
SUPPLEMENTARY REPORT

OF THE

AUDITOR-GENERAL

FOR THE YEAR ENDED

30TH JUNE, 1956

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REPORT OF THE AUDITOR-GENERAL OF VICTORIA

SUPPLEMENTAL TO THE REPORT PRESENTED ON 16TH OCTOBER, 1956,
IN RELATION TO THE TREASURER'S STATEMENT OF THE FINANCES FOR
THE YEAR ENDED 30TH JUNE, 1956.

I have the honour to transmit to the Legislative Assembly my report on the accounts of certain of the statutory bodies which I am required by law to audit. In my report on the Treasurer's statement of the finances for the year ended 30th June, 1956, I stated that this division of the report would be presented later in the year.

The financial statements of most of these activities serve to give completeness to the report on the Public Account because they disclose how advances by way of Treasury loans and receipts from other Parliamentary appropriations are being applied.

CANCER INSTITUTE.

The Cancer Institute is controlled by the Cancer Institute Board constituted on 29th March, 1949, under Act No. 5341.

Maintenance expenditure of the Institute is met substantially from moneys appropriated by Parliament under a Health Department Vote. Payments from the vote for the year ended 30th June, 1956, totalled £294,012.

Expenditure from the Institute's revenue for the years 1954-55 and 1955-56 is set out hereunder :—

| 1954-55. | | 1955-56. |
|----------|--|----------|
| £ | | £ |
| 125,066 | Medical Departments | 184,801 |
| 15,723 | Catering | 24,514 |
| 18,894 | Housekeeping | 22,577 |
| 16,393 | Engineer's Department | 21,913 |
| 5,021 | Repairs to Buildings and Equipment | 6,725 |
| 7,331 | Tasmanian Service | 8,421 |
| 11,311 | Transport | 13,700 |
| 6,433 | Laundry | 8,140 |
| 14,200 | Depreciation | 15,300 |
| 38,613 | Administration | 49,807 |
| 7,571 | Miscellaneous | 1,342 |
| | | <hr/> |
| 266,556 | | 357,540 |
| | | <hr/> |

The revenue for the past two years was :—

| | | |
|---------|--|---------|
| 275,571 | Government Grant | 294,012 |
| 1,567 | Donations | 1,228 |
| 7,483 | Recoup by Tasmanian Government | 8,382 |
| 5,788 | Charges for treatment of Doctors' Private Patients | 6,009 |
| 2,196 | Pharmaceutical Benefits | 2,969 |
| 2,798 | Hospital Benefits | 5,125 |
| 1,762 | In-patients' Fees | 3,100 |
| 386 | Miscellaneous | 2,837 |
| | | <hr/> |
| 297,551 | | 323,662 |
| | | <hr/> |

For the purposes of making the facilities of the Institute available to the residents of Tasmania, an agreement relating to the provision of finance towards the establishment, maintenance and development of the Institute was made in 1952. The agreement provides for this State to be recouped for expenditure incurred on behalf of Tasmania.

The following abridged balance-sheets set out the financial position of the Institute at 30th June, 1955, and 1956.

The Liabilities and Funds of the Board were :—

| 30.6.1955. | | 30.6.1956. |
|------------|--|------------|
| £ | | £ £ |
| | Current Liabilities— | |
| 12,851 | Creditors | 28,147 |
| | Funds— | |
| 84,347 | Maintenance Fund | 41,681 |
| 30,275 | Depreciation Fund | 45,738 |
| 5,318 | Other Funds (including various Bequests) | 28,478 |
| | | ----- |
| | | 115,897 |
| | Capital— | |
| 721,923 | Loan Fund—Acts Nos. 5341/5698 | 845,401 |
| 2,136 | Queen Victoria Hospital, donors, etc | 3,759 |
| | | ----- |
| | | 849,160 |
| 856,850 | | ----- |
| | | 993,204 |
| | | ----- |

They were represented by :—

| | | |
|---------|--------------------------------------|---------|
| | Current Assets— | |
| 69,563 | Cash at Bank | 45,350 |
| 2,675 | Debtors | 9,649 |
| 24,982 | Stores and Materials on Hand | 25,361 |
| | | ----- |
| | | 80,360 |
| | Investments— | |
| 30,275 | Depreciation Fund | 45,738 |
| 4,636 | Other Funds | 26,364 |
| | | ----- |
| | | 72,102 |
| | Fixed Assets at cost— | |
| 506,362 | Buildings and Improvements | 593,805 |
| 13,725 | Motor Cars | 15,760 |
| 20,848 | Furniture and Furnishings | 21,511 |
| 183,784 | Equipment | 209,666 |
| | | ----- |
| | | 840,742 |
| 856,850 | | ----- |
| | | 993,204 |
| | | ----- |

COAL MINE WORKERS' PENSIONS TRIBUNAL

The *Coal Mine Workers' Pensions Act 1942*, No. 4932, came into operation on 3rd April, 1943. Contributions estimated actuarially are collected from mine owners, mine workers and the State in specified proportions.

The Income and Expenditure Account for the year and the balance-sheet are set out below.

INCOME AND EXPENDITURE ACCOUNT.

| 1954-55. | £ | 1955-56. | £ | 1954-55. | £ | 1955-56. | £ |
|------------------------------------|---|----------|---|--------------------------------------|---|----------|---|
| | | | | Contributions— | | | |
| 51,571 Pensions | | 56,067 | | 36,322 Government | | 32,715 | |
| 323 Refunds of Contributions | | 368 | | 35,633 Mine Owners | | 32,857 | |
| 2,528 Administration | | 2,429 | | 11,911 Mine Workers | | 10,977 | |
| | | | | | | | |
| 54,422 | | 58,864 | | 83,866 | | 76,549 | |
| 40,845 Surplus for year | | 30,874 | | 11,401 Interest on Investments | | 13,189 | |
| | | | | | | | |
| 95,267 | | 89,738 | | 95,267 | | 89,738 | |

BALANCE-SHEET AT 30TH JUNE, 1956.

| Current Liabilities— | £ | £ | Current Assets— | £ | £ |
|---------------------------|---------|---------|---|---------|---------|
| Sundry Creditors | | 2,154 | Cash in Bank and on hand | 1,065 | |
| Funds— | | | Sundry Debtors | 2,069 | |
| Accumulated Surplus | 317,720 | | Accrued Interest | 4,194 | 7,328 |
| Surplus 1955-56 | 30,874 | | | | |
| | 348,594 | | Investments (at cost)— | | |
| | | | Commonwealth Loans | 79,420 | |
| | | | State Electricity Commission Loans | 188,000 | |
| | | | Melbourne and Metropolitan Board of Works Loans | 56,000 | |
| | | | Gas and Fuel Corporation | 20,000 | |
| | | | | 343,420 | |
| | | 350,748 | | | 350,748 |

ELECTRICITY COMMISSION.

The operations for the year resulted in a profit of £2,112,464. Certain amounts written off accounted for £1,750,000 of the profit, leaving a surplus for the year of £362,464 which was transferred to the General Reserve.

