

WATER SUPPLY WORKS AND SERVICES BILL 1971.

EXPLANATORY MEMORANDUM.

This Bill is to give Parliamentary authority for the expenditure of \$30,000,000 for carrying out works of country water supply, drainage, sewerage, flood protection and river improvement, as set out in the Schedule to the Bill.

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

<i>Previous Acts.</i>				<i>Actual Expenditure.</i>			
				\$			\$
1967	..	No. 7654	..	30,600,000	Financial Year 1967-68		18,414,000
1968	..	No. 7743	..	30,100,000	Financial Year 1968-69		18,642,000
1969	..	No. 7908	..	30,000,000	Financial Year 1969-70		18,557,000
1970	..	No. 8031	..	30,000,000	Financial Year 1970-71		17,459,000
1971	..	Present Bill	..	30,000,000	Amount Allotted 1971-72		17,758,000

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

CAPITAL LIABILITY.

The net capital liability debited to country water supply works and related works as at 30th June, 1971, was \$408,820,000. Of this amount, \$313,644,000 is borne by the State of Victoria. The remainder (\$95,176,000), is borne by the following :—

(a) Waterworks Trusts and Local Governing Bodies	..	..	..	38,780,000
(b) Urban Districts controlled by the State Rivers and Water Supply Commission	..			33,864,000
(c) Other Commission Districts	..	..	..	6,066,000
(d) River Improvement and Drainage Trusts	..	..	..	1,039,000
(e) Latrobe Valley Water and Sewerage Board	..	..	..	10,874,000
(f) Dandenong Valley Authority	..	..	..	626,000
(g) Commission plant and machinery, workshops, &c.	..	..	..	3,927,000
				95,176,000

The net capital liability of works of country sewerage authorities as at 30th June, 1971, was \$17,974,000 of which \$8,030,000 is borne by the State. The remainder, \$9,944,000 is debited to the sewerage authorities.

In 1937, pursuant to the Water Act, No. 4513, the capital liability was adjusted by transferring from the direct debit of districts to the "Capital Expenditure Borne by the State Account" such amounts of the capital liability for works as could not be borne by districts on the basis of the existing rates and charges. In 1944, legislation was enacted consequent upon which a further portion of the capital liability was transferred to the State. It has since been the practice to charge all expenditure, as incurred on country water supply works under the jurisdiction of the Commission, to the State. Authority has been contained in each subsequent Loan Act and Works and Services Act and is continued in this Bill for the Governor in Council on the recommendation of the Minister of Water Supply to transfer such portion of the capital liability from the State to the district having regard to development. An amount of \$5,884,000, representing capital liability of \$2,724,000 in respect of twenty urban districts, \$2,600,000 in respect of Coliban System, \$110,000 in respect of one Waterworks District, and \$450,000 in respect of one Irrigation District was so transferred during the financial year ended 30th June, 1971. The clauses contained in the *Water Supply Works and Services Bill* 1971 are in accord with this procedure.

SCHEDULE OF WORKS.

The Schedule to the Bill is divided into Sixteen Parts. The First and Second Parts authorize expenditure for the construction of works, as set out under the respective items, under the direct control of the State Rivers and Water Supply Commission; the Third Part contains provision for the procurement of plant and machinery; the Fourth to Eighth Parts inclusive deal with loans to local water authorities; the Ninth Part provides for loans to country sewerage authorities; the Tenth Part provides for advances to authorities for river improvement and land drainage works; the Eleventh Part deals with advances to the Dandenong Valley Authority; the Twelfth Part deals with water supply and sewerage works in the Latrobe Valley; the Thirteenth Part represents the contribution of the State of Victoria towards the cost of works being constructed under the River Murray Waters Acts; the Fourteenth Part provides for expenditure by the State Rivers and Water Supply Commission on an exhibit at the Royal Agricultural Showgrounds, Melbourne; the Fifteenth Part provides for advances to the Melbourne and Metropolitan Board of Works towards the cost of a water supply to towns on the Dandenong Ridge area; and the Sixteenth Part authorizes expenditure on the maintenance and operation of works within the Mornington Peninsula Waterworks District in 1970-71 under direct control of the State Rivers and Water Supply Commission.

