

1958

VICTORIA

REPORT

OF THE

STATE DEVELOPMENT COMMITTEE

ON

EXTRACTIVE INDUSTRIES

PRESENTED TO HIS EXCELLENCY THE GOVERNOR IN COUNCIL AND LAID BEFORE BOTH HOUSES OF PARLIAMENT PURSUANT TO THE PROVISIONS OF THE STATE DEVELOPMENT ACT 1941 (No. 4875)

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MEMBERS OF THE STATE DEVELOPMENT COMMITTEE

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The Honorable John Joseph Jones.
The Honorable Arthur Robert Mansell.

Legislative Assembly.

James Charles Murray Balfour, Esquire.
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Secretary : Walter Henry Craig, Esquire.

Public Offices,
Treasury-place,
Melbourne, C.2.

FUNCTIONS OF THE STATE DEVELOPMENT COMMITTEE.

To Inquire into and Report to the Governor in Council upon—

- (a) the balanced economic, industrial, and rural development of the State ;
- (b) the decentralization of industrial activities and the distribution of population in the State ;
- (c) the improvement of the general economic welfare of the State ;
- (d) the amelioration of the conditions of industrial and rural life in the State ;
- (e) the organization and development of primary, secondary, and other industries in the State to meet conditions arising from the present war and the reorganization of such industries after the present war.*

* *State Development Act 1941 (No. 4875), section 5.*

REPORT

To His Excellency General Sir Reginald Alexander Dallas Brooks, Knight Commander of the Most Honorable Order of the Bath, Knight Commander of the Most Distinguished Order of St. Michael and St. George, Knight Commander of the Royal Victorian Order, Companion of the Distinguished Service Order, Governor of the State of Victoria, and its dependencies in the Commonwealth of Australia, &c., &c., &c.

MAY IT PLEASE YOUR EXCELLENCY :

Pursuant to the State Development Acts, the State Development Committee has the honour to submit the following Report relating to extractive industries :—

TERMS OF REFERENCE.

The matters into which it was desired the Committee should inquire were as follows :—

1. What action should be taken to control the extraction of materials such as sand, gravel, clay, turf, soil, rock, stone or similar substances in both urban and rural areas beyond that covered by existing legislation, i.e., the Mines Act and the Soil Conservation and Land Utilization (River Flats) Act.
2. What action should be taken by the Government to ensure the protection and availability of the most suitable deposits of these materials.
3. Under what conditions should land containing such deposits be made available or operated, and which public authority should issue the licences or leases and be responsible for their safe working.
4. Where such materials are not now the property of the Crown what basis should be used to determine the amount of compensation payable to private landholders for damage occasioned by the extraction of such materials and what procedure should be followed in the determination and payment of such compensation.
5. What basis should be used in determining lease and licence fees and royalties in connexion with the extraction of such minerals, and whether it be desirable that lease or licence fees and royalties or part thereof should be paid into a central fund and used for the purpose of restoring areas during and/or after operations, and for defraying the cost of other works attributable to the extractive industry concerned.
6. Any other matters which appear to the Committee to be relevant to the industry.

INTRODUCTION.

Following the rapid expansion of the population of the State since the conclusion of the 1939-45 war, and the expansion of secondary industries such as the foundry and building industries, there has been a marked increase in the demand for minerals, particularly for construction purposes and associated manufactures. Housing demands, the need for factory buildings, business premises, and public buildings, the need to replace old buildings by larger and new structures, the extension and improvement of roads have all strained to near exhaustion the existing supplies.

The extension of residential areas, especially within and close to the metropolis, has enclosed and restricted the expansion of work close to the sites of existing brickworks, sand pits, and stone quarries.

These conditions have created a situation that has resulted in the necessity for orderly planning of extractive industries as a whole in order to ensure their continuance.

Minerals of all kinds are consumable assets and once the supply from a particular site is exhausted, a new site has to be sought from which the required mineral has to be worked. The location of these sites depends on the distribution of the minerals in nature, and they can only be chosen and located where these minerals occur. Once permanent buildings are erected on such minerals site these assets are lost to the State.

With regard to the best use of land, it is to be noted that the location of an extractive industry can only be temporary, and once the mineral content is worked out and the land restored it can be put to any other desirable use.

On the other hand the planning of the State's development is essential to the orderly and economical use of land and its resources. The various interests must be integrated in order to achieve a balanced development of the State as a whole.

HISTORY OF INVESTIGATION.

The shortage of extractive materials for industry was first felt by the foundry industry as a result of the shortage of self-bonded mouldings sands which were found mainly at Auburn and Oakleigh. Building was rapidly extending over reserves in these areas and no land remained for further extension of existing workings. A search was requested for similar sands close to Melbourne, and the Mines Department was instructed to undertake this work. No suitable sands have been found within 50 miles of the Melbourne foundries.

