

be difficult to apply and it would not be possible to maintain an adequate supply of serviced land to keep prices at a reasonable level.

4. If policies 1, 2 and 3 above do not prove adequate it may be necessary for the Board as responsible authority to acquire land in selected places, service it and put it on the market. There would appear to be adequate power to do this under the Town and Country Planning Act in respect of land zoned for urban purposes.

It is considered, however, desirable for the Government to legislate for the power to carry out such acquisition in respect of land in a corridor zone where urban zoning is not yet achieved.

#### *Non-Urban Zones*

1. In non-urban zones, as previously mentioned, one of the main aims is to reduce the incentive to change to urban zoning. The Board proposes that the present arrangement of relief from the Metropolitan Improvement Rate on all lands classified as farmlands or urban farmlands should continue. This would be applied in all non-urban zones including the corridor zone until such time as the latter is rezoned for urban development.
2. In addition to the above, it is considered that some relief should be given in respect of all other rates, taxes and charges based on value. The Government should consider legislation for establishing notional values based on productivity value without any increment for potential urban value in respect of all land in non-urban zones (other than the corridor zone).
3. The notional value should be used in calculating all rates, taxes and charges based on land value. Just as tax concessions are at present available for the clearing or bringing into production of rural land at the moment, there would appear to be merit in providing tax concessions for owners who leave land in its virgin condition, particularly in the conservation zones.

#### **Provision of Utility Services for Urban Land**

As previously mentioned, the amending planning schemes provide for the rezoning of nearly 100 square miles of land for various urban purposes. This provides a development margin

based on expected rates of growth of approximately 20 years overall, of which about 5 years' supply of land is already committed and largely serviced by utilities but not yet developed.

During the period of the planning scheme, these areas will be progressively developed with houses, factories and other buildings. Roads, schools, parks and transport will be needed, but the basic ingredient before the land is available for development is the provision of the utility services.

The power services of electricity and gas are provided by other authorities but the Board is responsible for the water supply, sewerage and main drainage services over a very large part of the metropolitan area, with other authorities such as the State Rivers and Water Supply Commission, the Dandenong Valley Authority and a number of Trusts being responsible for the balance.

In order to assess the magnitude of the problem the Board has made an overall estimate of the capital cost of providing these utility services to serve the overall pattern of development envisaged over the next 15 years. The figure arrived at is some \$2,000m. of which \$400m. to \$500m. would be provided by the developers of land through their payment for reticulation costs and through the acreage levies for water supply and sewerage. This figure would be slightly higher if similar charges are made in respect of main drainage, such as those already made in the Dandenong Valley Authority area. The balance of about \$1,500m. would have to be found from loan funds or from other public sources. The figures are preliminary estimates based on present day costs and take no account of inflation. They simply indicate the order of cost.

Over the last few years the Board has experienced considerable difficulty in raising its loan allocation. Further difficulty is expected over the next few years in view of the magnitude of the works involved and the necessity for raising the funds in the market place.

A co-ordinated works and services programme as mentioned earlier in this part is extremely difficult to prepare for even the next five years under the present system of loan fund allocation from year to year.

It is highly desirable to have a reasonably firm forecast of funds for the following five years at least and a somewhat less firm forecast for the ensuing 10 years.

The amount available to the Board for the provision of these services in the current financial year is \$84.5m. To meet the

## *5 Implementation and Finance*

Board's commitments alone, in the overall estimate mentioned earlier, its annual availability of funds would need to increase by at least 5% each year over the next 15 years.

In the long term, if the urban development predicted in this report takes place, the community must face the challenge of allocating sufficient funds for these basic essential services. If the funds are not provided and the development pressure continues, then it will not be possible to provide all these essential services and it will not be possible to ensure that the streams, rivers and Port Phillip Bay remain valuable assets rather than liabilities. In addition the development programme cannot proceed in an orderly manner, an adequate supply of serviced land cannot be maintained and prices will rise. It would not be possible to apply the holding charge envisaged in the previous section.

Mention has only been made of costs of services for which the Board is responsible, but there is no doubt that other authorities involved in the provision of the same services will need similar increases.