Mr. B. Kelly, A.F.C.C.
- Mr. D. Nolan, A.F.C.C.
- Mr. J. Treacy, A.F.C.C.

Beaumont, Mr. S.

Beneficial Finance Corporation

- Mr. A.B. Harvey.

Bricker, Cr. G.R.

Brunswick, City of

- Cr. G.G. Kermonde.

Camberwell, City of

- Mr. L.F. Cheffers,
- Mr. J.R. McKenzie.

Conservation Council of Victoria

- Mr. P.D. Sutton.

Evans, Mr. D.J.

General Council for Rating Reform

- Mr. L.W.A. Brown,
- Mr. A.R. Hutchinson.

Hardy, Cr. M.G.

Hawkins, Mr. L., B. Com., Dip. Business, A.C.I.S.A.

The Institution of Engineers of Australia (Victorian Division)

- Mr. R.S. Davie,
Mr. J.A. McDonald.

Jennings Industries Ltd.

- Mr. L.E. Rowell.

Laing, Cr. A.C.M.

Lillydale, Shire of

- Cr. M.G. Hardy,
Mr. K. Wilson,
Cr. R. Yates.

Low, Mr. N.P.

Michael, Cr. V.R.

Moorabbin, City of

- Cr. G.R. Bricker,
Mr. J.W. Waters.

Municipal Association of Victoria

- Cr. P.J. Casey,
Cr. G.W. Evans,
Cr. I.R. Marsden,
Cr. G.R. Oakley.

McLaren, Mr. I., M.P.

Nunawading, City of

- Mr. K.F. Mithen,
Cr. G.R. Oakley,
Cr. W.B. Renfrey,
Mr. D.J. Wilson.

Pakenham, Shire of

- Mr. C.A. Ackehurst,
Mr. T.M. Connolly,
Mr. B.J. Wallis.

Patterson, Cr. A.R.

Payne, Cr. L.F.

Proportional Representation Society

- Mr. P. Glover,
Mr. G. Goode,
Mr. G. Powell.

St. Kilda, City of

- Cr. R.D.A. Thomas.

Sandringham, City of

- Cr. G.W. Evans,
Mr. J.C. Sherring.

Savage, Mr. E.J.

South Melbourne, City of
- Mr. D.N. Bethke,
Cr. R.W. Macey.

Town and Country Planning Association of Victoria
- Mrs. M. Nicholls,
Mr. E. Ogilvy,
Mr. B. Pullen.

The Urban Development Institute of Australia (Victorian
Division)
- Mr. G.N. Huon.

Victorian Congress of Employer Associations
- Mr. K. Fagg,
Mr. J. Lockie,
Mr. I. McLachlan,
Mr. D. Murden.

Warrandyte Environment League
- Ms. A. Martin,
Ms. Y. Reid.

Appendix FourPERSONS/ORGANISATIONS INTERVIEWED

Aberdeen, Mr. I.
 Dillon, Mr. J. - State Ombudsman
 Doncaster and Templestowe, City of
 Ellis, Mr. C.
 Granter, Mr. F.J. - Minister of Water Supply
 Hayes, Mr. G.P. - Minister for Planning
 Hayes, Mr. K.W.
 Hunt, Mr. A.J. - Minister for Local Government
 King, Cr. T.
 McGlade, Mr. A. - Valuer-General
 McLaren, Mr. I., M.P.
 Municipal Officers' Association
 Robertson, Mr. A.
 Royal Australian Planning Institute
 Smith, Mr. M. - Ministry for Water Supply
 State Rivers and Water Supply Commissioners
 Stevens, Mr. B.
 Town and Country Planning Board
 Wilkinson, Mr. N.

OFFICERS OF THE BOARD OF WORKS

Croxford, Mr. A. Chairman
 Best, Mr. E. Deputy Chairman
 Arthur, Mr. T. Manager, Regional Parks
 Barnes, Mr. F. Asst. Engineer-in-Chief -
 Engineering Services
 Brack, Mr. L. Engineer-in-Chief
 Caswell, Mr. N. Co-ordinating Engineer -
 Subdivisions
 Cosgriff, Mr. O.T.W. Acting Secretary
 Engelsman, Mr. R.H. Secretary
 Hepburn, Mr. A. Chief Planner
 Jackson, Mr. H. Resident Engineer - Thompson
 Project
 Jordan, Mr. R.J. Chief Construction Engineer
 McPherson, Mr. J. Manager, Werribee Farm
 Morgan, Mr. W.G. Asst. Engineer-in-Chief -
 Operations

Salau, Mr. B.	Deputy Manager, Werribee Farm
Wright, Mr. M.	Treasurer
Youngman, Mr. M.	Assessor and Receiver
Hooper, Mr. C.G.	Consulting Solicitor to the Board

Appendix FivePOSSIBLE SUB-REGIONS FOR GROUPING THE ADVISORY COMMITTEES

Many metropolitan councils have already joined together into 'regions' which are based generally upon the former D.U.R.D. regions, and are mainly for specific purposes, such as library services and refuse disposal. Some regions, such as the Western Region, have a well-developed sense of identity and have established a wider network of regional welfare and information services.

However, the acceptance, use and functions of regional groupings varies greatly, and in establishing sub-regions for metropolitan input into the Board of Works, further variation is introduced. Participation, in the short term, in these groupings would be limited to municipal councils whose boundaries come within the Board of Works' area. This would exclude a number of councils who must be considered as being metropolitan in any future planning strategy, such as Mornington and the complete Shires of Pakenham and Cranbourne. Thus, yet another municipal grouping would be introduced which may or may not be consistent with the other groupings currently in use.

The Inquiry considers that five sub-regions would be the most workable arrangement for the re-formed Board of Works, having regard to existing regional boundaries, ease of communication with the Board and the Board's existing or proposed metropolitan offices. Two alternative groupings of metropolitan councils are indicated below, each with its attendant advantages and disadvantages.

POSSIBLE GROUPINGS

ALTERNATIVE I		ALTERNATIVE II	
Zone	Municipality	Municipality	Zone
WEST	Altona	Altona	WEST
pop. -	Essendon	Essendon	pop. -
366,000	Footscray	Footscray	366,000
area -	Keilor	Keilor	area -
78,343	Melton	Melton	78,343
h.a.	Sunshine	Sunshine	h.a.
	Werribee	Werribee	
	Williamstown	Williamstown	
NORTH	Broadmeadows	Broadmeadows	NORTH
pop. -	Brunswick	Bulla	pop. -
558,000	Bulla	Coburg	457,000
area -	Coburg	Diamond Valley	area -
156,130	Diamond Valley	Eltham	153,306
h.a.	Eltham	Heidelberg	h.a.
	Heidelberg	Preston	
	Northcote	Whittlesea	
	Preston		
	Whittlesea		
EAST	Box Hill	Box Hill	EAST
pop. -	Camberwell	Croydon	pop. -
717,000	Croydon	Doncaster and Templestowe	565,000
area -	Doncaster and Templestowe	Knox	area -
103,029	Hawthorn	Lillydale	96,995
h.a.	Kew	Nunawading	h.a.
	Knox	Ringwood	
	Lillydale	Sherbrooke	
	Nunawading	Waverley	
	Ringwood		
	Sherbrooke		
	Waverley		

POSSIBLE GROUPINGS

ALTERNATIVE I		ALTERNATIVE II	
Zone	Municipality	Municipality	Zone
SOUTH	Berwick	Berwick	SOUTH
pop. -	Brighton	Chelsea	pop. -
644,000	Caulfield	Cranbourne	489,000
area -	Chelsea	Dandenong	area -
212,939	Cranbourne	Frankston	207,851
h.a.	Dandenong	Moorabbin	h.a.
	Frankston	Mordialloc	
	Malvern	Oakleigh	
	Moorabbin	Pakenham	
	Mordialloc	Sandringham	
	Oakleigh	Springvale	
	Pakenham		
	Sandringham		
	Springvale		
CENTRAL	Collingwood	Brighton	CENTRAL
pop. -	Fitzroy	Brunswick	pop. -
260,000	Melbourne	Camberwell	668,000
area -	Port Melbourne	Caulfield	area -
8,353	Prahran	Collingwood	22,293
h.a.	Richmond	Fitzroy	h.a.
	St. Kilda	Hawthorn	
	South Melbourne	Kew	
		Malvern	
		Melbourne	
		Northcote	
		Port Melbourne	
		Prahran	
		Richmond	
		St. Kilda	
		South Melbourne	

Two alternatives are given, partly to indicate the possible problems and variation in trying to group municipalities. For instance the Inquiry feels that (assuming only five zones), the middle, older suburbs, such as Caulfield, Hawthorn and Kew, may be placed in an anomolous situation in which they could have little in common with the outer suburbs they could be grouped with, as in Alternative I. Thus, Alternative II attempts to minimise this by expanding the central area; however, in doing this, the central area may then be too dominant with 15 municipalities in contrast to the next largest of 11 in the South and eight or nine in the other zones.

The Inquiry understands that the Government is examining rationalised metropolitan groupings, and in view of this, any zoning arrangement adopted as a result of this Inquiry should be regarded as a flexible arrangement. We also feel that any further examination of the many possible variations of the above groupings is thus outside the scope of this Report.