The following is a summary, dissected under broad heads, of the financial results as set out in the Operational and Profit and Loss Accounts of the Commission for 1955-56. Figures for the previous year are also shown for purposes of comparison:—

| 1954-55. | | 1955-56. |
|------------------|--|------------------|
| £ | | £ £ |
| 1,254,632 | Profit on electricity supply | 2,215,090 |
| 167,047 | Profit on brown coal sales | 292,026 |
| 19,935 | Profit on briquetting | 9,541 |
| 15,425 | Miscellaneous income | 12,858 |
| <u>1,457,039</u> | | <u>2,529,515</u> |
| | Deduct— | |
| 233,598 | Loss on tramways | 207,694 |
| 83,051 | Miscellaneous expenses (including Brown Coal Investigations—£95,781) | 209,357 |
| <u>316,649</u> | | <u>417,051</u> |
| <u>1,140,390</u> | Net profit for year | <u>2,112,464</u> |
| | Appropriations— | |
| | Written off interest and other expenditure on works under construction temporarily capitalized | 1,750,000 |
| 380,822 | Contingency and Obsolescence Reserve | .. |
| 400,000 | General Reserve | 362,464 |
| 359,568 | | <u>2,112,464</u> |
| <u>1,140,390</u> | | <u>2,112,464</u> |

The Commission continued its policy of providing from revenue for depreciation but not for sinking fund. As in each of the six preceding years a proportion of the depreciation funds has been allocated for sinking fund purposes.

This year there has been a change in accounting procedure in that expenditure for the year on Brown Coal Investigations, amounting to £95,781, had been charged to operations whereas during the past four years such expenditure had been carried to a Suspense Account to be dealt with at a later date. The amount in the Suspense Account, £288,558, is to be absorbed by future profits.

Interest.—As from the 1st July, 1955, interest during construction on all works costing over £250,000 has been carried to the "Interest and Other Expenditure on Works under Construction temporarily capitalized" Suspense Account to be written off over as short a period as practicable from future profits. Interest on other construction works has again been charged to operations.

The following comparative statement gives an analysis of interest charges for the past two years:—

| | 1954-55. | 1955-56. |
|--|------------------|------------------|
| | £ | £ |
| On borrowed money | 6,888,910 | 7,829,730 |
| To consumers on advances for construction | 102,484 | 114,088 |
| On amounts due to deferred creditors | 169,469 | 56,580 |
| | <u>7,160,863</u> | <u>8,000,398</u> |
| This total was allocated in the accounts as under:— | | |
| Directly to operations | 3,888,425 | 4,711,065 |
| Indirectly to operations (coal winning) | 230,319 | 282,766 |
| Directly to fixed capital | 650,857 | .. |
| Through clearing accounts | 1,041,206 | 871,055 |
| To Interest and Other Expenditure on Works under Construction Suspense Account | 1,350,056 | 2,135,512 |
| | <u>7,160,863</u> | <u>8,000,398</u> |

Of the amounts allocated through the clearing accounts in each of the two years it is estimated that they eventually reached the following accounts:—

| | | |
|---|------------------|----------------|
| Operating accounts | 626,872 | 498,185 |
| Fixed capital accounts | 302,581 | 371,771 |
| Interest and Other Expenditure on Works under Construction Suspense Account | 111,753 | 1,099 |
| | <u>1,041,206</u> | <u>871,055</u> |

Interest and Other Expenditure on Works under Construction Temporarily Capitalized.—

The total sum carried to the account for 1955-56, was £3,210,707 which was £470,232 more than last year, and was made up as follows:—

| | |
|--|------------------|
| Interest (including £128,567 on depreciation moneys used) | £ |
| Protection, Storage, Treatment and other direct expenditure | 2,264,079 |
| Proportion of Service Overheads applicable to construction works in abeyance | 148,359 |
| Deficiency on sale of surplus plant and materials | 50,446 |
| Book value | £ |
| Proceeds | 1,243,071 |
| | 495,248 |
| | <u>747,823</u> |
| | <u>3,210,707</u> |

To this figure must be added the balance of £5,331,507 remaining in the account from last year, which brought the total to £8,542,214. An amount of £1,750,000 was written off this year as an appropriation of profit, leaving a balance of £6,792,214 in the account at the 30th June, 1956.

Revenue from all sources increased from £26,546,481 in 1954-55, to £31,090,810 in the year under review—a rise of £4,544,329. Tariffs for consumers on monthly account, including commercial and industrial consumers, were increased from the 1st March, 1956, and for those on quarterly account, mainly domestic consumers, from the 1st April, 1956. There was a further increase this year in the number of consumers and also in the average consumption per consumer.

Total expenditure rose from £25,406,091 in 1954-55, to £28,978,346 in the year just closed—a rise of £3,572,255.

Electricity Supply.—The operations in this Branch for the year resulted in a profit, as shown hereunder:—

| 1954-55. | | 1955-56. | |
|-------------------|---|------------|-------------------|
| £ | | £ | £ |
| | Sales— | | |
| 7,777,782 | Domestic | 9,207,495 | |
| 3,074,980 | Commercial | 3,781,640 | |
| 5,904,338 | Industrial | 6,980,121 | |
| 2,166,962 | Traction | 2,137,809 | |
| 333,620 | Public Lighting | 352,932 | |
| 5,567,924 | Bulk Supplies | 6,419,324 | |
| 12,795 | Miscellaneous Income | 7,874 | |
| <u>24,838,401</u> | | | <u>28,887,195</u> |
| | Operating Charges— | | |
| 15,056,033 | Power Generation, Transmission, Transformation and Distribution | 16,417,249 | |
| 1,636,918 | Purchased Electricity | 1,695,765 | |
| 3,639,775 | Interest | 4,467,507 | |
| 3,420,330 | General | 4,299,197 | |
| 23,753,056 | | 26,879,718 | |
| 169,287 | Less Electricity to Works, &c. | 207,613 | |
| <u>23,583,769</u> | | | <u>26,672,105</u> |
| <u>1,254,632</u> | Profit | | <u>2,215,090</u> |

Comparative results in the electricity supply branches for the past two years are shown in the following statement:—

| Branch. | Income. | | Expenditure. | | Loss —, Profit + | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 1954-55. | 1955-56. | 1954-55. | 1955-56. | 1954-55. | 1955-56. |
| | £ | £ | £ | £ | £ | £ |
| Metropolitan | 11,062,888 | 12,510,137 | 10,427,125 | 11,361,251 | + 635,763 | +1,148,886 |
| Ballarat | 573,084 | 682,212 | 481,521 | 554,862 | + 91,563 | + 127,350 |
| North-Western Region | 770,183 | 1,033,151 | 915,297 | 1,219,083 | — 145,114 | — 185,932 |
| Eastern Metropolitan | 1,980,575 | 2,481,853 | 1,763,072 | 2,185,885 | + 217,503 | + 295,968 |
| Geelong | 1,002,269 | 1,170,287 | 864,564 | 977,494 | + 137,705 | + 192,793 |
| Gippsland | 1,326,405 | 1,599,603 | 1,326,421 | 1,593,125 | — 16 | + 6,478 |
| Midland | 350,185 | 411,600 | 369,234 | 432,472 | — 19,049 | — 20,872 |
| North-Eastern | 1,749,046 | 1,985,249 | 1,701,682 | 1,889,912 | + 47,364 | + 95,337 |
| South-Western | 746,841 | 920,009 | 763,434 | 941,215 | — 16,593 | — 21,206 |
| Yallourn and Yallourn North | 53,032 | 57,881 | 47,332 | 59,945 | + 5,700 | — 2,064 |
| Metropolitan Bulk Supplies | 5,207,281 | 6,016,465 | 4,902,396 | 5,429,610 | + 304,885 | + 586,855 |
| Kiewa | 16,612 | 18,748 | 21,691 | 27,251 | — 5,079 | — 8,503 |
| | <u>24,838,401</u> | <u>28,887,195</u> | <u>23,583,769</u> | <u>26,672,105</u> | <u>+1,254,632</u> | <u>+2,215,090</u> |

Brown Coal Sales.—The profit on sales from the Yallourn North Open Cut was £124,979 greater than last year.