FIRST AND SECOND PARTS.

The amount of \$19,410,000 set down in the First and Second Parts of the Schedule to the Bill is to meet commitments, commence construction on approved major projects, and provide for a continuation of works in hand under the direction and control of the State Rivers and Water Supply Commission.

The amounts for planned expenditure on works during the 1971-72 financial year are indicated below.

The provisions outlined in the Schedule to the Bill will give authority for expenditure on works from approximately December, 1971, until December, 1972, whereas the amounts shown in the Explanatory Memorandum allotted for 1971-72 are the amounts available for expenditure in the present financial year between 1st July, 1971 and 30th June, 1972.

BRIEF DESCRIPTION OF STATE WORKS.

Item.	Description of Works.	1971 Works and Services Bill Provision.	1971-72 Works and Services Account Allocation.
FIRST PART—STORAGES AND HEADWORKS.		\$	\$
1	Eppalock Project The provision is required mainly to continue channel construction work in the Campaspe Irrigation District	100,000	60,000
2	Lake Merrimu Project To complete existing works on the project so that supplies may be provided for urban and industrial development and to further safeguard irrigation supplies.	150,000	50,000
3	Tandarra—Calivil Pondage To continue construction of a storage 25 miles north of Bendigo alongside the Waranga Western Main Channel to enable rapid adjustment of supply according to weather conditions to 220,000 acres of the Calivil and Tragowel Plains Irrigation areas.	300,000	170,000
4	Lake Mokoan Project To continue construction of an off-river storage at Winton Swamp near Benalla, together with a large diversion channel from the Broken River, the main source of supply, which will be augmented by the Hollands Creek. Construction of levees and associated works along the Broken River between the Nillahcootie Dam and the Diversion Weir to protect river flats during periods of regulated diversion from the Reservoir to Lake Mokoan.	850,000	600,000
5	Rosslynne Reservoir Project To continue construction of a storage on Jackson's Creek, a feeder stream of the Maribyrnong River, to provide for urban development at Sunbury and areas north-west of the metropolis and to provide a safeguard for irrigation by diversion from streams below the dam.	3,100,000	1,500,000
6	Other Storages and Headworks Provision is made under this item to meet the cost of improvements to be carried out on storages, headworks, and main channels, including camping, picnic, and recreational facilities and conveniences at storages. Provision is also made under this item for the building of a regulating weir on Broken Creek at the junction with Major's Creek to facilitate supplies to water users on Major's Creek ; installation of lifting gear on floating gates in the lower Barwon River for the operation of the Lake Corangamite Drainage works.	1,000,000	440,000
7	Millewa Pipelines Project To continue the replacement of the present earth channel distribution system supplying stock and domestic needs throughout the Millewa Waterworks District by a new pipeline scheme ; vastly improved distributary efficiency and reduction in water losses will result.	150,000	250,000
8	Nangiloc—Colignan Drainage Project To commence drainage works to serve an area irrigated by private diversions from the River Murray located to the south-east of Red Cliffs, proposed to be constituted as a Drainage District under the provisions of the Water Act.	180,000	30,000
Total		5,830,000	3,100,000