D.U.R.D. REGIONS

WESTERN

Altona
Bacchus Marsh
 Essendon
 Footscray
 Keilor
 Melton
 Sunshine
 Werribee
 Williamstown

NORTH-WESTERN

Broadmeadows
 Brunswick
 Bulla
 Coburg
Gisborne

NORTHERN

Diamond Valley
 Eltham
 Heidelberg
 Northcote
 Preston
 Whittlesea

INNER-EASTERN

Box Hill
 Camberwell
 Doncaster and
 Templestowe
 Hawthorn
 Kew

D.U.R.D. REGIONS

OUTER-EASTERN

Croydon
Healesville
 Knox
 Lillydale
 Nunawading
 Ringwood
 Sherbrooke
Upper Yarra
 Waverley

INNER-SOUTHERN

Brighton
 Caulfield
 Malvern
 Moorabbin
 Mordialloc
 Oakleigh
 Sandringham

WESTERN PORT

Berwick (includes
 Pakenham now)
 Chelsea
 Cranbourne
 Dandenong
Flinders
 Frankston
Hastings
Mornington
Phillip Island
 Springvale
 Wonthaggi

CENTRAL

Collingwood
 Fitzroy
 Melbourne
 Port Melbourne
 Prahran
 Richmond
 St. Kilda
 South
 Melbourne

N.B. Those local government areas which are underlined are those not in the Board of Works' area.

Appendix SixBRIEF HISTORY OF THE BOARD OF WORKS

At present, the Board of Commissioners consists of a Chairman and a Deputy Chairman, both appointed by the Governor-in-Council on the recommendation of the Ministers for Local Government, Planning and Water Supply, after consultation with the Board.

In addition, there are fifty-four commissioners nominated by and representative of the fifty-two municipalities at present within the metropolitan area, as follows:

Melbourne 3 members

Altona, Berwick, Box Hill, Brighton,
Broadmeadows, Brunswick, Bulla,
Camberwell, Caulfield, Chelsea, Coburg,
Collingwood, Cranbourne, Croydon,
Dandenong, Diamond Valley, Doncaster
and Templestowe, Eltham, Essendon,
Fitzroy, Footscray, Frankston, Hawthorn,
Heidelberg, Keilor, Kew, Knox, Lillydale,
Malvern, Melton, Moorabbin, Mordialloc,
Northcote, Nunawading, Oakleigh,
Pakenham, Port Melbourne, Prahran,
Preston, Richmond, Ringwood, St. Kilda,
Sandringham, Sherbrooke, South Melbourne,
Springvale, Sunshine, Waverley, Werribee,
Whittlesea and Williamstown, all one
member each.

The Board initially had 39 members when originally constituted, but has since been periodically reconstituted to provide for increased representation by municipalities as the metropolis expanded.

Relevant Events

- 1874 .. A municipal conference decided on a scheme for a Board of Works to deal with sewerage, water, gas, trams, river control, noxious trades, parks, and hackney carriages for a ten-mile area.
- 1887 .. The Bill to constitute the Board of Works was first introduced. A Royal Commission recommended wider powers than those subsequently conferred.
- 1890 .. An Act (No. 1197) was passed to provide for the better local management of the metropolis and for the creation of a Melbourne and Metropolitan Board of Works. The Board was charged with the management of the water supply system and was empowered to undertake the construction of a sewerage system.
- 1901 .. A Special Board was appointed by the Government to inquire into and report upon the existing constitution of the Board, engineering questions relating to house connections and other matters. This Special Board strongly commended the method of constituting the Board then (and now) in existence stating that it ensured a double responsibility of the Commissioner to his Council and to the ratepayers who elected him. Parliament they said had adopted the system after inquiry and no evidence had been adduced to show that that system had failed or that any other suggested system would be likely to produce better results. To recommend an alteration would be simply to gratify a desire for change. They also considered that in view of the anticipated unification of Greater Melbourne at no very distant date the subject of alteration in the present Board of Works might well be held over and be dealt with then.

- 1906 .. A Royal Commission on Unification or Federation of Municipalities in Victoria reported on 3 May, 1906, that they had received a paucity of evidence owing to the absence of interest in this subject on the part of councillors and other responsible persons and citizens. They recommended that the time was inopportune to attempt either a unification or a federation of local government bodies.
- There was an addendum to the report which expressed the view that Melbourne was destined to become a great city and that one controlling body - a Metropolitan Council representing the metropolis, the members to be elected every three years direct by rate-payers and occupiers - was urgently necessary to control sewerage and water supply, main drainage, public health, lighting, tramways, fire brigades, weights and measures, and the River Yarra.
- 1911 .. A Royal Commission was appointed to inquire into and report upon the railway and tramway systems of Melbourne and its suburbs. The Commission recommended that metropolitan tramways should be vested in and controlled by a Greater Melbourne Council which should be empowered to take over and control other public utilities, but that pending the creation of such a council, a Tramways Trust be created to give its exclusive attention to tramways, and be so constituted as to form the nucleus of and prepare the way for a Greater Melbourne Council.
- 1912 .. In May a conference of municipalities recommended the formation of a metropolitan municipal authority - to be known as the Greater Melbourne Council - for the administration and control of such public utilities as are common to the Melbourne

- 1912 .. metropolitan area and to take over water
(cont.) supply and sewerage; tramways; fire
brigades; electricity supply; gas supply;
rivers and streams; licensing of public
conveyances; weights and measures;
cemeteries and crematoria. The Council was
to be honorary and was to be elected on a
'one ratepayer one vote' franchise. The
qualification of a Councillor was to be the
same as the existing municipal qualification.
The Board of Works circulated a paper
proposing an enlargement of its functions to
include fire brigades; Yarra improvements
in the metropolis; metropolitan rivers;
streams and watercourses; storm water
channels, and control of subdivision of lands
as regards drainage and size of allotments.
- 1924 .. The introduction of the Metropolitan
Drainage and Rivers Act, making the Board
the main drainage authority for the metro-
polis and empowering the Board to make and
levy the Metropolitan Drainage and River
Improvement Rate.
- 1925 .. On June 23, the Board of Works expressed
itself in favour of the idea of separate
boards for the various metropolitan
activities and was opposed to any proposal to
grant it further powers.
- .. The Metropolitan Town Planning Commission's
First Report. - After some years of study,
the Commission recommended that it should be
given power to carry out a number of urgent
metropolitan works, as the difficulty of
establishing a metropolitan council
seemed so great as to unduly delay essential
progress.
- .. A conference of municipalities in May was
presided over by Sir William Brunton. This
conference, after reference of the matter

- 1925 .. to a committee and several meetings, subsequently proposed a Greater Melbourne Council to take over the functions of the Board of Works and all municipal powers relating to gas and electricity; tramways and motor omnibuses; traffic and licensed vehicles; metropolitan arterial roads and bridges; town planning, housing and reclamation; certain powers of the Health Commission; milk supervision; weights and measures; foreshores; building regulations; cemeteries, and fire brigades. Abbatoirs and markets were excluded because the Government had definitely announced that it intended to remove them from the metropolis and conduct them as a Government concern. The constitution proposed was a directly elected council of 50 members elected on the Legislative Council roll for five years, all retiring simultaneously. Each municipality was to be an electorate.
- 1929 .. The Metropolitan Town Planning Commission's Final Report. The Commission, after seven years of study of metropolitan problems and the expenditure of £25,000 on its investigation, presented an exhaustive report showing the urgency for dealing with many highly important subjects and functions, a number of which had been proposed over a long period to be committed to a metropolitan authority. The Commission emphasized the necessity for the creation of a metropolitan authority.
- 1929-35 .. The Municipal Association of Victoria, after six years of the depression, revived the subject of a metropolitan authority by a conference.
- 1943 .. A Royal Commission inquiring into the functions and constitution of the Board of Works recommended that:

- (a) the Board should have 45 members elected by full adult franchise in the metropolis;
- (b) in the absence of a statutory metropolitan town planning commission that the Board be given planning and regulatory powers;
- (c) the Board should take responsibility for metropolitan parks and foreshores; metropolitan passenger transport (excluding railways); the Metropolitan Fire Brigade; markets and abattoirs; cemeteries and crematoria; collection of nightsoil; road systems.

1945 .. Provision was made for the convening of a conference in every fifth year of delegates from councils having representation on the Board, to consider and make recommendations to the Minister as to the representation on the Board of councils or groups of councils for municipal districts in whole or in part within the metropolis.

1949 .. The Board was empowered to prepare and submit for approval a Planning Scheme for the Melbourne Metropolitan Area and to raise a Metropolitan Planning Rate for the purpose.

1954 .. The Board was made a responsible authority under the Town and Country Planning Act for the purposes of implementation of the proposed Melbourne Metropolitan Planning Scheme.

1956 .. The Board was made responsible for metropolitan bridges and highways, parks and foreshores.

1968 .. Section 4(1A) was inserted into the Act providing that 'Subject to the Minister the Board shall administer the Act'.

- 1968 .. In addition, the method of appointment of
(cont.) the Chairman was varied and other forms
of governmental control were introduced.
- 1974 .. Division 2 of Part VI of the Board's Act
was repealed. The Board's responsibility
for metropolitan bridges and highways as
well as for foreshores ceased.
- 1975 .. Provision was made for the appointment of
a Deputy Chairman.

- Sources:
- 1943, Victoria, Report of the Commission
Appointed to Inquire into and Report upon the
Constitution and Functions of the Melbourne
and Metropolitan Board of Works.
 - Board of Works Position Statement, 1977,
prepared for the Inquiry.

Appendix Seven

OBSERVATIONS OF MR. JUSTICE STREET ON THE
DUTIES AND RESPONSIBILITIES OF MEMBERS OF
THE BOARD OF FIRE COMMISSIONERS

'In a law suit heard by His Honour, Mr. Justice Street, Chief Justice of New South Wales, in the Supreme Court - the case of Bennetts-v-The Board of Fire Commissioners of New South Wales and Ors. - His Honour gave a Judgement* with respect to the responsibilities of Board Members (of the Board of Fire Commissioners) which is of some significance generally.

Extracts from the Judgment are quoted hereunder:-

'This is a suit instituted by originating summons in which the plaintiff seeks against the Board of Fire Commissioners declarations and an injunction arising out of the business transacted at a meeting of the Board on 23rd August, 1967. The plaintiff is himself a member of the Board, the remaining four members of that Board, as well as the Board itself being the defendants in the suit.