The tonnage won increased from 1,390,503 tons in 1954–55 to 1,548,818 tons in the year just closed and there was an increase in the selling price to the public from the 18th July, 1955.

The comparative figures for the two years were:—

| 1954–55. | | 1955–56. | |
|-----------|---------------------------------------|-----------|---------|
| £ | | £ | £ |
| 551,162 | Sales to public | | 735,051 |
| 1,931,896 | Coal winning and distribution | 2,125,549 | |
| 1,547,781 | Less Brown Coal to works | 1,682,524 | |
| 384,115 | | | 443,025 |
| 167,047 | Profit | | 292,026 |

Briquetting.—Operations in this branch of the undertaking resulted in a profit of £9,541 which was a fall of £10,394 on the result in the preceding year.

A total of 632,263 tons was sold to the public or transferred to works during the year as compared with 581,594 tons the previous year, the increase being due to the release by the Commission of a larger tonnage for sale to the public for household purposes. Sales for this purpose rose from 50,021 tons in 1954–55, to 104,615 tons in 1955–56, but there was no variation in price for sales to the public during the year. The availability of these briquettes was due mainly to the increased use of alternative fuels, particularly furnace oil, in the metropolitan power stations.

Stocks of briquettes on hand at the 30th June, totalled 80,495 tons as compared with 81,508 tons at the end of the previous year, and were valued for balance-sheet purposes at the average landed cost in the Depots over the year.

The results for the last two years are shown in the following statement:—

| 1954–55. | | 1955–56. | |
|-----------|---|-----------|-----------|
| £ | | £ | £ |
| 2,733,819 | Manufacture and distribution | | 3,055,352 |
| 1,719,743 | Less Briquettes to works | 1,698,678 | |
| 74,245 | .. Electricity to power station | 68,925 | |
| 1,793,988 | | | 1,767,603 |
| 939,831 | | | 1,287,749 |
| 959,766 | Sales to industries and public | | 1,297,290 |
| 19,935 | Profit | | 9,541 |

Tramways.—Operations for the year in Ballarat, Bendigo, and Geelong each resulted in a loss, the total being £207,694 which was £25,904 less than that incurred in 1954–55, this reduction being the direct result of the closing down of the tramway services in Geelong in favour of private buses, the routes having been closed progressively from the 9th January to the 25th March, 1956.

Under an agreement between the Commission and the various municipalities concerned, it was provided that the Commission would contribute a total estimated sum of £294,828 toward the cost of removing the tram tracks and restoring the roads, this sum to be paid in instalments over a period of eight years.

Tram mileages on all three systems totalled 1,213,149 as compared with 1,514,795 the previous year, while the total number of passengers carried was 9,710,879 as against 12,637,464 in 1954–55.

Total losses on operations since the three systems were taken over by the Commission now amount to £2,093,604 to which may be added capital written off totalling £175,763.

Tram fares in all three cities were increased from the 1st November, 1955.

A comparison of the results of operations for the past two years is as follows:—

| 1954–55. | | 1955–56. | |
|----------|--|----------|---------|
| £ | | £ | |
| 415,325 | Operating charges | | 366,110 |
| 181,727 | Traffic receipts, advertising, &c. | | 158,416 |
| 233,598 | | | 207,694 |

BALANCE-SHEET.

The following is an abridged statement of the Commission's balance sheets at the 30th June, 1955, and 1956.

| 30.6.55. £ | | £ | 30.6.56. £ |
|--------------------|--|--------------|---------------|
| | Current and Accrued Assets— | | |
| 353,268 | Cash | | |
| 2,545,998 | Sundry Debtors | | |
| 7,723,684 | Stores and Materials (Construction and Operation) | 2,992,166 | |
| 19,677 | Funds with Agent-General—London | 8,509,159 | |
| .. | Investments—Self-Help Contributions unexpended | 25,532 | |
| 1,561,791 | Miscellaneous | 1,431,293 | |
| | | 2,049,779 | |
| <u>12,204,418</u> | | | 15,007,929 |
| | Less Current and Accrued Liabilities— | | |
| 4,752,097 | Sundry Creditors | 7,488,705 | |
| 492,467 | Trust Moneys | 546,881 | |
| .. | Bank Overdraft | 6,585,950 | |
| | | | |
| <u>5,244,564</u> | | | 14,621,536 |
| 6,959,854 | Net Current Assets. | | 386,393 |
| 1,731,815 | Investment—Reserves | | 736,511 |
| | Fixed Assets— | | |
| 12,029,681 | Coal Production | 13,860,105 | |
| 16,477,926 | Briquette Production | 17,537,168 | |
| | Power Production— | | |
| 48,953,314 | Thermal Stations | 52,992,757 | |
| 19,112,667 | Hydro Stations | 30,865,499 | |
| 13,464,961 | Transmission System | 15,546,763 | |
| 10,242,000 | Terminal Transformation System | 11,753,947 | |
| 31,814,072 | Distribution System | 40,053,559 | |
| 5,358 | Tramways | 674 | |
| 40,563,222 | General and Service Assets | 29,760,759 | |
| | | | |
| <u>192,663,201</u> | | 212,371,231 | |
| 18,840,434 | Deduct Provision for Depreciation | 20,527,232 | |
| | | | |
| <u>173,822,767</u> | | 191,843,999 | |
| 337,865 | Deduct Extensions payable by Consumers | 356,525 | |
| | | | |
| <u>173,484,902</u> | | | 191,487,474 |
| | Suspense Debits— | | |
| 5,331,507 | Interest and other Expenditure on Works under Construction temporarily capitalized | 6,792,214 | |
| 4,830,130 | Overburden Removal and Disposal | 5,181,585 | |
| 886,906 | Loan Flotation Expenses | 907,705 | |
| 337,970 | Work in Progress | 374,857 | |
| 384,258 | Unallocated Contract Expenditure | 659,487 | |
| 503,208 | Miscellaneous | 401,917 | |
| | | | |
| <u>12,273,979</u> | | | 14,317,765 |
| 194,450,550 | | | 206,928,143 |
| | The Funds from which these balances are being financed are— | | |
| 41,744,195 | State Treasury Loans (Net) | 42,363,465* | |
| 141,081,404 | Commission Loans (Net) | 151,714,442† | |
| 571,982 | Municipal Debentures Guaranteed | 611,784 | |
| | | | |
| <u>183,397,581</u> | | | 194,689,691 |
| 3,321,904 | Suspense Credits—Consumers' Advances for Construction | | 4,075,632 |
| | Reserves— | | |
| 2,768,435 | Sinking Funds | 956,193 | |
| 993,737 | Rural Development | 500,000 | |
| 500,000 | Rate Stabilization | | |
| | | | |
| <u>4,262,172</u> | | | 1,456,193 |
| 1,982,032 | Contingency and Obsolescence | 1,975,675 | |
| 1,486,861 | General | 4,730,952 | |
| | | | |
| <u>3,468,893</u> | | | 6,706,627 |
| 194,450,550 | | | 206,928,143 |

* £6,534,557 of this amount is repayable in Sterling.