The clay products industry soon found itself in a similar position, especially in regard to the plastic clays for tile and cream-brick manufacture. Following representations from this section of the industry, extensive drilling was undertaken by the Mines Department to test the reserves in existing deposits and the content of clays on available land close enough to be within economical transport distance from the kilns.

Similar doubts were expressed relating to the amount of limestone available at Lilydale for agricultural and building lime, and drilling was carried out to estimate the quantity of reserves remaining in the area. In other parts of the State, limestone deposits for new cement and lime-brick industries were tested, notably, in the Latrobe Valley area and at Port Fairy.

More recently, a search for basalt and other coarse aggregate for road making and for concrete, as close to the Metropolitan area as possible, has been requested.

In many instances the interests of the extractive industries and those of municipal and planning authorities, each with power to control the use of land, have not coincided. This led to the establishment of an advisory committee by the Minister of Public Works in 1955, to deal with clay reserves. This committee was composed of representatives of the Industry, the Town and Country Planning Board, the Mines Department, and the Public Works Department.

In 1956, alarm at the despoiling of rich agricultural land in the vicinity of Melbourne, by removal of the rich soil for the topdressing of home gardens, led the Government to call a conference to examine the position of all extractive industries in relation to the future development of the State.

Following this conference, the present committee was given the task of making an exhaustive examination of the problems involved, working within the limits set out in the Terms of Reference.

PROCEDURE.

The Committee decided to invite representatives of all sections of the community affected by or interested in any way in these industries, all municipal councils through the Municipal Association of Victoria, the relevant Government departments and instrumentalities to submit sworn evidence for its consideration.

The Committee also decided that questions affecting the extraction of brown coal lay outside the Terms of Reference and, therefore, evidence in this regard was not considered.

Of those invited to the enquiry, some 40 witnesses gave evidence, and written evidence was submitted by three municipal councils. The first hearings were given in four sessions of the Committee held on the 9th to 12th December, 1957, and additional and rebuttal evidence was heard on the 12th, 13th, and 26th March, 1958.

MAIN POINTS OF EVIDENCE.

Some of the main points discussed centred round the siting of new workings, the geological occurrences of the various deposits, the effect of these industries on planning schemes, the size and distribution of reserves and their relationship to the availability of land and the sites of manufacture or treatment.

The particular problems dealt with concerned the control of the industries by licence or lease and the authorities at present responsible for sanctioning the working of the minerals.

Many complaints were made against the multiplicity of controls before operations could be carried out. The problems of zoning possible sites, building-free zones around such areas, the screening of pits and quarries from roads to maintain the local amenities were all brought forward.

In the matter of working the deposits, the depth limits, distance from boundaries, erosion problems, especially in and around shallow workings, batters, benching and blasting control, dust problems, health, safety and fencing, cartage times, and the effect on roads were all dealt with.

From a long-term view of State development, it was pointed out that all extractive sites were of necessity, temporary in character, and once restored, the sites could be put to any other desirable use. This led to the need for provisions for compensation to the present landowners and provision for restoration of worked-out sites. Payment as royalties to the owners of the material extracted, the establishment of a central fund to provide for restoration and means of collecting the monies involved were exhaustively discussed. It was felt by some witnesses that, for these industries, some elasticity of zoning in planning schemes was desirable to permit of suitable use of lands within the extraction zone pending the extraction of the minerals, and for subsequent use after restoration.

LIST OF WITNESSES.

F. C. Cook	Chairman, Town and Country Planning Board
C. L. Saunders	Chief Constructional Engineer, State Rivers and Water Supply Commission
A. R. Blair	Town Planning Officer, Shire of Ferntree Gully
W. G. Bennett	Councillor, City of Heidelberg
E. P. Mackenzie	Senior District Health Officer, Department of Health
A. J. Christophers	Chief Industrial Hygiene Officer, Department of Health
L. W. Vincent	Secretary, Victorian Brick Manufacturers' Association
D. P. Derham	Member of the Bar, representing The City Brick Co. Pty. Ltd., Mellody's Pottery Pty. Ltd., James Mellody and Sons Pty. Ltd., Camberwell Pottery Pty. Ltd.
A. E. Wareham	Municipal Engineer, Shire of Ripon
N. A. W. Billing	Councillor, Shire of Springvale and Noble Park
T. Harriott	Councillor, City of Newtown and Chilwell
C. V. Vaughan	Shire Engineer, Shire of Mulgrave
E. Luly	Senior Divisional Officer, Lands Department
F. Keenan	Councillor, Shire of Yarrowonga
E. F. Borrie	Chief Planner, Melbourne and Metropolitan Board of Works
P. C. Rowan	City Engineer, Building Surveyor and Planning Officer, Shire of Moorabbin
J. W. Thomson	Shire Secretary, Shire of Doncaster and Templestowe
K. T. Chilton	Manager for Victoria, Styles Sand Supply (Vic.) Pty. Ltd.
J. P. Mutton	Mayor, City of Broadmeadows
J. K. Longmuir	Chief Engineer, Forests Commission
R. G. Thomas	Member, Soil Conservation Authority
L. H. Dillon	Commercial Manager for Victoria, Aust. Glass Manufacturers Co. Pty. Ltd.
C. H. Hammond	State Secretary, Australian Primary Producers' Union
G. F. Arblaster	Farmer, Diggora, Rochester
J. G. Irvine	Farmer, Peterborough
J. Maybery	Farmer, Warracknabeal
B. Heinze	Dandenong Preservation League
J. E. Bradley	Chief Surveyor, Melbourne Harbour Trust