'It appears that in the middle of last year an application for a new award was made to the Industrial Commission by the New South Wales Fire Brigade Employees' Union. The decision on that application was delivered by the Commissioner towards the end of June, 1967. An appeal lies from this decision of the Commissioner to the full Industrial Commission and on 9th August, 1967, the Finance Committee of the Board met and considered the bringing of such an appeal. There was before the Finance Committee counsel's opinion on the prospects of such an appeal, this opinion having been obtained by an officer of the Board on behalf of the Board. The Finance Committee resolved to recommend that an appeal be instituted.

'The Board meeting at which the Finance Committee's recommendation was brought forward is that from which

* [sic]

the present suit stems, namely the meeting of 23rd August. All five members of the Board were present at that meeting. Of those five members, three, including the President, had constituted the Finance Committee which had recommended in favour of bringing the appeal. The other two Board Members were Mr. Bennetts (the plaintiff) and Mr. Ford (one of the defendants). When this particular item of business was reached Mr. Bennetts asked whether legal advice had been obtained in connection with an appeal. He pointed out that he had not been present at the Finance Committee meeting and he was not aware of the considerations which had led to the recommendation from the Finance Committee. He was told by the President that legal advice had been obtained but that he (the President) was not prepared to make the legal advice available. In the course of discussion the President made it clear to Mr. Bennetts that the legal advice would be made available if an assurance was given that its terms would not be passed on to the Fire Brigade Employees' Union, of which both Mr. Bennetts and Mr. Ford are members. Mr. Bennetts replied to this: "I could not give this assurance; you know my position." After some further presently irrelevant discussion it was resolved, by a majority of three votes to two, that the Finance Committee's recommendation be adopted. The two dissentients were Mr. Bennetts and Mr. Ford.

' The originating summons seeks first, that it be declared that the Board was not entitled to refuse to produce the legal opinion to Mr. Bennetts at the meeting on 23rd August; second, that it may be declared that the resolution to bring the appeal was void by reason of what is alleged to be the procedural defect in the opinion having been withheld from Mr. Bennetts; and third, that an injunction be granted restraining the Board from lodging an appeal against the Commissioner's decision.

'The direct concern of the present suit is merely this question of the bringing of an appeal to the Industrial Commission. But the dispute has its origin in what appears to be some misapprehensions as to the position occupied by members of this Board. Accordingly I think it necessary to make some observations upon the responsibilities and duties of individual Board members.

'The Board of Fire Commissioners is set up under the Fire Brigades Act. It comprises five persons. The President is appointed by the Governor pursuant to s.8. The other four members are elected pursuant to s.9. The first of these other four members is a member elected by the councils of the municipalities and shires to which the Act applies. The second is a person elected by the insurance companies. The third is a person elected by the volunteer fireman. And the fourth is a person elected by the permanent firemen who are members of the New South Wales Fire Brigade Employees' Union. Together these five members are constituted under s.7 as a statutory body.

'The duty of this statutory body is defined in s.19 in general terms as being the taking of all practicable measures for preventing and extinguishing fires and protecting and saving life and property in case of fire in any municipality or shire to which the Act applies. The mere statement of this general duty is sufficient to mark the great public importance attaching to its pursuit; heavy responsibilities rest upon those who accept the public office of membership of this statutory Board.

'A great many public undertakings are controlled by Boards or Commissions set up in a manner consistent with the matter in which the present Board is set up. By the terms of their statutes, Boards such as this comprise a number of persons nominated or chosen by various groups, each of which nominating or choosing groups has a direct interest in the public undertaking controlled by the Board. Each of the persons on such a Board owes his membership to a particular interested group; but a member will be derelict in his duty if he uses his membership as a means to promote the particular interests of the group which chose him.

'The object of providing for interested groups to nominate the members of such a Board as this might be said to be threefold; first, one can be confident that an interested group will select a man whose personal qualities and competence equip him for membership; second, it promotes the confidence of that particular group in the Board and provides a means of liaison between that group and the Board; and third, it ensures that the Board as a single entity, has available in its deliberations the views of all the interested groups. The presence of the second and third elements necessitates in a Board member the highest standards of integrity, both in his thinking and in his actions. The consideration which must in Board affairs govern each individual member is the advancement of the public purpose for which Parliament has set up the Board. A member must never lose sight of this governing consideration. His position as a Board member is not to be used as a mere opportunity to serve the group which elected him. In accepting election by a group to membership of the Board he accepts the burdens and obligations of serving the community through the Board. This demands constant vigilance on his part to ensure that he does not in the smallest degree compromise or surrender the integrity and independence that he must bring in to bear in Board affairs.

'Nomination of the individual members and their election to membership by interested groups ensures that the Board as a whole has access to a wide range of views, and it is to be expected within this wide range of views that inevitably there will be differences in the opinions, approaches and philosophies of the Board members. But the predominating element which each individual must constantly bear in mind is the promotion of the interests of the Board itself. In particular a Board member must not allow himself to be compromised by looking to the interests of the group which appointed him rather than to the interests for which the Board exists. He is most certainly not a mere channel of communication or listening post on behalf of the group which elected him. There is cast upon him the ordinary obligation of

respecting the confidential nature of Board affairs where the interests of the Board itself so require.

I have referred earlier to misapprehension existing in relation to these basic truths. For example, in the course of argument in the present suit it was said at one point that the President himself would have to be representing Government interests on the Board. That was perhaps an incautious suggestion, and was quickly withdrawn by counsel once the error was pointed out. But the fact that suggestions of this sort are made is indicative of a view which is apparently held that because a Board member is appointed or elected by a particular group he owes some overriding obligation or duty to the group which has conferred upon him his status as a member. The error inherent in this view must be exposed and, for purposes of emphasis, I repeat what I have earlier said. It is entirely foreign to the purpose for which this or any other Board exists to contemplate a member of the Board being representative of a particular group or a particular body. Once a group has elected a member he assumes office as a member of the Board and becomes subject to the overriding and predominant duty to serve the interests of the Board in preference, on every occasion upon which any conflict might arise, to serving the interests of the group which appointed him. With this basic proposition there can be no room for compromise.

I have attempted by my earlier general comments to provide some guidance to Mr. Bennetts, and to others who may find themselves similarly placed, upon the importance of their duty to serve the public interest and upon their overriding obligation to pursue through the Board the promotion of the statutory purpose for which the Board is set up; in the pursuit of this interest there must be no possible question of the Board's affairs being placed in a secondary position to the affairs and interests of the group which any particular member may consider he represents.

Confronted with what appeared to him to be a conflict of loyalties, the view which Mr. Bennetts formed was erroneous and for that reason I decline to grant him

the declaration sought in para. (2) of the originating summons; nor am I prepared to grant the injunction [sic] which is sought in para. (3).'

Appendix Eight

PLANNING IN VICTORIA

Authorities with a State Planning Input

1. THOSE WITH DIRECT INPUT:

A. State Co-ordination Council

A review and policy making body reporting to Cabinet, composed of the permanent heads of Government departments and authorities.

(State Co-ordination Council Act 1975).

B. Minister for Planning

Responsible for recommending statutory planning schemes, interim development orders and amendments to the Governor-in-Council for approval.

(Town and Country Planning Act 1961).

C. Ministry for Planning

Established to assist and advise the Minister in administering the above Act and the Historic Buildings Act. It also supplies support staff to the Appeals Tribunal.

(Ministry for Planning Act 1973).

D. Town and Country Planning Board

Established as a technical and advisory body to the Minister, and charged with promoting and co-ordinating town and country planning within the State. It is responsible for preparing statements of planning policy and for vetting all planning schemes, I.D.O.s and amendments, and advising action to the Minister. It can prepare planning schemes itself for specified areas where so directed by the Minister, and deals with permit applications from planning authorities who wish to carry out works within their own planning areas.

(Town and Country Planning Act 1961).

E. Responsible Authorities

The Town and Country Planning Act provides for delegation of planning powers to nominated bodies as follows:

(i) Regional Planning Authorities

In effect, this includes the Board of Works as well as the various regional planning authorities. Through delegated authority from the Town and Country Planning Board, these bodies are responsible for preparing planning schemes, I.D.O.s and amendments, and for administering these schemes through the issue of permits and planning certificates. They may in turn delegate certain of these latter powers to municipalities within their respective areas.

The Board of Works has some additional powers of initiation of planning matters and studies and concomitant additional checks and obligations to its constituent municipalities.

(Board of Works Act 1958),

(Town and Country Planning Act 1961).

(ii) Municipalities

Basically, municipalities have control over development within their areas, which can extend to the preparation of their own planning schemes and I.D.O.s. However, this power is often delegated (e.g. in the case of metropolitan councils) to a regional authority or the Town and Country Planning Board itself. There is a wide range between municipalities in the control which they actually can and do exercise.

(Local Government Act 1958),

(Town and Country Planning Act 1961).

2. THOSE WITH LIMITED OR INDIRECT INPUT:

A. Appeals Tribunals

(i) Town Planning Appeals Tribunal

Established under the Town and Country Planning Act and consisting of three members with legal, commercial and town planning experience. Hears appeals and objections to decisions taken by planning authorities in the issuing of permits. Does not adjudicate upon the content of planning schemes.

(ii) Other channels of Appeal

Several other appeal tribunals or bodies exist which are established under their various Acts, and cover such areas as the application of uniform building regulations, property valuations and environment protection. Appeals against technical decisions (e.g. conformity to plumbing standards) by the Board of Works are heard within the Board, as are planning scheme objections.

The decisions handed down by appeal bodies serves to influence and direct the decisions of policy makers by indicating inequities, inconsistencies and practical impossibilities.

B. Other Agencies

Control by these bodies, overt or otherwise, over planning decisions arises from either their powers of resource allocation and/or by regulatory and advisory powers over others' actions. Some of the authorities concerned are:

(i) Resource Allocation

- Country Roads Board
- S.E.C.
- Gas and Fuel Corp.
- Victorian Railways
- Treasury Department
- etc.