† £1,235,042 of this amount is repayable in Sterling.

It should be stated that the total in the Sinking Fund Reserve at 30th June, 1955, composed of amounts provided out of revenue in past years, as well as Commonwealth and State payments included in the Commission's equity in the National Debt Sinking Fund, has this year been transferred to the General Reserve.

Loans.—Indebtedness for loans increased during the year by £11,292,110, this increase being made up as follows:—

| | £ |
|---|-------------|
| Total indebtedness at 30th June, 1955 | 183,397,581 |
| Net increase in Treasury Loans | 619,270 |
| Net increase in Commission Loans | 10,633,038 |
| Net increase in Municipal Debentures Guaranteed | 39,802 |
| | <hr/> |
| Total indebtedness at 30th June, 1956 | 194,689,691 |
| | <hr/> |

Difficulty is still being experienced by the Commission in obtaining sufficient finance to carry out its construction programme.

During the past year recourse has of necessity been made to short term accommodation in the form of bank overdraft, which, at the end of the year, amounted to £6,585,950.

As was pointed out in my report on the year's transactions for 1951-52, long term loans rather than temporary accommodation constitute the form of support most desirable in the financial structure of a public utility.

METROPOLITAN FIRE BRIGADES BOARD.

The Board's revenue consisted primarily of contributions, £889,767, provided by Fire Insurance Companies, £593,178, and Municipalities, £296,589.

A statement of Revenue and Expenditure for the past four years is as follows :—

| | 1952-53. | 1953-54. | 1954-55. | 1955-56. |
|---|----------|----------|----------|----------|
| <i>Revenue.</i> | £ | £ | £ | £ |
| Surplus from previous year | .. | 23,021 | 63,404 | 58,412 |
| Statutory contributions | 839,981 | 877,311 | 865,857 | 889,767 |
| Other | 4,618 | 20,932 | 31,029 | 33,673 |
| | 844,599 | 921,264 | 960,290 | 981,852 |
| <i>Expenditure.</i> | | | | |
| Deficit from previous year | 1,055 | .. | .. | .. |
| Salaries, Wages, and Maintenance, &c. | 763,880 | 804,544 | 834,582 | 893,485 |
| Loan Repayments | 12,121 | 11,009 | 11,580 | 10,399 |
| Transfers to Funds and Interest on Loans. | 44,522 | 42,307 | 55,716 | 58,956 |
| | 821,578 | 857,860 | 901,878 | 962,840 |
| Surplus carried forward to next year | 23,021 | 63,404 | 58,412 | 19,012 |

Funds, other than the General Account, administered by the Board amount to £703,658. The balances of these funds are for the most part represented by investments in trust securities. The Principal funds are in respect of :—

| | £ |
|---------------------------------------|---------|
| Superannuation | 581,268 |
| Motor Replacement | 35,051 |
| Plant and Buildings | 48,270 |
| Provision of Special Services | 30,357 |

From its General Account and loan moneys the Board has over the years acquired assets of considerable value which include :—

| | £ |
|---|---------|
| Land and Buildings | 408,900 |
| Plant, Machinery, and Equipment | 54,746 |
| Rolling Stock | 96,705 |

The Board's loan liability was reduced to £76,727 at 30th June, 1956.

COUNTRY FIRE AUTHORITY.

Finance to enable this Authority to carry out its functions is provided, as to one-third, by the State through the Municipalities Assistance Fund and, as to two-thirds, rateably by Fire Insurance Companies in proportion to relevant risks under-written.

To determine the total contributions from these sources an estimate of expenditure, which is subject to the approval of the Governor in Council, has to be prepared annually by the Authority. The amount approved for the year ended 30th June, 1956, was £368,219.

A statement of sums received as revenue and the application thereof, over the past four years, is as follows:—

| | 1952-53. | 1953-54. | 1954-55. | 1955-56. |
|---|----------|----------|----------|----------|
| | £ | £ | £ | £ |
| <i>Receipts.</i> | | | | |
| Surplus from previous year | .. | .. | 1,949 | 7,926 |
| Statutory contributions | 278,215 | 310,384 | 342,627 | 368,219 |
| Other receipts | 14,488 | 17,790 | 20,091 | 23,439 |
| Deficit, carried forward to next year | 2,717 | .. | .. | 5,511 |
| | 295,420 | 328,174 | 364,667 | 405,095 |
| <i>Payments.</i> | | | | |
| Deficit from previous year | 16,249 | 2,717 | .. | .. |
| Salaries, wages, and maintenance | 181,662 | 205,971 | 221,037 | 258,789 |
| Loan repayments | 12,235 | 15,956 | 20,709 | 25,262 |
| Loan interest | 6,899 | 10,865 | 16,476 | 23,414 |
| Land, buildings, rolling stock, and equipment | 27,209 | 29,526 | 29,555 | 16,988 |
| Motor replacement fund | 17,290 | 21,676 | 26,274 | 33,074 |
| Compensation fund | 3,440 | 8,600 | 6,151 | 6,718 |
| Other payments | 30,436 | 30,914 | 36,539 | 40,850 |
| Surplus carried forward to next year | .. | 1,949 | 7,926 | .. |
| | 295,420 | 328,174 | 364,667 | 405,095 |

An abstract of the Authority's balance-sheet at 30th June, 1956, is appended:—

| | | | |
|--|-----------|--------------------------------------|-----------|
| | £ | | £ |
| Loan Liability | 618,807 | Current Assets | 69,519 |
| Current Liabilities | 27,576 | Investments—Funds | 228,754 |
| Funds—Compensation, Motor Replace- ment, Superannuation &c. | 228,754 | Investments—Unexpended Loans | 161,310 |
| Capital and Reserves | 612,657 | Land | 46,745 |
| | | Buildings | 267,462 |
| | | Rolling Stock | 559,828 |
| | | Plant, Machinery &c. | 135,857 |
| | | Other Assets | 18,319 |
| | 1,487,794 | | 1,487,794 |

GAS AND FUEL CORPORATION OF VICTORIA.

The accounts of the Gas and Fuel Corporation of Victoria are required to be audited jointly by the Auditor-General and Auditors appointed by the preference shareholders. The accounts for 1955-56 have been audited, and were adopted at the annual meeting of the shareholders held on 31st August, 1956.

For the purposes of comparison, figures for the previous year are given in the following abridged financial statements of the Corporation.