BRIEF DESCRIPTION OF STATE WORKS—*continued.*

Item.	Description of Works.	1971 Works and Services Bill Provision.	1971-72 Works and Services Account Allocation.
	SECOND PART—OTHER STATE WORKS.	\$	\$
1	Irrigation Districts	4,350,000	3,300,000
	(a) <i>Goulburn-Murray Works</i> Continuation of the programme of substantial enlargement of main channels and other distributory works within the Goulburn System should enable full use to be made of additional water available for irrigation following completion of major storages. This provision includes the cost of further works in the enlargement and extension of irrigation and drainage channels throughout the Goulburn-Murray Irrigation District. Land resumption payments will also be met from this provision.	(2,800,000)	(2,100,000)
	(b) <i>Irrigation and Water Supply Districts</i> Provision is made in this item for construction of water supply and drainage works to serve Irrigation Districts, including Urban Districts therein. Further drainage works in Central Gippsland are provided for, also continuation of drainage works in Swan Hill irrigation area and conversion of channels to pipelines in Red Cliffs, Merbein, Tresco and Nyah.	(1,550,000)	(1,200,000)
2	Coliban System This item provides for improvements, enlargements, and extensions of water supply channels and mains and reticulation works, including the undergrounding of the Spring Gully Channel and the construction of a new supply main from Crusoe Reservoir to Specimen Hill Reservoir.	600,000	420,000
3	Mornington Peninsula System Required for the installation, enlargement and extension of main supply works, pipelines and reticulation, and metering of supplies to meet rapid urban and industrial development within the Mornington Peninsula area including the proposed industrial complex at Hastings and extension of the Westernport Scheme.	3,700,000	2,300,000
4	Bellarine Peninsula System This provision meets the cost of increased storage capacity, enlarging and extending the existing distribution and reticulation systems, including metering of supplies, and also the continuation of work on the Mount Duneed Rural Scheme.	600,000	500,000
5	Otway System Required for enlargement of headworks, including the South Otway Pipeline, improvements to storages and service basins, distributory and reticulation works, metering of supplies, extension of works which will also enable a bulk supply to the Lismore-Derrinallum Waterworks Trust, and further investigations to augment supplies to the Otway System.	1,800,000	900,000

BRIEF DESCRIPTION OF STATE WORKS—*continued.*

Item.	Description of Works.	1971 Works and Services Bill Provision.	1971-72 Works and Services Account Allocation.
	SECOND PART—OTHER STATE WORKS— <i>continued.</i>	\$	\$
6	Waterworks Districts—Generally Provision is made for the extension and enlargement of channels and pipelines, also the construction of urban storages and improvements to urban and rural water supply works within Waterworks Districts, principally the extensive Wimmera-Mallee system, and the Wonthaggi Urban District.	500,000	350,000
7	Flood Protection Districts Required for replacements of bridges and structures and improvements to flood protection works throughout the Koo-wee-rup Flood Protection District.	180,000	160,000
8	Surveys, Investigations and Designs For surveys, designs, investigations, and hydrological studies in connexion with further projects ; the compilation of data in respect of the water resources of the State of Victoria ; for computer usage investigation and engineering research generally.	1,300,000	720,000
9	Works Generally—Workshops, Storesheds, Administrative and Other Buildings For the purchase, acquisition, erection, enlargement, extension, remodelling, alteration, and improvement of and additions to administrative buildings, workshops, storesheds, buildings for testing and research purposes, and other buildings, including the equipping fitting and furnishing thereof, and for all other expenses incidental to the transfer to and establishment of such buildings.	450,000	318,000
10	Private Diversions—Meter Installations Provides for installation of water meters to record and control usage of water by private diverters located outside district boundaries.	100,000	50,000
	Total	13,580,000	9,018,000

THIRD PART.

The amount of \$250,000 included in the Third Part of the Bill is required to cover the cost of purchase of movable plant and machinery by the State Rivers and Water Supply Commission for use on construction and maintenance works. \$150,000 has been allocated for expenditure in 1971-72.

Item.	Description of Works.	1971 Works and Services Bill Provision.	1971-72 Works and Services Account Allocation.
1	Purchase or Acquisition of Movable Plant and Machinery Plant purchased under this provision would be operated on works at hire rates sufficient to provide for interest on capital account, redemption, maintenance, and adequate depreciation to renew the plant when necessary.	\$ 250,000	\$ 150,000

FOURTH TO EIGHTH PARTS.

The amount of \$5,460,000 included in the Fourth to Eighth Parts inclusive of the Schedule to the Bill, represents provision for expenditure in at least 67 locally-controlled centres on investigations, improvements, and extensions of the respective town water supply systems.

The amount for actual expenditure on planned works during 1971-72 by these authorities is \$2,600,000. In addition, an amount of \$7,000 is provided to the Orbost Waterworks Trust for flood restoration work.

In no case does the Treasurer of Victoria advance a loan to a waterworks trust or local governing body until the proposal has been examined by the Commission. There are 201 local authorities in operation, representing a capital outlay of \$62,486,000.