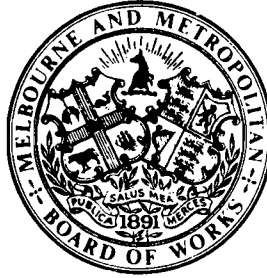
(ii) Regulatory - Environment Protection Authority

- Liquor Control Commission
- Transport Regulation Board
- Health Department
- Uniform Buildings' Regulation Committee
- Historics Building Preservation Council
- Port Phillip Authority
- Soil Conservation Authority
- Professional Guilds and Associations
- Fire Authorities
- etc.

For fuller reference, refer to the first B.A.D.A.C. report and the Bland report.

3. COMMONWEALTH GOVERNMENT:

The Commonwealth Government exercises a major influence on State planning by its control, through such bodies as the Treasury and Telecom, over other avenues of finance and resource allocation.



Melbourne and Metropolitan Board of Works

STATEMENT OF ACCOUNTS
TOGETHER WITH
PARTICULARS OF RATES MADE

For Year ended 30th June, 1977
(Adopted at the Meeting of the Board on 16th August, 1977)

E. W. BEST, *Acting Chairman.*

O. T. W. COSGRIFF, *Acting Secretary.*

T. ROCHE, *Acting Treasurer.*

STATEMENT OF ACCOUNTS FOR YEAR ENDED 30TH JUNE, 1977

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- 10.....Renewals Fund
- 11.....Sinking Fund — Metropolitan General Fund
- 12.....Superannuation Account
- 13.....Rates Made For Year 1976-77

BALANCE SHEET AS

30th June, 1976				
\$	LOAN LIABILITY		\$	\$
822,142,952	Loans raised under Section 187 of the M.M.B.W. Act		915,455,308	
800,000	Loans raised under Section 220 of the M.M.B.W. Act		800,000	
	Loan Advances by the Treasurer of Victoria under Section 200 of the M.M.B.W. Act —			
120,942,772	From State Funds	149,321,447		
55,906,303	From Commonwealth Funds	64,939,979	214,261,426	
<u>999,792,027</u>				1,130,516,734
	DEFERRED LIABILITIES			
21,322,826	Superannuation Account (as per Statement No. 12)		25,967,202	
3,487,163	Provision for Furlough		6,630,499	
<u>24,809,989</u>				32,597,701
	RESERVES AND FUNDS			
	Metropolitan General Fund	\$		
46,915,794	General Reserve	53,413,486		
35,053,938	Loans Redeemed from Revenue Reserve	41,489,497		
60,096,498	Contribution to Works Reserve	87,620,181		
	Special Reserve	\$		
5,607,904	Head Office Building	5,607,904		
3,130,956	Contribution to Works	3,130,956	8,738,860	
6,093,634	Sewage Disposal Contributions Reserve	10,120,520		
5,139,899	Water Supply Contributions Reserve	7,406,032		
1,438,375	Main Drainage Contributions Reserve	2,776,957		
<u>163,476,998</u>			211,565,533	
66,640,243	Sinking Fund (as per Statement No. 11)	72,031,547		
110,000	Fund for Replacement of Interior Fittings — Head Office Building	230,580		
3,433,993	Insurance Fund	7,908,875		
627,850	Distributable Expense Variance Account	—		
6,884,269	Rates Equalization Fund	11,255,204		
<u>77,696,355</u>			91,426,206	
241,173,353			302,991,739	
785,669	Less amount applied in writing off Retired Assets		—	
<u>240,387,684</u>				302,991,739
	Metropolitan Improvement Fund			
50,018,882	General Reserve	61,142,295		
2,514,864	Contributions to Works Reserve	2,514,864		
<u>52,533,746</u>			63,657,159	
800,000	Sinking Fund	800,000		
9,242,385	Rates Equalization Fund	7,953,339		
<u>10,042,385</u>			8,753,339	
62,576,131				72,410,498
<u>302,963,815</u>				375,402,237
<u>\$1,327,565,831</u>				<u>\$1,538,516,672</u>

AT 30TH JUNE, 1977

Statement No. 1

30th June, 1976				
\$	FIXED ASSETS	\$	\$	\$
	Works and Buildings (at cost)			
433,202,636	Water Supply Works	515,931,400		
621,260,328	Sewerage Works	700,769,067		
66,038,523	Main Drainage and River Improvement Works	74,097,656		
10,658,637	Metropolitan Parks	17,618,327		
22,028,287	Office Buildings	24,446,751		
13,798,047	Storeyards and Quarters	14,293,224		
11,988,711	Water Meters	12,435,488		
7,017,303	Survey Base Mapping	8,211,483		
1,185,992,472		1,367,803,386		
26,722,882	Less Renewals Fund (as per Statement No. 10)	28,015,814		
1,159,269,590			1,339,787,572	
	Plant and Other Equipment (at cost less depreciation)			
11,743,257	Plant and Tools	12,882,628		
4,810,535	Motor Vehicles	6,299,194		
1,480,852	Furniture and Fittings	1,431,700	20,613,522	
1,177,304,234				1,360,401,094
	INVESTMENTS (at cost)			
	Superannuation Account			
29,270	M.M.B.W. Inscribed Stock	771,770		
3,150,000	Interest Bearing Deposits	2,215,000		
3,000,000	Other Public Securities	3,935,000		
6,179,270			6,921,770	
	General			
5,613,620	Commonwealth Government Inscribed Stock	5,613,620		
2,116,350	M.M.B.W. Inscribed Stock	2,208,548		
169,600	Other Public Securities	155,600		
7,899,570			7,977,768	
	Unclaimed Interest			
6,200	M.M.B.W. Inscribed Stock		6,200	
	Head Office Refurbishing Account			
100,000	M.M.B.W. Inscribed Stock		210,000	
14,185,040				15,115,738
	RESERVED LAND (at cost)			
34,166,732	Metropolitan Improvement Fund			37,973,470
	CURRENT ASSETS			
	Cash at Bank and on Hand —	\$		
397,373	Special Accounts	313,151		
7,185	Metropolitan Improvement Fund	157,144		
363,384	Cash on Hand	304,061	774,356	
	Advances by the Board —			
533,934	To Contractors	346,954		
110,144	Others	1548,747	895,701	
116,768,000	Securities Short Term		141,020,288	
7,439,970	Rates and Charges Outstanding	7,306,340		
11,887,188	Sundry Debtors	16,308,061	23,614,401	
200,000	Less Provision for Doubtful Debts	400,000	23,214,401	
9,455,731	Stores and Materials		11,639,172	
1,168,709	Livestock on Hand		1,199,241	
147,931,618			178,743,159	
	LESS CURRENT LIABILITIES			
759,433	Metropolitan General Fund — Bank Overdraft		2,229,114	
7,462,459	Sundry Creditors		11,077,739	
153,330	Matured Debentures and Inscribed Stock not Redeemed		257,230	
7,841,593	Loan Interest Accrued		9,397,332	
	Advances to the Board —			
23,718,293	For New Works	25,446,237		
415,545	Deposits for Contracts	601,035		
5,892,938	Others	6,803,718	32,850,990	
46,243,591			55,812,405	
101,688,027				122,930,754
	DEFERRED CHARGES			
—	Distributable Expense Variance Account		1,288,405	
221,798	Expenditure on Remedial Works — Head Office Building		*807,211	2,095,616
\$1,327,565,831				\$1,538,516,672

† Includes loans to two municipalities totalling \$450,103.58 — one loan has been repaid and for the other a legislative amendment has been sought.

* Proceedings are current for the recovery of this amount.

STATEMENTS OF OPERATIONS

METROPOLITAN GENERAL FUND REVENUE ACCOUNT

Statement No. 2

1975/76		\$	\$	\$
	Surpluses from			
9,586,179	Water Supply Revenue Account (as per Statement No. 4)		11,737,924	
11,384,547	Sewerage Revenue Account (as per Statement No. 5)		14,146,502	
1,199,044	Metropolitan Drainage and Rivers Revenue Account (as per Statement No. 6)		<u>1,365,418</u>	
<u>22,169,770</u>				27,249,844
	Less			
	General Expenditure			
719,526	Loan Flotation Expenses	1,128,274		
513,077	Gratuities	843,852		
1,014,948	Depreciation	1,018,589		
4,505,440	Contributions to Superannuation Account	4,964,973		
—	Provision for Repayment of Funds Invested in Board's Buildings	400,000		
100,000	Provision for Replacement of Interior Fittings — Head Office Building	<u>100,000</u>		
<u>6,852,991</u>			8,455,698	
	Statutory Expenditure			
58,078	Contributions to Municipalities	61,674		
2,407,880	Contributions to Sinking Fund	2,726,728		
1,465,561	Contribution to Renewals Fund	1,795,655		
5,609,900	Contributions to Loans Redeemed from Revenue Reserve	6,435,560		
221,004	Fees for Valuations	<u>203,604</u>		
<u>9,762,423</u>			11,223,221	
<u>16,615,414</u>				19,678,909
5,554,356				<u>7,570,935</u>
	Less Appropriations	\$		
200,000	To provide for future contingencies —			
780,000	Provision for Doubtful Debts	200,000		
450,000	Insurance Fund (General)	<u>2,000,000</u>	2,200,000	
450,000	Provision for Furlough		1,000,000	
1,880,000	Insurance Fund (Motor Vehicles)		<u>—</u>	
<u>3,674,356</u>				3,200,000
	Surplus for Year			<u>4,370,935</u>
<u>\$3,674,356</u>	Transfer to Rates Equalization Fund — Metropolitan General Fund			<u>\$4,370,935</u>

