

## **5 implementation and finance**

## Implementation

One of the purposes of this report is to set out for the community the planning philosophies which lie behind the proposed longer term policies and the proposals in the amending schemes. Constructive suggestions are welcomed.

The Board recognizes that these matters are of major concern to a wide cross section of the community and will give them full publicity and opportunity for discussion.

### The Amending Planning Schemes

The amending planning schemes described in Part 4 of this report will be deposited for public exhibition at the offices of the Town Planning Board, the Board of Works and the relevant local councils throughout the metropolitan area. The planning schemes will remain on exhibition for the full statutory period of three months provided under the Town and Country Planning Act, but because of their complexity it is the Board's intention to receive and consider objections over a total period of at least six months and such longer period as may be necessary. Following the completion of the exhibition period, the Board will consider the objections, and before disallowing an objection will give any person an opportunity to be heard. Following the consideration of objections, the Board will consider whether the planning schemes with any amendments should be adopted, and may submit the scheme for approval by the Government.

### The Interim Development Order

The amending schemes cover a large area and present a number of new problems. They may take some time to resolve.

During the period of examination of the schemes, development within the area covered by Amendment 21 will continue to be controlled by the approved metropolitan planning scheme.

This is not the case in the area covered by Amending Planning Scheme 3 and accordingly an interim development order will be sought over this area. The order is based on the control provisions of the Amending Scheme No. 3. The Board will be the responsible authority under the proposed interim

development order, however the order will generally have limited effect within areas included in urban zones in approved municipal planning schemes.

While it is the intention to operate the order generally in conformity with the proposed scheme, the Board has some flexibility during the interim development period, and could where appropriate make decisions in accordance with any variations to the proposals which might be thought desirable as a result of submissions or representations.

### Delegation of Powers

Once the amending planning schemes are approved it is the intention of the Board to delegate to municipal councils in the extension area, powers and functions under the scheme in the same way as these powers and functions are delegated to councils in the approved planning scheme area. Councils have the right under the Town and Country Planning Act to initiate amendments to the metropolitan scheme.

During the period of operation of the interim development order, the Board will consider delegation, if requested, within residential, industrial, business and township zones, within areas where no approved municipal scheme applies.

### Phasing of Development

It is intended that the areas designated in the planning schemes for various urban purposes will be progressively released for development in accordance with a staged programme of works and services. This will cover a 15 year period of which the first 5 years would be reasonably firm, and will be reviewed each year. Ideally this will cover not only the basic utility services required before development can take place but other public works such as schools, transport and community facilities. This will not be easy to achieve and will require close co-operation from the various public authorities involved.

It is generally intended that development should only occur in any area in accordance with a five year programme. However, should a developer submit a major proposal for comprehensive development, involving the provision of all necessary works and services, satisfactory to the authorities concerned, and which will not interfere with the adopted programme, then it is envisaged that such a proposal could receive consideration by the planning authority.



## Implementation of Works

The definition of the proposed corridor zones, and areas intended for urban development will enable the various public departments and authorities concerned to programme and execute works more effectively, due to the more specific indication of short and long term development prospects, than has applied in the past. At the same time, the proposals will enable the isolation of deficiencies in areas of responsibility and in financial resources. This is of particular significance in relation to water supply, drainage and sewerage, as it will be necessary to extend the operations of some existing bodies, or create new bodies, if full servicing is to be achieved.

The issues raised above are of major significance in relation to the proposals in this report. As previously stated the corridor type development depends on the execution of works at an early stage within the defined areas, so that a high level of accessibility and amenity is provided, thus encouraging development in these areas rather than the proposed non-urban areas.

## Finance

Planning is a conscious process by a community to organise itself in the face of increasing population growth and urbanisation. This cannot be achieved without financial backing from the community, and this section of the report deals with the routine financial requirements and future financial policies.

### Financing the Planning Scheme

The day to day operation of the planning scheme is financed from the Metropolitan Improvement Rate paid into a Metropolitan Improvement Fund. In addition to metropolitan planning, the rate revenue is also required to finance metropolitan highways and maintenance, foreshores and parks, and, more recently, public transport (Melbourne underground loop).

The application of the Metropolitan Improvement Rate has often been criticized, generally on a local or parochial basis. There is no doubt, however, that the planning and planning implementation aspects of a complex area, such as the metropolitan region of Melbourne, would be impossible without such a designated and assured source of finance.

The region must function as a unit and not as a series of

local independent areas, and for this reason it is necessary to pool resources and act as a single entity in order to set the framework of the region, to regulate growth, to protect the environment and to provide for the required public uses of all kinds.