PROFIT AND LOSS ACCOUNT.

| 1954-55. | Revenue. | 1955-56. |
|-----------|--|-----------|
| £ | | £ |
| 6,743,235 | Sales of Gas | 7,110,208 |
| 1,659,887 | Residual Products and Other Items | 1,611,108 |
| 8,403,122 | | 8,721,316 |
| | Expenditure. | |
| 5,556,733 | Manufacture of Gas | 5,511,975 |
| 1,544,446 | Distribution of Gas | 1,743,431 |
| 121,382 | Management Expenses | 145,969 |
| 4,000 | Directors' Fees | 4,750 |
| 77,509 | Superannuation Contributions, Retiring Allowances, &c. | 87,830 |
| 328,721 | Interest on Debentures, Overdraft, &c. | 404,426 |
| 464,604 | Depreciation and Amortization | 542,457 |
| 52,877 | Long Service Leave | 57,335 |
| 15,007 | Other Costs | 19,506 |
| 8,165,279 | | 8,517,679 |
| 237,843 | Profit on Trading | 203,637 |
| 15,291 | Income from General Investments | 3,283 |
| 253,134 | | 206,920 |
| 25,000 | Contingency Reserve | 25,000 |
| 70,000 | Special Provision for Depreciation of Buildings and Plant at South Melbourne Works | 24,000 |
| 95,000 | | 49,000 |
| 158,134 | Net Profit for year carried to Profit and Loss Appropriation Account | 157,920 |

The quantity of gas sold for the year was 9,759 million cubic feet, an increase of 362 million cubic feet upon the figure for the previous year, returning an average of 14s. 6·87d. per thousand cubic feet compared with 14s. 4·2d. in 1954-55. An increase in the tariff rate to consumers and additional revenue resulting from expanded sales enabled the Corporation to meet higher costs of production and distribution.

Receipts from the sales of by-products provide a substantial portion of the revenue of the Corporation, and the availability of and the demand for these by-products play an important part in the overall financial results of the year. Changes in plant operation reduced the supplies of coke and tar products available for sale to consumers, and returns from the sale of these items were lower than in the previous year.

Profits on the sale of gas appliances were the highest ever recorded by the Corporation and show an increase of 17½ per cent. upon the 1954-55 figures, which were the previous highest.

Details of revenue under these headings are:—

| 1954-55. | Revenue. | 1955-56. |
|-----------|--|-----------|
| £ | | £ |
| 1,187,197 | Coke and Breeze | 1,153,918 |
| 373,445 | Tar Products | 337,745 |
| 2,166 | Ammonia Products | 5,371 |
| 97,055 | Profit on Sale of Gas Appliances | 114,040 |
| 24 | Other | 34 |
| 1,659,887 | | 1,611,108 |

Depreciation on machinery, plant, equipment, and other assets was continued at $3\frac{3}{4}$ per cent., and £538,799 was charged to working expenses under this heading. Further charges included £3,658 for amortization of a leasehold. A further £24,000 was provided for writing off the value of certain metropolitan plant and equipment which it is anticipated will cease to be operated before the end of its normal working life when gas becomes available from the Morwell plant.

As in previous years a provision of £25,000 was made out of the profits of the year for the purposes of the Contingency Reserve. Payments from the Reserve amounted to £29,765 and were in respect of a claim for damages and for legal costs arising out of an explosion which wrecked the Town Hall Hotel in Swanston-street. Although occurring prior to the creation of the Corporation, liability in this matter devolved upon the Corporation as the successor in law to the Metropolitan Gas Company.

Preference shares carry a 4 per centum per annum cumulative dividend, requiring payments totalling £157,640, and the balance of the profit for the year was available for the repayment of advances made by the State under the dividend guarantee provisions of the Act. Movements in the Profit and Loss Appropriation Account for the year were:—

| | £ | £ |
|---|---------|----------------|
| Net Profit for year from Profit and Loss Account | 157,920 | |
| Add Balance at 1st July, 1955 | 79,314 | |
| | | <u>237,234</u> |
| Dividends on Preference Shares— | | |
| 4 per cent. per annum for half-year ended 30th June, 1955 | 78,820 | |
| 4 per cent. per annum for half-year ended 31st December, 1955 | 78,820 | |
| Paid to State of Victoria on account of moneys advanced under Dividend Guarantee | 494 | |
| | | <u>158,134</u> |
| Balance carried forward (from which a dividend at 4 per cent. per annum for the half-year ended 30th June, 1956, has since been paid) | | <u>79,100</u> |

Arrears of dividends due to preference shareholders amount to £49,262, and this amount is shown at the foot of the balance-sheet as a contingent liability. No dividend has been paid on the four million ordinary shares held by the State, since any such dividend can be declared only from profits remaining after preference shareholders have been paid dividends in full, and after repayment of advances made by the State under the dividend guarantee.

BALANCE-SHEET—(ABRIDGED).

| 30.6.1955. | | 30.6.1956. | |
|------------|---|------------|-------------------|
| £ | | £ | £ |
| | Shareholders' Funds— | | |
| | Subscribed Capital— | | |
| 3,940,976 | 3,940,976 4 per cent. Cumulative Preference Shares of £1 each .. | 3,940,976 | |
| 4,000,000 | 4,000,000 Ordinary Shares of £1 each subscribed by the State of Victoria | 4,000,000 | |
| | | | <u>7,940,976</u> |
| | Reserves— | | |
| 11,278 | National Debt Sinking Fund (Treasury allocation of Commonwealth contribution) | 22,285 | |
| 65,000 | Contingencies | 60,235 | |
| | | | <u>82,520</u> |
| 79,314 | Profit and Loss Appropriation Account | | 79,100 |
| | Current Liabilities— | | |
| 752,412 | Trade and Other Creditors | 677,438 | |
| 3,221 | Unpaid Dividends | 2,120 | |
| 108,648 | Unpaid and Accrued Debenture Interest | 154,980 | |
| 2,270 | Balance of Advances from State of Victoria for purchase of Preference Shares | 5,683 | |
| 218,685 | Bank Overdraft | 1,407,310 | |
| 1,200 | Debentures Matured and Unpaid | 53,300 | |
| 42,945 | Provision for Long Service Leave | 51,020 | |
| 77,765 | Provision for Deferred Repairs | 85,678 | |
| | | | <u>2,437,529</u> |
| 9,303,714 | Carried forward | | <u>10,540,125</u> |