FOR YEAR ENDED 30TH JUNE, 1977

METROPOLITAN IMPROVEMENT FUND REVENUE ACCOUNT

Statement No. 3

1975/76				
\$	Revenue	\$	\$	\$
13,415,114	Metropolitan Improvement Rate		13,660,978	
1,557,380	Sundry Income		2,683,215	
<u>14,972,494</u>				16,344,193
	Expenditure			
4,249,438	Management		4,575,611	
38,160	Maintenance		304,565	
76,917	Interest		119,718	
(24,194)	Contribution to Sinking Fund		—	
324,365	Proportion of Statutory and General Expenditure		360,267	
1,260,775	Contribution to Melbourne Underground Railway Loop Authority		1,372,500	
<u>5,925,461</u>				6,732,661
9,047,033				<u>9,611,532</u>
	Less Appropriations			
4,758,505	Reserved Land and Acquisitions	5,557,278		
3,812,143	Metropolitan Parks Land Acquisitions	6,080,402		
553,056	Special Road Projects — Investigation and Property Acquisitions	—		
36,220	Metropolitan Parks Fixed Plant	32,202		
308,074	Construction Works	893,791		
<u>9,467,998</u>			12,563,673	
	Less —			
—	Miscellaneous Receipts	19,284		
5,225,246	Sales of Land	1,643,811		
664,882	Contribution Urban Land Council	—		
<u>5,890,128</u>			1,663,095	
3,577,870				10,900,578
(Surplus) 5,469,163	Deficit for the Year			<u>1,289,046</u>
\$ (5,469,163)	Transfer from Rates Equalization Fund — Metropolitan Improvement Fund			<u>\$ 1,289,046</u>

STATEMENTS OF OPERATIONS FOR YEAR ENDED 30TH JUNE, 1977 (continued)
SUPPORTING STATEMENTS

WATER SUPPLY REVENUE ACCOUNT		Statement No. 4	
1975/76			
\$	Revenue	\$	\$
46,453,755	Water Rate	52,917,795	
10,686,160	Water Supplied by Measure and Other Charges	14,271,314	
<u>57,139,915</u>			67,189,109
	Expenditure		
7,689,547	Management	8,693,748	
14,158,390	Maintenance	16,488,193	
24,053,799	Interest	28,617,244	
<u>45,901,736</u>			53,799,185
11,238,179			13,389,924
	Less Appropriation		
1,652,000	Water Supply Works		1,652,000
<u>\$9,586,179</u>	Surplus transferred to Metropolitan General Fund Revenue Account (Statement No. 2)		<u>\$11,737,924</u>

SEWERAGE REVENUE ACCOUNT		Statement No. 5	
1975/76			
\$	Revenue	\$	\$
73,236,982	Metropolitan General Rate	84,228,045	
1,455,914	Sanitary Service Charges	2,422,632	
5,033,476	Trade Waste Charges	6,680,315	
<u>79,726,372</u>			93,330,992
	Expenditure		
9,617,075	Management	10,755,177	
15,319,916	Maintenance	19,599,391	
36,158,965	Interest	41,088,131	
4,177,869	Net cost of Sewage Purification transferred from Farm Revenue Account – (Statement No. 7)	4,673,791	
<u>65,273,825</u>			76,116,490
14,452,547			17,214,502
	Less Appropriation		
3,068,000	Sewerage Works		3,068,000
<u>\$11,384,547</u>	Surplus transferred to Metropolitan General Fund Revenue Account (Statement No. 2)		<u>\$14,146,502</u>

METROPOLITAN DRAINAGE AND RIVERS REVENUE ACCOUNT		Statement No. 6	
1975/76			
\$	Revenue	\$	\$
10,353,378	Metropolitan Drainage and River Rate	11,869,817	
10,927	River Water Charges	12,481	
<u>10,364,305</u>			11,882,298
	Expenditure		
1,587,972	Management	1,735,436	
3,420,935	Maintenance	4,161,871	
2,976,354	Interest	3,439,573	
<u>7,985,261</u>			9,336,880
2,379,044			2,545,418
	Less Appropriation		
1,180,000	Drainage Works		1,180,000
<u>\$1,199,044</u>	Surplus transferred to Metropolitan General Fund Revenue Account (Statement No. 2)		<u>\$1,365,418</u>

SUPPORTING STATEMENTS (continued)

1975/76		FARM REVENUE ACCOUNT		Statement No. 7	
\$		\$	\$	\$	
(Deficit) 44,700	Revenue				
(Surplus) 40,919	Livestock Accounts —				
(Deficit) 3,781	Cattle Trading Account (as per Statement No. 8)				75,186
3,958	Sheep Trading Account (as per Statement No. 9)				154,117
177	Sundry Other Receipts				229,303
	Net Trading Surplus				2,501
658,395	Expenditure				231,804
1,929,900	Management		813,322		
617,880	Maintenance —				
2,547,780	Sewage Distribution and Disposal	2,337,786			
971,871	General	653,824			
4,178,046	Interest		2,991,610		
			1,100,663		
\$4,177,869	Deficit being net cost of Sewage Purification, transferred to Sewerage Revenue Account (Statement No. 5)				4,905,595
					\$4,673,791

1975/76		CATTLE TRADING ACCOUNT		Statement No. 8	
\$		Number	\$	\$	
477,826	Sales and Stock on Hand at end of Year				
—	Sales of Cattle	6,269	644,069		
—	Deaths during year	459	—		
1,132,277	Deficit at Tally	12	—		
1,610,103	Stock on Hand at 30th June, 1977	16,469	1,143,285		
		23,209			1,787,354
	Less Purchases and Stock on Hand at Beginning of Year				
123,464	Purchases of Cattle	560	56,168		
—	Cattle Bred on Farm	6,782	—		
1,073,340	Stock on Hand at 1st July, 1976	15,867	1,132,277		
1,196,804		23,209			1,188,445
413,299	Gross Surplus				598,909
457,999	Less Other Direct Expenses				523,723
(Deficit) \$44,700	Balance transferred to Farm Revenue Account (Statement No. 7)				(Surplus) \$75,186

1975/76		SHEEP TRADING ACCOUNT		Statement No. 9	
\$		Number	\$	\$	
203,408	Sales and Stock on Hand at End of Year				
40,362	Sales of Sheep	19,591	351,142		
—	Sales of Wool and Skins	—	40,874		
—	Deaths during Year	323	—		
19,132	Deficit at Tally	217	—		
262,902	Stock on Hand at 30th June, 1977	6,208	41,656		
		26,339			433,672
	Less Purchases and Stock on Hand at Beginning of Year				
69,952	Purchases of Sheep	22,188	151,150		
—	Natural Increase during the year	355	—		
75,552	Stock on Hand at 1st July, 1976	3,796	19,132		
145,504		26,339			170,282
117,398	Gross Surplus				263,390
76,479	Less Other Direct Expenses				109,273
(Surplus) \$40,919	Balance transferred to Farm Revenue Account (Statement No. 7)				(Surplus) \$154,117

SUPPORTING STATEMENTS (continued)

RENEWALS FUND		Statement No. 10	
1975/76			
\$		\$	\$
25,069,679	Balance in Fund at 1st July, 1976	26,722,882	
—	Add Adjustments in respect of previous years	56,403	
		26,779,285	
—	Less amount applied in writing off Retired Assets at 1st July, 1976	785,669	
25,069,679			25,993,616
	Revenue		
607,811	Interest for Year	675,664	
1,465,561	Amount transferred from Metropolitan General Fund Revenue Account	1,795,655	
2,073,372			2,471,319
27,143,051			28,464,935
	Less		
420,169	Cost of Assets Written Off		4 21
<u>\$26,722,882</u>	Balance in Fund at 30th June, 1977		<u>\$28,015,814</u>

SINKING FUND – METROPOLITAN GENERAL FUND		Statement No. 11	
1975/76			
\$		\$	\$
61,186,853	Balance in Fund at 1st July, 1976		66,640,243
	Revenue		
3,045,510	Interest for Year	2,664,576	
2,407,880	Amount transferred from Metropolitan General Fund Revenue Account	2,726,728	
5,453,390			5,391,304
<u>\$66,640,243</u>	Balance in Fund at 30th June, 1977		<u>\$72,031,547</u>

SUPERANNUATION ACCOUNT		Statement No. 12	
1975/76			
\$		\$	\$
17,935,455	Balance of Account at 1st July, 1976		21,322,826
	Revenue		
1,496,756	Contributors Payments	1,697,794	
935,696	Interest for Year	1,141,004	
4,803,007	Board's Contributions transferred from Metropolitan General Fund and Metropolitan Improvement Fund Revenue Accounts	5,304,242	
7,235,459			8,143,040
25,170,914			29,465,866
	Less Expenditure		
3,848,088	Superannuation Payments		3,498,664
<u>\$21,322,826</u>	Balance of Account at 30th June, 1977		<u>\$25,967,202</u>

Statement No. 13

RATES MADE FOR YEAR 1976-77

Water Rate — 6.6 cents in the \$ of the net annual value of rateable properties in a street or part of a street which is supplied with water within the Metropolis (minimum rates on tenements not having a dwelling house thereon \$25.00 per annum). With respect to the Extended Metropolis a rate of 7.2 cents in the \$ applied in Croydon, and *parts* of Knox, Sherbrooke, Lillydale, and Doncaster and Templestowe, a rate of 7.8 cents in the \$ applied in *parts* of Eltham, Whittlesea, Bulla, Springvale and Diamond Valley and a rate of 8.1 cents in the \$ applied in *parts* of Berwick and Werribee (minimum rate \$25.00 per annum).

Metropolitan General Rate — 12.3 cents in the \$ of the net annual value of rateable properties for which sewers have been provided within the Metropolis (minimum rates on tenements not having a dwelling house thereon \$60.00 per annum). With respect to the Extended Metropolis a rate of 17.8 cents in the \$ applied in Croydon, and *parts* of Springvale, Dandenong, Knox, Doncaster and Templestowe, Eltham, Lillydale, Sherbrooke, Cranbourne, Berwick, Bulla, Whittlesea, Werribee and Diamond Valley and a rate of 14.5 cents in the \$ applied in Chelsea (minimum rate \$60.00 per annum).