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

The sixteen authorities listed in the Seventh Part are those with new water supplies where construction has commenced or has been authorized to commence, and where, in addition to the assistance provided by way of interest subsidies and capital grants under the Formula already mentioned, special additional assistance will be provided to ensure that the rate in each case need not be greater than 17.5 cents in the dollar of net annual valuation. This additional assistance will be provided by deferring portion of an authority's loan liability. The amount of liability to be charged to the "Capital Expenditure Borne by the State Account" in each case will be determined by the Governor in Council on the recommendation of the Minister of Water Supply. The amounts of deferred liability will be reviewed each year and adjusted by the Governor in Council for each authority as development occurs and enables the authority to carry a larger proportion of its loan liability with the maximum rate.

Provision is made within Item 17 of the Seventh Part for new town supplies which might be approved for other existing or proposed authorities.

The amount of \$20,000 included in the Eighth Part of the Schedule to the Bill represents provision for advances to be made to the Geelong Waterworks and Sewerage Trust towards the cost of works to supply and reticulate the township of Lara. Amounts so advanced shall be charged to the "Capital Expenditure Borne by the State Account" in each year and shall not be debited to the Trust.

NINTH PART.

The amount of \$1,700,000 included in the Ninth Part of the Schedule to the Bill represents provision for advances towards the cost of sewerage works of at least thirteen authorities in country centres. The amount for actual expenditure during 1971-72 on planned works by these authorities is \$900,000. In addition, an amount of \$3,000 is provided to the Orbost Sewerage Authority for flood restoration work.

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

TENTH PART.

The amount of \$1,100,000 included in the Tenth Part of the Schedule to the Bill is required to implement the provisions of the *River Improvement Act* 1958 which empowers the Treasurer of Victoria to make advances by way of loan to river improvement and drainage authorities for the purposes of undertaking river improvement and land drainage works. Thirty Trusts are now operating, and others are proposed. No advance is made for the purpose of river improvement until each proposal has been examined by the Commission. The allocation of funds for reimbursement of actual expenditure during 1971-72 on planned works by these authorities is \$760,000. This amount includes a special allocation of \$190,000 for the restoration of flood damage in East Gippsland.

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

ELEVENTH PART.

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

The authority's works are financed by private borrowings and grants, the Government having agreed to provide \$200,000 in 1971-72. The basis of subsidies towards river improvement and drainage works and towards the purchase of land required for flood retention basins has been approved by the Government.

TWELFTH PART.

The amount of \$300,000 included in the Twelfth Part of the Schedule to the Bill represents provision for expenditure by the Latrobe Valley Water and Sewerage Board on works pursuant to the provisions of the *Latrobe Valley Act* 1958.

The amount of \$150,000 under Item 1 is required for extensions to the water supply system. Under Item 2, a further \$150,000 is provided to continue works for the treatment and disposal of waste and sewage.

The amount of \$150,000 has been provided for these purposes in 1971-72.

THIRTEENTH PART.

The amount of \$750,000 included in the Thirteenth Part of the Schedule to the Bill represents provision for the contribution by the State of Victoria towards the cost of works constructed under agreements ratified by the River Murray Waters Acts. The River Murray Agreement prescribes that the contracting Governments shall each contribute one-fourth of the total aggregate capital expenditure.

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

The amount of \$450,000 has been allotted for contribution by the State of Victoria during 1971-72 towards the cost of works constructed under the River Murray Waters Acts.

FOURTEENTH PART.

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

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

The amount of \$20,000 has been provided for these purposes in 1971-72.

FIFTEENTH PART.

The amount of \$700,000 included in the Fifteenth Part of the Schedule to the Bill represents provision for advances to the Melbourne and Metropolitan Board of Works towards the cost of a water supply to the townships of Sassafras, Kalorama and other towns on the Dandenong Ridge.

The amount of \$400,000 has been provided for these purposes in 1971-72.

SIXTEENTH PART.

The amount of \$50,000 included in the Sixteenth Part of the Schedule to the Bill represents provision for expenditure on the maintenance and operation of works within the Mornington Peninsula Waterworks District in 1970-71. The amounts so expended have been charged as part of the cost of the operation and maintenance of the District and shall not form part of the District's capital works and service liability.