BALANCE-SHEET—*continued.*

| 30.6.55 | | 30.6.1956. |
|------------|---|----------------|
| £ | | £ £ |
| 9,303,714 | Brought forward | 10,540,125 |
| | Deferred Liabilities— | |
| 4,012,338 | Advances from State of Victoria | 5,018,446 |
| 22,337 | Less securities purchased and cancelled by the National Debt Commission | 43,037 |
| 3,990,001 | | 4,975,409 |
| 9,607,000 | Debentures and Debenture Stock (Secured) | 13,227,000 |
| 99,960 | Provision for Exchange on Debentures maturing in London | 99,960 |
| 14,184 | Deposits on Contracts | 16,052 |
| 60,607 | Retiring Allowances | 68,441 |
| 156,563 | Other Creditors | 135,233 |
| 184,937 | Deferred Liability in connexion with Overseas Contracts | 103,474 |
| 10,123,251 | | 13,650,160 |
| | £ Contingent Liabilities— | £ |
| 79,763 | (1) To State of Victoria under Dividend Guarantee | 79,269 |
| 49,262 | (2) Arrears of Preference Dividend for period 1st July, 1951, to 31st December, 1953 | 49,262 |
| 23,416,966 | (3) Uncalled amount on Shares held in another Company | 475 |
| | (4) Moneys held on Deposit from Consumers including interest thereon. | |
| | Fixed Assets— | |
| 1,152,981 | Freeholds and Leaseholds | 1,295,837 |
| 13,550,750 | Machinery, Plant, and Equipment | 15,109,629 |
| 14,703,731 | | 16,405,466 |
| 1,873,126 | Less Provision for Depreciation and Amortization | 2,415,805 |
| 12,830,605 | | 13,989,661 |
| 6,486,976 | Capital Work in Progress (at cost) | 10,341,744 |
| 19,317,581 | | 24,331,405 |
| | Current Assets— | |
| 1,604,442 | Trade and Other Debtors (less provision for Bad and Doubtful Debts and Consumers' Deposits) | 1,956,610 |
| 1,695,286 | Stocks (at or under Cost or Valuation) | 1,886,649 |
| 45,429 | Cash in Hand | 72,209 |
| | Investments— | £ |
| 100,000 | Commonwealth Government Inscribed Stock (at Cost) 100,000 | |
| 475 | In Company (at Cost) | 475 |
| | | 100,475 |
| 18,477 | | 4,015,943 |
| 34,072 | Deferred Assets—Contractors Securities and Other Debtors | 122,411 |
| 84,797 | Prepayments | 47,236 |
| 213,675 | Unamortized Debenture Issue and Loan Expenses | 132,206 |
| 290,133 | Loss in Subsidiaries prior to Amalgamation | 213,675 |
| 11,633 | Excess of Cost over Book Value of net Assets taken over from Subsidiaries | 290,133 |
| 746 | Amount Paid in Connexion with Undelivered Portion of Overseas Contracts | 10,819 |
| 220 | General Work in Progress (at Cost) | 1,309 |
| | National Debt Sinking Fund | 557 |
| 23,416,966 | | 29,165,694 |

The project for the gasification of brown coal at Morwell and the general expansion of the Corporation's works and areas of operation involved a capital outlay of £5,556,503 in 1955-56. The major portion of the funds required was provided by a further advance of £1,000,000 by the State, and by £3,620,000 raised by public loans.

Fixed Assets include developmental plant and works which are not revenue producing during the construction period. The cost of these assets has been defrayed from various sources including State loans and the proceeds of public debenture flotations, and, in accordance with accepted accounting standards, the related interest charges have been capitalized. The amount so treated in 1955-56 was £346,518.

A summary of the total advances and payments to the Corporation by the State under the provisions of Acts Nos. 5507 and 5725 and of amounts received by the State is :—

| | To 30th June, 1955. | 1955-56. | Total | Charged to— |
|--|------------------------|-----------|------------|----------------------|
| | £ | £ | £ | |
| <i>Received by the Corporation from the State—</i> | | | | |
| Loan Advances | 4,000,000 | 1,000,000 | 5,000,000 | Loan Funds |
| Subscription for 4,000,000 Ordinary Shares of £1 | 4,000,000 | .. | 4,000,000 | Loan Funds |
| Purchase of Preference Shares | 2,589,447 | 170,000 | 2,759,447 | Loan Funds |
| Preference Share Dividend Guarantee | 108,379 | .. | 108,379 | Consolidated Revenue |
| | 10,697,826 | 1,170,000 | 11,867,826 | |
| <i>Received by the State from the Corporation—</i> | | | | |
| Sinking fund contribution on loan advances | 11,279 | 10,030 | 21,309 | |
| Interest on loan advances | 217,989 | 188,186 | 406,175 | |
| Dividends on preference shares | 266,533 | 105,444 | 371,977 | |
| Repayment of Dividend Guarantee | 28,616 | 494 | 29,110 | |
| | 524,417 | 304,154 | 828,571 | |

Under the terms of the agreement scheduled to Act No. 5507, the transfer of preference shares by sale is restricted to sale at par to the State. At 30th June, 1956, the State was the registered owner of 2,753,764 shares and £5,683 was held by the Corporation towards further purchases.

GRAIN ELEVATORS BOARD.

During the 1954-55 receival season the Board's facilities of 138 country elevators together with sixteen mill elevators, leased from flour millers, were used. In addition 86 Australian Wheat Board bulkheads were in operation. Other storages available consisted of the Geelong Terminal Elevator, the Marmalake (Murtoa) No. 1 Emergency Bulk Wheat Storage, and the Australian Wheat Board's Emergency Storages at Marmalake No. 2, Dunolly, Warracknabeal Wayside, and Carryover Storages Nos. 1 and 2 at Geelong.

Receivals by the Board over the past five years compare as follows:—

| Season. | Pool No. | Receivals. |
|-------------------------------|--------------|------------|
| | | (Bushels) |
| 1950-51 | 14 | 40,590,383 |
| 1951-52 | 15 | 41,849,046 |
| 1952-53 | 16 | 46,349,497 |
| 1953-54 | 17 | 49,957,863 |
| 1954-55 (to 31.10.55) | 18 and 18(a) | 44,385,149 |

The following statement shows the receivals and disposal in connexion with No. 18 and 18A Pools, 1954-55 season, to 31st October, 1955:—

| | | | |
|--|---------------|------------|---------------------|
| Receivals during the year | Bushels. | Bushels. | Bushels. |
|  | .. .. . | .. .. . | 44,385,149 |
| Disposal— | | | |
| Mills | .. 15,188,407 | | |
| Ships | .. 3,097,971 | | |
| Produce Merchants | .. 1,582,769 | | |
| Australian Wheat Board—Bag Stack | .. 2,838 | | |
| | ————— | 19,871,985 | |
| Pickups and Dust .. .. . | .. .. . | 9,517 | |
| Insurance Claims .. .. . | .. .. . | 9,658 | |
| | | ————— | 19,891,160 |
| Balance held at Storages | | | ————— 24,493,989 |

All country elevators and bulkheads had been emptied by 6th January, 1956, but stocks are still held at Geelong Terminal.

Construction of two emergency storages at Geelong Terminal Elevator on behalf of the Australian Wheat Board has been completed. Under the terms of the agreement entered into with that Board such storages are to be operated, maintained and controlled by the Grain Elevators Board as an integral part of its grain elevator installation at Geelong.

Construction of 99 steel wheat storage bins at sites adjacent to existing concrete elevators was continued, 38 bins having been completed to 31st October, 1955.

In extension of the Board's system of bulk receival facilities tenders were called during the year for the construction of an additional 48 wheat storage units, each of 100,000 bushels capacity.

Of these, up to 8 units are planned for stations on lines operated in southern New South Wales by the Victorian Railways system, subject to the passing of the necessary complementary legislation by the Parliament of New South Wales. The remaining units are to be constructed at various stations in Victoria.

Financial arrangements with the Australian Wheat Board, for the handling of wheat through the Grain Elevators Board, provide for operational and maintenance expenditure being recouped by the Australian Wheat Board and also for the payment of an allowance based on the cost of the capital facilities of the Grain Elevators Board.