Metropolitan Drainage and River Improvement Rate — 1.7 cents in the \$ of the net annual value of all rateable properties in the Metropolis (minimum rate \$5.00 per annum) excluding those within the district of the Dandenong Valley Authority and *parts* of Croydon, Doncaster and Templestowe, Werribee, Lillydale and Sherbrooke.

Metropolitan Improvement Rate — 1.6 cents in the \$ of the net annual value of all rateable properties in the Metropolitan area as defined in the Town and Country Planning Act, (minimum rate \$5.00 per annum). Such rate was not levied on land classified as farm land.

T. ROCHE,
Acting Treasurer.

The Statement and Account prescribed by Section 49 of the Melbourne and Metropolitan Board of Works Act 1958, have been audited for the year ended 30th June, 1977. For the purpose of the audit, certain examinations and checks carried out by the Board's Internal Audit staff have been accepted. In my opinion, the said Statement and Account, including the notes thereto, give a true and fair view of the financial position of the Board as at 30th June, 1977, and the result of operations for the year then ended.

B. J. WALDRON,
Auditor General of Victoria.
31/10/1977

MELBOURNE AND METROPOLITAN BOARD OF WORKS

Appendix Ten

1. Two Funds

METROPOLITAN GENERAL FUND	METROPOLITAN IMPROVEMENT FUND
Water Supply	Town Planning
Sewerage	Metropolitan Parks
Main Drainage	

2. Types of Income & Expenditure

Fund	Type	Income	Expenditure on	Estimated Expenditure 1977/78
M.G.F.	Revenue	Rates and Charges	Running Costs: Operations & Maintenance Administration Interest	\$197 M
M.G.F.	Capital	Loans	New Works	\$170.4 M
M.I.F.	Revenue & Capital	Rates and Charges	Planning Admin. Compensation Metrop. Parks	\$ 20 M

3. Rates 1977/78

	Rate Cents in \$ NAV	% of Total Rate
M.G.F. (Water Rate)	3.5 cents	29%
M.G.F. (General (Sewerage) Rate)	6.8 cents	56%
M.G.F. (Drainage & River Improvement Rate)	1.0 cents	8%
M.I.F. (Improvement Rate (Planning))	0.8 cents	7%
	12.1 cents	100%

4. Details of Rates Payable 1977/78

Example: Average dwelling - \$1510 NAV

	Amount Payable 77/78	Cost per day
Water Rate	\$52.85	15 cents
Sewerage Rate	\$102.68	28 cents
Drainage Rate	\$15.10	4 cents
Planning	\$12.08	3 cents
TOTAL	\$182.71	50 cents

INCOME

	Rates \$M	Other \$M	TOTAL
<u>5. Summary of Estimated M.G.F. Revenue 1977/78</u>			
Water Supply			
Water Rates	56.20		
Proceeds from sale of water supplied by measure		<u>16.56</u>	72.76
Sewerage			
Metropolitan General Rate	91.59		
Sanitary Service Charges		2.38	
Trade Waste Charges		<u>7.07</u>	101.04
Drainage and Rivers			
Metropolitan Drainage and River Improvement Rate	13.64		
River Water Charges		.01	13.65
TOTAL M.G.F.	161.43	26.02	187.45
<u>6. Summary of Estimated M.I.F. Revenue 1977/78</u>			
Metropolitan Improvement Rate	13.46		
Interest Receivable		1.60	
Rent Receivable		0.69	15.75
Total : All Rates & Charges	174.89	28.31	203.20

7. Loans

- (a) Loan raisings are controlled by the Australian Loan Council which determines :-

Allocation for the year
Period of the Loan
Interest Rates Payable
When on the market

- (b) The Board's loan liability is now approx. \$1,130M of which :-

25% are public loans
56% are private loans
19% are Government loans

- (c) Each year an allocation is made out of rate income to cover Redemption of loans :-

- (i) Credit foncier type loans: part of principal repaid each year;
- (ii) Other loans: Sinking Fund provides funds for total redemption at the end of a 49½ year period.

EXPENDITURE8. Summary of M.G.F. Revenue Expenditure Estimates 77/78

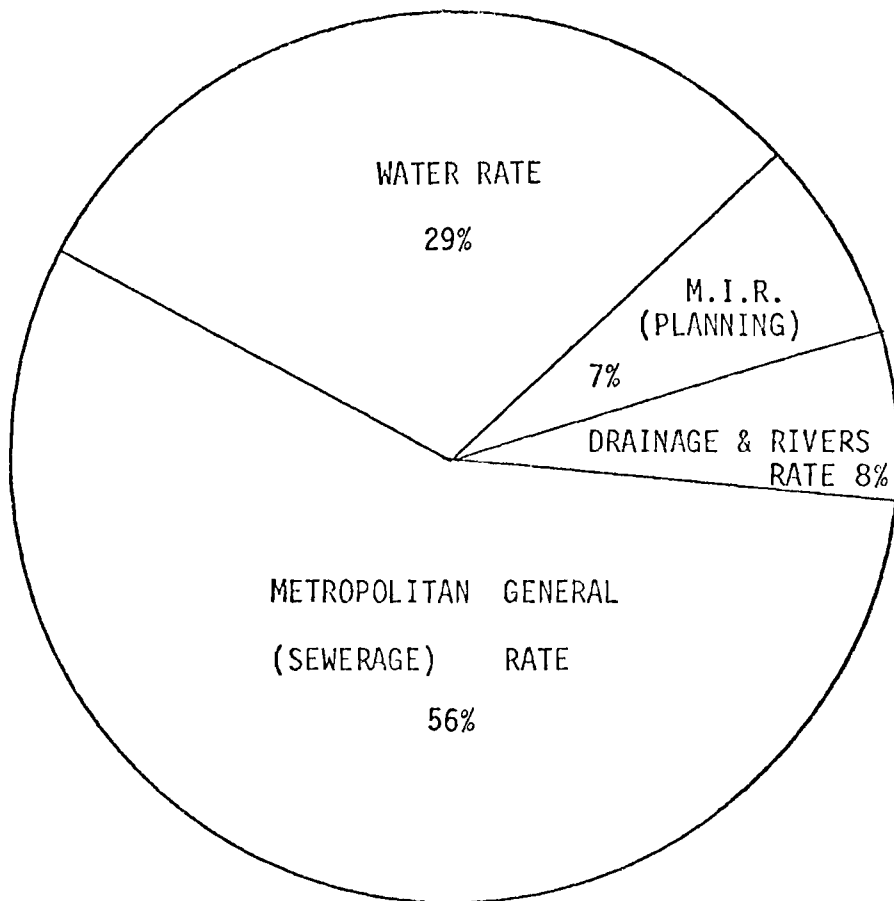
	<u>\$M</u>
Interest & Redemption Charges	103.9
Operations & Maintenance	51.1
Management & Administration	27.2
Statutory & Other Expenditure	8.9
Allocation to Capital Works	5.9
	<hr/>
TOTAL	197.0
	=====

Interest and Redemption Charges represent 53% of the total

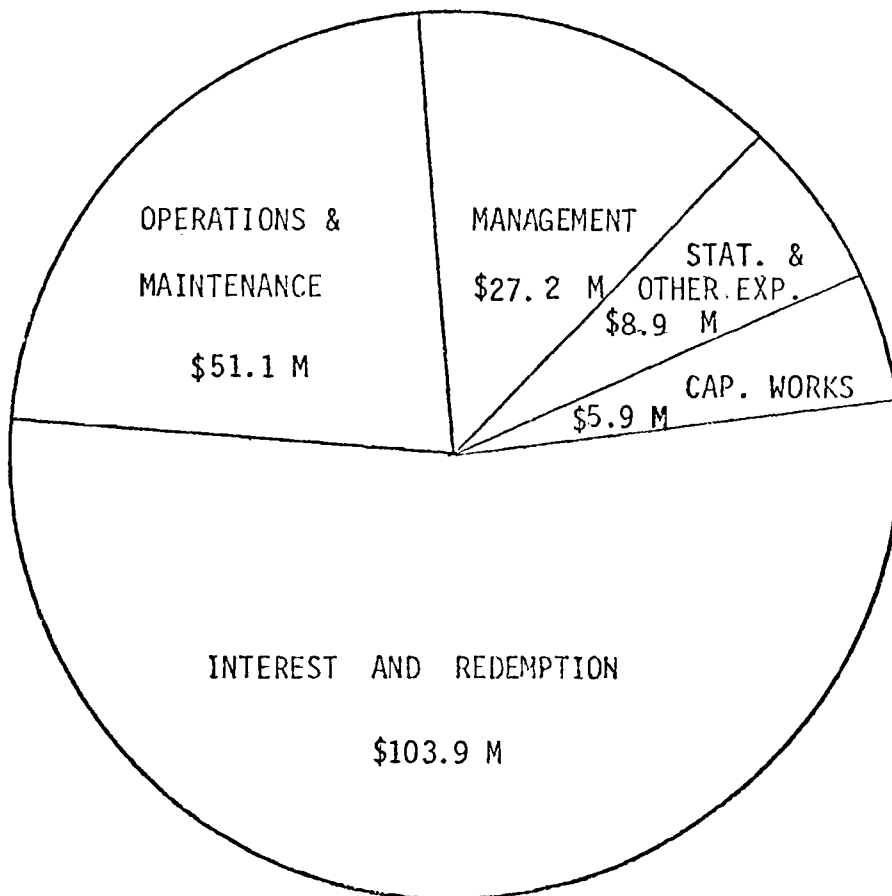
9. Summary of M.I.F. Expenditure Estimates 77/78

	<u>\$M</u>
Management	6.1
Compensation for Reserved Land	8.0
Contribution to Melbourne Underground Loop	2.4
Metropolitan Parks	2.1
Other	1.8
	<hr/>
	20.4
	=====

EACH RATE AS A % OF THE TOTAL RATE



EXPENDITURE ESTIMATES (M.G.F.) 1977/78



TOTAL \$ 197 MILLION

Appendix Eleven

SYNOPSIS
OF
RELEVANT SECTIONS OF THE
MELBOURNE AND METROPOLITAN BOARD OF WORKS ACT 1958
NO. 6310

PART IDIVISION I - Constitution

- Section
4 (1A) - Subject to the Minister, the Board shall administer this Act.
- (2) - In addition to the Chairman and Deputy Chairman, the Board shall have 54 members elected by councils listed in the third schedule to the Act.
- 4A - Provides for the Minister to have access to the Board's executive personnel and documents, and to require any further information.
- 4B (4) - If the Board is dissatisfied with a variation imposed on it by the Minister, it may appeal to the Governor-in-Council, whose decision is binding.
- 5 - Elections of members in a manner set by regulations determined by the Governor-in-Council.
- 6 - If a new municipality is added to the metropolitan area, then the Governor-in-Council may order that:
- (a) a new member be elected accordingly, or
- (b) a group of councils may elect a member of the Board to represent the new area.