The Metropolitan Improvement Rate at present stands at 1.4 cents in the \$ (N.A.V.) and last year produced \$8,346,280. (The statutory limit is 1.66 cents in the \$ (N.A.V.).

The main items of expenditure from the rate last year (1970/71) were compensation for land reserved for parks, highways and other public purposes (approx. 32%), and construction and maintenance of highways and foreshores (approx. 46%). The balance was used for management investigations and research.

For highway construction the contribution from the Metropolitan Improvement Rate is augmented on a 1 for 3 basis with funds provided from the Roads (Special Projects) Fund derived from motor registration fees. In addition the Board now receives a share of the funds from the Commonwealth Aid Road Fund payable to the State and this does not require a contribution from the Metropolitan Improvement Rate.

The funds available to the Board from these two sources are expected to increase substantially in the future and within the next 10 years are expected to reach nearly four times their present level.

As new highway works are constructed and as those already constructed become older, the amount required to be expended on the maintenance of these works will continue to increase. Over the last five years the annual expenditure on highway maintenance by the Board has increased very rapidly. It is expected that expenditure under this item will continue to increase and that within a few years a substantial proportion of the revenue received from the Metropolitan Improvement Rate will need to be expended on the maintenance of these works. At present neither the revenue from the Special Roads Projects Fund nor the Commonwealth Aid Road Fund can be spent on maintenance.

The overall requirements in the future can be assessed under the following headings:

#### *Planning*

The principal expenditure under this heading is compensation for lands reserved for various public purposes in the



planning scheme. Although the areas reserved in the approved planning scheme are substantial, the actual incidence of compensation claims has been surprisingly regular over the years of operation of the scheme and has represented about a third of total expenditure. While the introduction of these major amending schemes may produce an upsurge in claims for compensation in the new areas, this is expected to stabilise into a pattern similar to the past.

In the approved planning scheme area, for example, of a total of some 13 square miles of land reserved for public open space, the Board has to date acquired about 4 square miles at a cost of \$10.7 m., of which approximately \$4.8m. is related to local open space and has been or will be reimbursed, on extended terms, by municipal councils, the balance remaining a permanent charge on the Rate. In the amending planning schemes now put forward, a further 13 square miles is proposed as public open space reservation, and while it is not expected that all of this reserved land need necessarily come into public ownership, a large part will do so and this will represent a substantial sum in acquisition.

The Board is continuously involved in compensation for land reserved for future main road purposes. This generally involves acquisition in advance of actual requirements because a permit for a more intensive type of development has been refused. When the road project proceeds this expenditure is recouped from the Special Roads Project Fund but in the case of Commonwealth Aid Road Fund projects no such reimbursement is possible, and the compensation remains a charge of the improvement rate.

It will become increasingly necessary in the future for the Board to take more positive action under the planning scheme than in the past to ensure that various types of development occur at the right place and the right time, involving compensation payments. This could include the advance purchase of land for urban development purposes as mentioned later in this section of the report.

There are no funds other than the Metropolitan Improvement Rate at present available for planning compensation or for acquisition to achieve positive planning goals, and it is essential that it be maintained at an adequate level for those purposes.

### *Highways*

The funds available from road user sources for highway

design and construction are likely to increase substantially and although the contribution from the improvement rate will become a decreasing proportion of the total it will still be significant. Expenditure on highway maintenance will continue to rise and can only be met from the rate. There is a clear argument for road user funds participating in highway maintenance.

In addition, the Commonwealth Aid Road Fund should reimburse any compensation previously paid for preserving the opportunity for a highway project.

### *Public Transport*

The Board has undertaken to meet one quarter of the servicing charges on loans incurred by the Melbourne Underground Rail Loop Authority in its operations to construct the underground loop which at present is limited to an expenditure of \$80m. The Board's contribution is met from the improvement rate and, although annual costs are small at present, they will rise and continue over a number of years.

### *Foreshores*

The only source of revenue for the protection, improvement and maintenance of foreshores in the metropolitan area is the Metropolitan Improvement Rate, and although the relative expenditure of this is small, it is regular and necessary.

Because of lack of funds in the past, the Board, since it commenced foreshore works in 1957, has concentrated expenditure on essential protection works where no alternative is offered and has had little to spare on more positive long term improvements. There is no doubt that greater expenditure is needed to achieve long range permanent results.

### *Parks*

The Board is authorised to establish metropolitan parks in various sections of the metropolitan area and the only source of funds available for these works is again the Metropolitan Improvement Rate. Up to the present time the Board has expended its funds in preserving the opportunity for the establishment of these parks through the reservation and acquisition of large areas of land for this purpose. The Board proposes to commence development of at least some of these areas and this will involve an increased burden on the improvement rate.