The statement of Revenue and Expenditure given below shows a net revenue for the 1954-55 accounting period of £87,330. Appropriations therefrom, including £50,000 taken to the General Reserve Fund, leave a surplus from the year's operations of £15,072.

| 1953-54. £ | <i>Revenue.</i> | 1954-55. £ | £ |
|---------------|---|---------------|---------|
| 363,953 | Australian Wheat Board—Recoupable expenditure for operating and maintenance | 488,509 | |
| 172,283 | Capital Facilities Allowance | 200,570 | |
| 12,070 | Depreciation Reserve Fund Investment Interest | 13,967 | |
| 2,647 | Interest on General Investments | 9,092 | |
| 6,095 | „ „ „ Reserve Fund Investments | 8,139 | |
| .. | „ „ „ Insurance Reserve Fund Investments | 103 | |
| 4 | Miscellaneous | .. | |
| <hr/> | | <hr/> | |
| 557,052 | | | 720,380 |
| | <i>Expenditure.</i> | | |
| | Operating and Maintenance— | | |
| 42,764 | Geelong Terminal | 144,920 | |
| 139,498 | Country Elevators | 134,905 | |
| 52,921 | Emergency Bulk Wheat Storages | 61,657 | |
| 74,204 | Administration Expenses | 82,064 | |
| 54,565 | Depreciation | 64,963 | |
| 78,201 | Interest on Loans | 113,717 | |
| 362 | Williamstown Foundations Expenses | 524 | |
| 7,238 | Amortization—Preliminary Expenses and Loan Flotation Expenses .. | 6,843 | |
| | Sinking Fund Charges— | | |
| 2,030 | National Debt Sinking Fund (Act No. 4379) | 2,657 | |
| 14,300 | Debentures and Inscribed Stock Sinking Fund (Act No. 4270) .. | 20,800 | |
| <hr/> | | <hr/> | |
| 466,083 | | | 633,050 |
| <hr/> | | <hr/> | |
| 90,969 | Net Revenue | .. | 87,330 |
| 2,223 | Add Surplus on disposal of motor vehicles | .. | .. |
| <hr/> | | <hr/> | |
| 93,192 | | | |
| | Less Appropriations— | | |
| 12,070 | Depreciation Reserve Fund—Interest on Investments | 13,967 | |
| 6,096 | General Reserve Fund—Interest on Investments | 8,139 | |
| .. | Insurance Reserve Fund—Interest on Investments | 103 | |
| 50,000 | General Reserve Fund | 50,000 | |
| 1,661 | Loss on Realization of Investments | 49 | |
| <hr/> | | <hr/> | |
| | | | 72,258 |
| 23,365 | Surplus for year ended 31st October, 1955 | .. | 15,072 |
| <hr/> | | <hr/> | |
| | Add Net Accumulation at 31st October, 1954 | .. | 75,771 |
| | | | <hr/> |
| | | | 90,843 |
| | Less: Adjustment to Motor Vehicles Disposal Suspense | .. | 2,223 |
| | | | <hr/> |
| | Net Accumulation at 31st October, 1955 | .. | 88,620 |
| | | | <hr/> |

The following is an abridged statement of the Board's balance-sheet :—

| 31.10.1954. | | 31.10.1955. |
|-------------|--|----------------|
| £ | | £ £ |
| | Current Assets— | |
| 2,352 | Stores, &c. | 2,038 |
| 351,209 | Sundry Debtors, Accrued Interest, and Advances | 117,676 |
| 126,785 | Cash | 92,008 |
| 480,346 | | 211,722 |
| 706,254 | Investments | 1,295,853 |
| | Fixed Assets—at Cost— | |
| | Construction— | £ |
| 999,365 | Country Elevators | 1,461,572 |
| 329,680 | Geelong Terminal | 329,680 |
| | | 1,791,252 |
| | Equipment and Plant— | |
| 183,941 | Country Elevators | 184,045 |
| 307,367 | Geelong Terminal | 331,294 |
| | | 515,339 |
| 101,452 | Designs, Plans, Survey, &c. | 101,536 |
| 169,581 | Transport Facilities | 189,491 |
| 1,348 | Freehold Land | 1,348 |
| | | 2,598,966 |
| | Fixed Assets—less depreciation— | |
| 45,787 | Equipment and Plant—Mobile | 50,590 |
| 2,420 | Marmalake No. 1 Emergency Storage | 2,420 |
| 20,066 | Motor Vehicles, Office Furniture and Equipment | 20,241 |
| | | 73,251 |
| | Other Debit Balances— | |
| 62,652 | Preliminary and Loan Flotation Expenses | 55,822 |
| 1,217 | National Debt Sinking Fund—Cash in Fund | 847 |
| | | 56,669 |
| 3,411,476 | | 4,236,461 |
| | Current Liabilities— | |
| 30,654 | Sundry Creditors | 35,542 |
| | Loans— | |
| 988,659 | Government of Victoria | 980,642 |
| 1,387,370 | Public | 2,027,120 |
| | | 3,007,762 |
| | Reserves and Sinking Funds— | |
| | Cancelled Securities Reserves— | |
| 75,249 | National Debt Sinking Fund | 82,909 |
| 42,610 | Debentures and Inscribed Stock | 52,860 |
| 101,280 | Matured Public Loans | 101,280 |
| 362,270 | Depreciation Reserve Fund | 435,459 |
| 2,420 | Marmalake No. 1 Emergency Storage Reserve | 2,420 |
| 4,612 | Country Bulkhead Equipment Suspense | 4,612 |
| 5,434 | Insurance Reserve | 8,657 |
| 206,096 | General Reserve Fund | 264,234 |
| 102,329 | Debentures and Inscribed Stock Sinking Fund | 117,015 |
| | | 1,069,446 |
| | Suspense Accounts— | |
| 74 | Geelong Pier | 74 |
| 26,648 | Superannuation | 32,200 |
| .. | Motor Vehicle Disposal | 2,817 |
| 75,771 | Revenue Account—Net Accumulation | 88,620 |
| 3,411,476 | | 4,236,461 |

Incomplete contracts totalling £557,984 at 31st October, 1955, have not been included in the balances shown.

LATROBE VALLEY WATER AND SEWERAGE BOARD.

Constituted under the provisions of the *Latrobe Valley Drainage Act 1951* as amended, the Latrobe Valley Water and Sewerage Board commenced operations on 1st July, 1954. Functions of the Board include the maintenance of adequate supplies of water within the Latrobe Valley area, and the construction and operation of an outfall sewer to convey industrial and domestic waste from the area to the sea.

Prior to the appointment of the Board, a considerable amount of preliminary work was carried out by the State Rivers and Water Supply Commission, which was, by the Act, empowered to exercise all the powers and discharge all the functions of the Board.

Expenditure on capital works has been met from the Loan Fund—by direct charging thereto by the Commission, and as a result of payments by the Treasurer to recoup the Board for expenditure met from an overdraft of £75,000 authorized by the Act. Charges to the Loan Fund are:—

| Year. | Expended by. | Water. | Sewerage. | Total. |
|---------|---|---------|-----------|-----------|
| | | £ | £ | £ |
| 1951-52 | State Rivers and Water Supply Commission .. | .. | 9,369 | 9,369 |
| 1952-53 | State Rivers and Water Supply Commission .. | 506 | 9,552 | 10,058 |
| 1953-54 | State Rivers and Water Supply Commission .. | 271,044 | 10,577 | 281,621 |
| 1954-55 | State Rivers and Water Supply Commission .. | 7,196 | 2,339 | 9,535 |
| 1954-55 | Latrobe Valley Water and Sewerage Board .. | 280,824 | 139,539 | 420,363 |
| 1955-56 | State Rivers and Water Supply Commission .. | .. | 210 | 210 |
| 1955-56 | Latrobe Valley Water and Sewerage Board .. | 305,526 | 327,637 | 633,163 |
| | | 865,096 | 499,223 | 1,364,319 |

All such charges, whether associated with expenditure by the Commission or arising from payments to the Board, are considered to be advances made by the Treasurer to the Board. Liability for interest at three per centum per annum and for repayment rests upon the Board.