R. A. Smithers, Q.C.	(1) Representing Quarrymasters Association (2) City Brick Works Co. Pty. Ltd. Melody Potteries Pty. Ltd. James Melody and Sons Pty. Ltd. Camberwell Potteries Pty. Ltd.
A. P. Miller	Associate Director, Eureka Terracotta and Tile Co. of Australia Ltd.
W. M. Troup	Councillor, Ballarat Shire
R. W. Evans	Managing Director, Evans Bros. Pty. Ltd.; Director, Ceramic Brick and Tile Potteries Pty. Ltd.
D. E. Thomas	Chief Government Geologist
J. Mathieson	Chief Engineer, Country Roads Board
A. W. Jones	Chairman, Land Use Committee, Graziers' Association of Victoria
R. G. Spratt	Divisional Engineer, Television, Postmaster-General's Department

Written Evidence—

Shire of Leigh.
City of Hawthorn.
City of Nunawading.

RECOMMENDATIONS.

Referring to Terms of Reference Nos. 1, 2, and 3, the Committee recommends that the Mines Department should be the sole controlling authority with clear departmental liaison with the Town and Country Planning Board and other departments and instrumentalities concerned, before any lease is issued, in a manner similar to that now practised by the Lands Department when dealing with the sale of Crown land. No new sites should be considered for leasing until the Chief Government Geologist is satisfied that the mineral that it is proposed to work exists on the site and is likely to be present in economically workable quantities.

Legislation in the form of comparatively small amendments to the existing Mines Acts, in particular in relation to the issuing of leases on prior land, would safeguard the requirements of the various interests concerned.

Appeals respecting the issue of leases should be made to the Minister of Mines.

Referring to Terms of Reference, 4 and 5—

The Committee recommends as follows :—

1. In the case of Crown lands, the royalty charged should be divided into halves, one-half to be paid into general revenue and the other half to be paid into a central fund to be drawn on for the restoration of the site.
2. In the case of the prior land, that is land alienated before 1st March, 1892, half the royalty to be paid to the freeholder and half to be paid into the central fund. In addition, the operator should pay compensation to the landowner, the amount to be arranged by mutual agreement.
3. All other land, the minerals on or under which are the property of the Crown, the royalties to be treated as in (1) above. In addition, the operators should pay compensation to the landowner the amount to be determined by mutual agreement. Failing agreement in all cases the amount of compensation to be assessed by the Mining Warden of the district in which the site is located.

When the operators have restored the land to the satisfaction of the authorities concerned with the future use of the land, the operators should be eligible for reimbursement from the central restoration fund of an amount not exceeding the amount paid into the fund for extractive operations carried out on the site concerned. In the case of disagreement on the degree of restoration, the aim of which should be to restore it as near as is reasonable to its pre-extraction state, the Mining Warden should be empowered to arbitrate between the parties concerned.

A scale of royalties should be fixed by regulation for each particular mineral to be worked.

ACKNOWLEDGMENTS.

The Committee wishes to express its thanks to the witnesses for the valuable assistance they have given in submitting complete information on all aspects of the problems dealt with in this enquiry, and particularly to Mr. D. P. Derham and Mr. R. A. Smithers, Q.C., Members of the Bar, for their presentation of their clients' views.

In the later stages of the enquiry, considerable assistance was given by Dr. A. D. N. Bain on matters relating to the details of the operations of these industries and, in the unavoidable absence of the Secretary, in drafting this Report in the limited time available.

We express our appreciation to the Chief Shorthand Writer and his staff for ably carrying out the arduous task of reporting the evidence.

Dated at Melbourne the tenth day of April, One thousand nine hundred and fifty-eight.

P. P. CONNELL, Chairman.
L. J. COCHRANE, Vice-Chairman.
JAMES C. M. BALFOUR, Member.
J. J. JONES, Member.
A. R. MANSELL, Member.
J. F. ROSSITER, Member.

W. H. CRAIG, Secretary.