Section

7

- As of 1971, the Board is to convene a five-yearly conference of metropolitan councils to consider and make representations to the Minister as to the representation on the Board of councils or groups of councils.

8

- Election in February by councils of representatives to replace retiring Board members. Members so elected must be current councillors.

9

- Power of Governor-in-Council to appoint in default of election.

11

- Persons elected to the Board hold office for three years from the date on which their predecessors' terms of office expired.

12

- If the member is no longer a councillor, then he is disqualified from acting as a Board member. (Excepting the Chairman and Deputy Chairman).

13

- Any alterations to the third Schedule of Act shall not affect the whole number of the Board.

16

- The member must vacate his seat if he:

- holds office or 'place of profit' under the Board (Chairman and Deputy Chairman excepted).

- participates in a contract with the Board or gains from the resulting profits of any work to be done.

- is absent from four consecutive meetings without leave.

The exception to the second point above is if a member has shares in a newspaper or company with over 20 shareholders that

- Section
16
(cont.)
- deals with the Board - but - he cannot take part in discussion or vote when his company 'has a direct pecuniary interest'.
- 17
- Vacancies to be filled within one month.
- 21
- The Governor-in-Council, on the recommendation of the Ministers for Local Government, Planning and Water Supply, shall appoint the Chairman and Deputy Chairman, who will both hold office for four years. Salaries of such to be determined by the Governor-in-Council.
- The Chairman and Deputy Chairman are not to engage in any other employment or hold office in Parliament or in municipal councils.
- 23A
- The Board can set aside amounts from the Metropolitan General Fund for accident insurance for Board members.
- 23B
- Ditto recompense for expenses incurred in travelling between places of residence and the offices of the Board and other places in performance of their duties.

DIVISION II - Meetings of the Board

- 26
- A quorum of 25 members is needed - decision is by majority vote.
- 27
- Notices of meetings should be sent two days in advance to members and town clerks.
- 28
- The Chairman is to preside at meetings and take precedence - (or in his absence, the Deputy Chairman, or a member chosen for the purpose). The Chairman is to have the casting vote in a tied vote.

- Section
29
- Nature and conduct of ordinary meetings. Business other than ordinary business may be conducted at meetings if notice is given in advance to members, etc.
- 31
- Lack of a duly-elected quorum shall not invalidate the proceedings.
- 32
- The Board is to make its own by-laws for conduct of meetings and regulation of officers.
- 33
- A special meeting must be convened to revoke a resolution or act of the Board and a two-thirds majority is needed.
- 34
- The Board is to set up committees as needed and is to regulate the nature and conduct of such meetings. The powers conferred by this section on the Board are delegated to a Committee, to exercise any power, function or duty of the Board.

DIVISION III - Records and Books

- 35
- Proper books for recording members and meetings are to be kept. A copy of all resolutions of the Board is to be sent 'within a reasonable time' to the town clerks.
- 36
- Proper account books are to be kept - such books are to be open to inspection of every member of the Board and every creditor.
- 36A
- In July each year, the Board shall submit a statement to the Minister showing:
 - (a) services supplied, new consumers, contracts and transactions generally for that year 'and such other matters as the Minister from time to time requires the Board to report on'.

Section
36A
(cont.)

- (b) monies received and disbursed in that year and the purposes it is used for, and a balance sheet.
- (c) an estimate of monies needed in the ensuing year and an estimate of likely funds available and proposals for raising funds.

DIVISION IV - Contracts

- 37A - Any contract over \$100,000 is to be submitted to the Minister for approval.
- 39 - Any contract over \$20,000 must be advertised in the press three days in advance of being entered into. (Except in emergency).

DIVISION V - Officers

- 41 - The Board may employ/appoint a secretary and a treasurer and such other officers as needed. Power to hire and fire.
- 42 - Power to pay gratuities, establish and pay from superannuation funds or join with another organisation or scheme to do so.
- 43 to 47 - Regulatory and disciplinary clauses.
- 47A - Power to enter into cadetship agreements.
- 48 - The Board to appoint a committee of their number for the purpose of dealing with all matters relating to the officers and servants of the Board.

DIVISION VI - Accounts and Audit

- Section
 50 - Copies of the audited accounts to be sent to the town clerks of the respective municipalities.
- 51 - The Governor-in-Council may appoint 'special auditors' if so requested by any council or 20 ratepayers in a municipal district, upon payment of a fee of \$200.
- 52 to 57 - Provision for a 'special audit'.

DIVISION VII - Ouster of Office

- 58 }
 59 } - An application to the Supreme Court may be made to oust a member from office if he is alleged to have been elected illegally.

DIVISION VIII - Vesting of Property and Transfer of Contracts

- 60 to 65 - Provisions and procedures.

PART II - WATER SUPPLY

DIVISION I - Introductory

- 68 - Supply of water by the Board is not compulsory - the Board is not responsible for accidental failure of supply.

DIVISION II - Supply of Water

- 69 to 75 - Powers and regulation of.
- 75A (1) & (2) - The Board may construct the necessary works to supply water and to recover the costs from the owner, together with 'an amount assessed by the Board' as a contribution to the headworks and distribution system.

- Section
75A (3) to - Crown land provisions and methods for
(cont.) (14) estimating charges.
- 76 to 85 - The Board may supply by measure. It is compulsory to do so for all non-domestic premises. The Board may hire meters, etc. out to domestic consumers, and other consumers may be required to buy meters.
- 86 - The Board's officers have power of entry to premises between 10-00 a.m. and 4-00 p.m.
- 87 to 92 - Fire plugs.
- 94 - The Board to give notice to municipalities in writing, three days in advance, of their intention to break up soil or pavement for the above purpose.

DIVISION III - Rates and Charges

- 98 - The Board can levy a water rate even if the water is not as yet supplied to a property.
- 99 (1) a) - The maximum domestic water rate of tenements 'otherwise than tenements being included land' to be 7 cents in the dollar of the N.A.V.
- b) - For tenements which are 'included land' the maximum rate is to be 9 cents in the dollar.
- ('Included land' = land included in the metropolis by Order of the Governor-in-Council, made after the M.M.B.W. [Extensions and Advances] Act of 1957).
- 107 - The Board may issue warrants of distress for overdue payment of rates.

- Section
109 - The Board may cut the supply off without prejudicing its legal ability to recover the amount owed.

DIVISION IV - By-Laws

- 110 - The Board can make by-laws regulating standards of pipes, meters, etc. and for fixing fees.

DIVISION V - Shutting Off Water, Etc.

- 113 - The Board can shut off the water to the property of any person wilfully contravening the provisions of this Act.
- 114 to
128 - Other offences and remedies.

PART III - SEWERAGE

DIVISION I - Introductory

- 131 and
132 - Powers and duties.
- 133 - The Board is to pay compensation for damage done in the exercise of its powers.
- 132 - The Board is to submit plans for construction of sewers to the Commission of Public Health two days in advance of such work.
- 140 - Three days advance notice to be given to municipalities of any tearing of pavement or blocking of streets. (Except in emergency).
- 142A - The Board may construct a sewer and recover the costs from the owner as well

Section
142A
(cont.)

- as the contribution to headworks and disposal system. Provisions for Crown Land and methods of charging.

The owner may object in writing to the Board about the charges imposed.

DIVISION III - General Provisions

- 144 to - Offences and remedies.
151

DIVISION IV - Private Sewers and Drains

- 152 to - Provisions governing their regulation.
159

DIVISION V - Private Premises

- 160 to - Provisions for connecting existing houses
168 to a sewerage scheme.

DIVISION VI - Recovery of Charges, Etc.

- 169 - Expenses incurred by the Board are to remain a charge on the land of the owner in default.
- 170 - Where the Board does work on the owner's premises, charges can be repaid in 40 quarterly instalments @ interest of 8% p.a.

DIVISION VII - Sewerage Rates

- 175 - The Board is to make an estimate of funds needed from the Metropolitan General Fund to undertake the year's works; this estimate is to be open to inspection by any ratepayer.

- Section
175 (6) - The maximum rate (except in case of
(cont.) included land) = 13 cents in the dollar
on N.A.V.
- Maximum rate (included land) = 22 cents
in the dollar on N.A.V. This rate is to
be called the Metropolitan General Rate.
- 176 - Unpaid rates may remain a charge on the
property.

DIVISION VIII - Works and Services for Public Bodies

- 180 to - Provisions.
184

DIVISION IX - By-Laws

- 184A - Powers and penalties.

PART IIIA - PROVISION OF SERVICES BY AGREEMENT

- 184B to - Provides for package treatment works,
184D etc. and payment thereof.

PART IV - METROPOLITAN GENERAL FUND

- 185 (1) - Except where otherwise provided for, all
monies are to be paid in to the Metro-
politan General Fund.
- (2) - The Metropolitan General Fund is to be
used for:
- (a) payment of interest.
- (b) costs and expenses of admini-
stering this Act and carrying
out of works.
- (c) repayment of monies borrowed.

PART V - BORROWING POWERS

- Section 187
- (1) - The Board may borrow and reborrow such sums not exceeding \$1,300,000,000 (exclusive of certain stated sums).
 - (1A) - Before the Board adopts a program of works for which borrowed money must be used, the approval of the Minister must be sought and any required information submitted.
 - (2) - The consent of the Governor-in-Council is necessary.
 - (4) - If the Board repays a loan, it can reborrow it without consent.
 - (5) - The Board may reborrow in order to pay off a loan or part thereof before it becomes payable. (\$1,300,000,000 may be temporarily exceeded).
 - (6) - The Board is to establish adequate renewal and sinking funds.
- 188 - All money to be raised by debenture issue is to be a charge upon the Metropolitan General Fund.
- 189 - Provisions relating to debentures.
- 191 - The Board is to keep a register of debentures to be open to inspection by the public on payment of a fee.
- 196A - Repayment of the loan is guaranteed by the Government of Victoria.
- 199
- (1) - The Board may go in overdraft to a limit of \$3,000,000.
 - (2) - The Board may borrow on the security of deposit receipts.

Section
200

- The Treasurer of Victoria may loan funds to the Board - this does not affect \$1,300,000,000 limit.

PART VI - OTHER WORKS

DIVISION III - Parks, Etc.

- 213 (1) - The power to acquire lands is to be used in conformity with any planning scheme of the Board to purchase public open space.
- (2) - The Board can undertake such works as are necessary for these purposes.
- 214 - Power to make by-laws for such land.
- 215 - The Board may be appointed by the Governor-in-Council as a committee of management under the Land Act 1958.
- 217 - The Board can grant subsidies to a public authority for the improvement of public open space used by residents of the wider metropolis.

DIVISION IIIA - Special Projects

- 217A - The Board may make arrangements with M.U.R.L.A. or other persons for work on the Underground. - Subject to the agreement of the Minister.
- 217B - Outline of the type of work the Board can do for M.U.R.L.A. - it includes tendering for construction work. The Board is to make such charges as it thinks fit - the money is to go into the Metropolitan Improvement Fund.

DIVISION IV - FinancialSection
218

- The Board may make a rate called the 'Metropolitan Improvement Rate'.
- (1A) - It is not to be levied on farm land - when land-use changes, rates for the previous five years are payable.
- (1C) - Provision for relief from this rate where land-use is restricted by or under a planning scheme or interim development order. (Excluding cases where the intended use is development for residential, commercial and industrial uses).
- (2) - The Board is to prepare estimates showing:
 - (a) the money required to meet its obligations under the Town and Country Planning Act 1958, other than expenditure being met by loan monies.
 - (b) the total annual value of all properties on which the rate is to be levied.
- (3) - The rate not to exceed 2 cents in the dollar of N.A.V.
- (3A) - The Board is to set a minimum rate.

219

- (1) & (2) - Metropolitan Improvement Fund - the above rates and any other monies received under the Town and Country Planning Act are to go into this fund.
- (3) - The fund is to be used for:
 - (a) payment of money under the Town and Country Planning Act.

- Section
219 (3) - (b) repayment of monies borrowed
(cont.) by Board under this Part of
the Act.
- (c) meeting the obligations of
the Board under the Melbourne
Underground Rail Loop Act
1970.
- 220 - For the purposes of this Part, the Board
may borrow up to \$20,000,000.
- 221 - The Government may make advances by way
of loans to the Board not exceeding
\$20,000,000.
- 222 - Bank overdraft limit of \$1,000,000.

DIVISION V - Miscellaneous

- 224 to - Provides for the Board to undertake work
226 and surveys for the purposes of this
Part, either by taking on the powers and
duties of councils or by delegating to
the council.

PART VII - CONTRIBUTIONS BY BOARD

- 227 to - Provides for payments to municipalities
230 in which there is a large Board property
holding - to compensate for loss of
rates, road repair, etc.

PART VIII - ACQUISITION SALES AND LEASES OF LAND

- 231 - Power to acquire and control land for
easements, construction of dams,
sewerage works.
- 232 - The Governor-in-Council's consent is
needed for compulsory acquisition.

- Section
233 to
236
- Provides for resale, leasing, etc. of acquired land.
- 237
- Incorporates the Lands Compensation Act 1958 with this Act.

PART IX - MISCELLANEOUS

DIVISION I - General

- 239
- Public lands are exempt from rates - service charges generally apply.
- 239B (1)
- Municipal valuations are to apply when rates are levied.
- (2)
- The Board may do supplementary valuations and levy supplementary rates.
- 239E
- Provision for remittance or deferral of rates for those in necessitous circumstances.
- 240 to
258B
- Miscellaneous provisions relating to changes in ownership, by-laws, court proceedings, etc.

DIVISION II - Research and Training

- 258C
- The Board may enter into arrangements with any body for the purposes of research and/or training.

PART X - METROPOLITAN DRAINAGE AND RIVERS

- 261 to
265
- The Board is to be responsible for construction and management of main drains.
- 266
- Councils can undertake work on behalf of the Board.

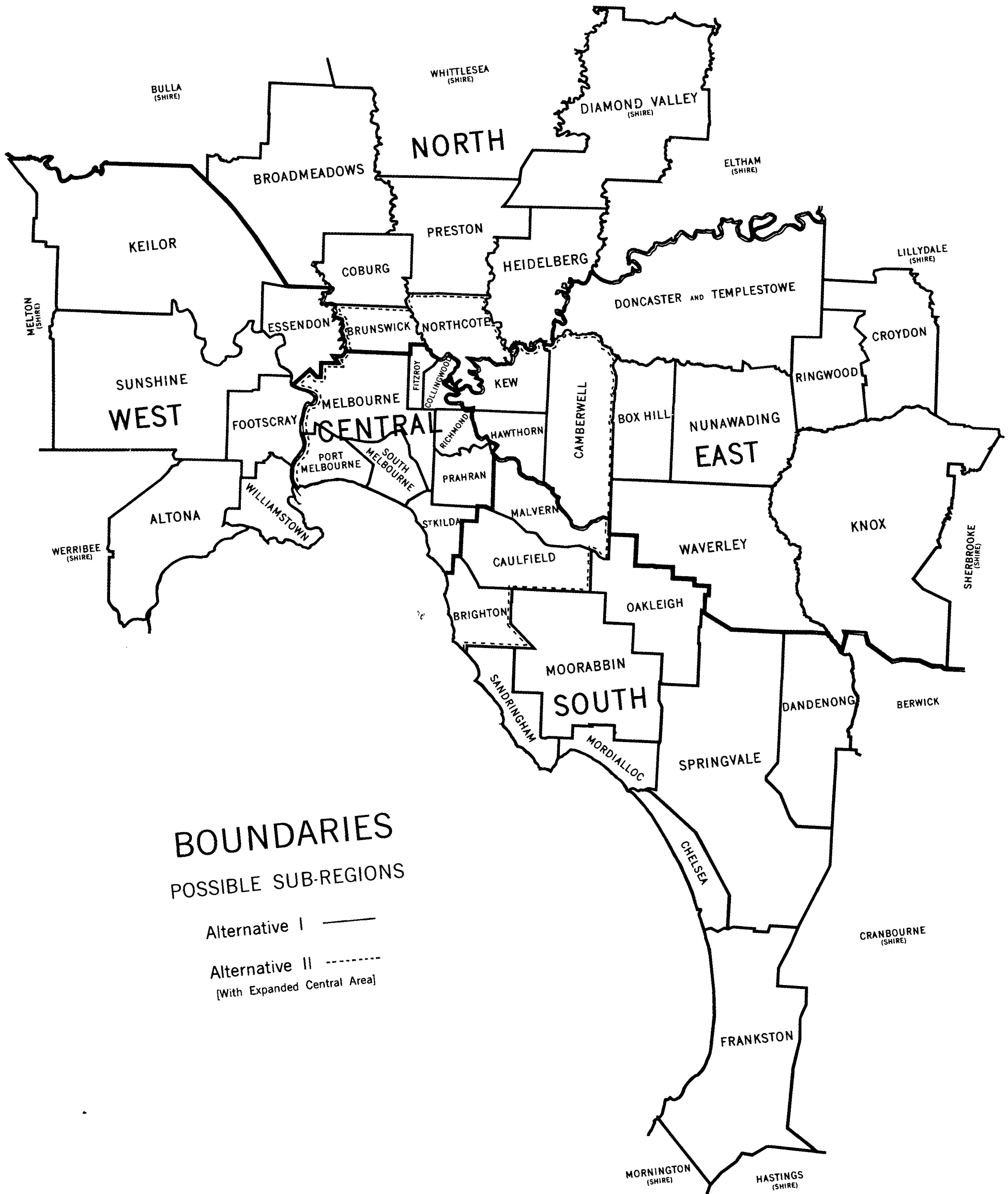
- Section
268 - The Board can regulate buildings bordering main drains.
- 269 - The Board may enter into agreement with owners for construction of drainage works.
- 269B - The Board can, on request of a sub-divider, undertake the necessary surveys, etc. for this work.
- 270 - The Board can declare any area to be a watershed area.
- 271 to
273 - Provisions defining Board powers over water-courses.
- 274 to
275 - River Improvement Works.
- 276 - Licences for pumping of water.
- 277 - The Board is to supply water free to those parks, gardens and lakes who previously drew their water from Dight's Falls.
- 278 }
279 } - By-laws.

Financial

- 280 - Metropolitan Drainage and River Improvement Rate - Maximum rate = 2 cents in the dollar of N.A.V.
Estimates to be made.

Miscellaneous

- 281 to
293 - Clarification of powers of acquisition and entry and the conduct of works.



BOUNDARIES

POSSIBLE SUB-REGIONS

Alternative I ———

Alternative II - - - - -
 [With Expanded Central Area]