To 30th June, 1955, the Board was engaged upon the acquisition and construction of works, which with minor exceptions, were not productive of revenue. Accordingly all administrative expenditure was capitalized. Corresponding treatment of interest charges was, however, prohibited by the terms of the Act. As sufficient funds to meet interest charges and instalments of redemption were not otherwise available, the approval of the Treasurer was given to such payments being deferred on condition that payment in full be made within three years from the date upon which each major work becomes revenue producing.

During 1955-56, water was supplied in bulk to waterworks trusts and industrial consumers in the area, and the water supply works of the Board were considered to have been placed on a revenue earning basis from 5th September, 1955. A payment of £10,231 was made to the Treasurer, and of this amount £8,769 was applied to interest, and £1,462 to redemption.

Sewerage works are still in the construction stage and no payments have been made on account of interest or as instalments in redemption of the loan liability. However, payment by a contractor of part of the cost of materials supplied for the manufacture of pipes enabled a special repayment of £20,000 to be made in June, 1956.

MELBOURNE HARBOR TRUST.

Under the provisions of the Melbourne Harbor Trust Act, the receipts and disbursements of the Trust are subject to annual audit by me. In the conduct of this audit the continuous vouching of disbursements and checking of receipts by the Trust's auditors—a firm of Public Accountants—have been accepted. A summarized statement of the receipts and disbursements for the years ended 31st December, 1954, and 1955, follows:—

| 1954. £ | <i>Receipts.</i> | | | | | | | | 1955. £ |
|-------------------|--|----|----|----|----|----|----|----------------|-------------------|
| 59,568 | Balance 31st December | .. | .. | .. | .. | .. | .. | .. | 113,655 |
| 1,466,832 | Wharfage Rates | .. | .. | .. | .. | .. | .. | .. | 1,781,563 |
| 301,443 | Tonnage Rates | .. | .. | .. | .. | .. | .. | .. | 376,483 |
| 102,692 | Rents, &c., from Lands | .. | .. | .. | .. | .. | .. | .. | 120,516 |
| 84,184 | Rents of Sheds | .. | .. | .. | .. | .. | .. | .. | 95,992 |
| 91,501 | Special Berth and Appropriation Fees, &c. | .. | .. | .. | .. | .. | .. | .. | 109,934 |
| 38,209 | Storage, Receiving, and Delivery Fees | .. | .. | .. | .. | .. | .. | .. | 53,739 |
| 315,756 | Crane Hire | .. | .. | .. | .. | .. | .. | .. | 356,158 |
| 76 | Plant Hire | .. | .. | .. | .. | .. | .. | .. | 220 |
| 15,544 | Towage | .. | .. | .. | .. | .. | .. | .. | 20,335 |
| 25,278 | Cargo Lights | .. | .. | .. | .. | .. | .. | .. | 28,339 |
| 31,311 | Sale, Electric Energy | .. | .. | .. | .. | .. | .. | .. | 34,832 |
| 9,702 | Sale, Plant, &c. | .. | .. | .. | .. | .. | .. | .. | 9,991 |
| 77,590 | Repayments, Sundry Services, &c. | .. | .. | .. | .. | .. | .. | .. | 90,299 |
| 107,063 | Materials from Stock | .. | .. | .. | .. | .. | .. | .. | 90,496 |
| 68,347 | Miscellaneous | .. | .. | .. | .. | .. | .. | .. | 88,978 |
| 8,265,438 | Sale of Investments | .. | .. | .. | .. | .. | .. | .. | 6,798,853 |
| 150,000 | Loan Moneys received | .. | .. | .. | .. | .. | .. | .. | 425,000 |
| .. | Balance—Overdraft 31st December | .. | .. | .. | .. | .. | .. | .. | 73,053 |
| <u>11,210,534</u> | | | | | | | | | <u>10,668,436</u> |
| | <i>Disbursements.</i> | | | | | | | | |
| 475,198 | Administration | .. | .. | .. | .. | .. | .. | .. | 512,147 |
| 386,452 | Port Operating | .. | .. | .. | .. | .. | .. | .. | 445,175 |
| | Maintenance— | | | | | | | | |
| 199,575 | Dredging | .. | .. | .. | .. | .. | .. | .. | 241,179 |
| 192,970 | Properties and Plant | .. | .. | .. | .. | .. | .. | .. | 303,461 |
| 54,089 | Sundry Services (see Contra Item—Repayments) | .. | .. | .. | .. | .. | .. | .. | 68,221 |
| 4,815 | Refunds | .. | .. | .. | .. | .. | .. | .. | 9,210 |
| 383,132 | Interest | .. | .. | .. | .. | .. | .. | .. | 398,300 |
| 15,643 | Miscellaneous | .. | .. | .. | .. | .. | .. | .. | 417 |
| | Appropriations— | | | | | | | £ | |
| 356,182 | Consolidated Revenue | .. | .. | .. | .. | .. | .. | 434,526 | |
| 15,000 | Geelong Harbor Trust | .. | .. | .. | .. | .. | .. | 15,000 | |
| 88,828 | Sinking Fund | .. | .. | .. | .. | .. | .. | 89,169 | |
| | | | | | | | | <u>538,695</u> | |
| 1,118,331 | New Works | .. | .. | .. | .. | .. | .. | .. | 1,318,202 |
| 7,806,664 | Purchase of Investments | .. | .. | .. | .. | .. | .. | .. | 6,833,429 |
| 113,655 | Balance 31st December | .. | .. | .. | .. | .. | .. | .. | .. |
| <u>11,210,534</u> | | | | | | | | | <u>10,668,436</u> |

The loan liability increased by £337,481 to £9,978,842 at 31st December, 1955.

GEELONG HARBOR TRUST.

The net revenue for the year ended 31st December, 1955, was £329,991. The continued use made of the Port of Geelong by the Shell Refinery was again reflected in the increased earnings. Outlay by the Commissioners in the immediate post-war years has been amply justified by the greatly increased returns from harbor dues.

Comparative figures for the past three years in the Trust's Revenue Account are shown in the statement hereunder:—

REVENUE ACCOUNT.

| | 1953. | 1954. | 1955. |
|---|----------------|----------------|----------------|
| <i>Revenue.</i> | £ | £ | £ |
| Operating Revenue— | | | |
| Harbor Revenue | 114,092 | 403,482 | 575,978 |
| Shipping Services | 45,648 | 78,458 | 106,828 |
| Miscellaneous— | | | |
| General | 9,948 | 10,368 | 11,696 |
| Corio Freezing Works | 31,500 | 31,939 | 31,924 |
| Non-operating Revenue— | | | |
| Interest | 5,977 | 4,672 | 4,016 |
| Sale of Materials | 2,436 | 482 | 1,158 |
| Melbourne Harbor Trust Contribution | 15,000 | 15,000 | 15,000 |
| Total Revenue | 224,601 | 544,401 | 746,600 |
| <i>Expenditure.</i> | | | |
| Operating Expenses— | | | |
| Administration, &c. | 44,460 | 47,660 | 57,368 |
| Shipping Services | 33,656 | 70,449 | 92,679 |
| Maintenance— | | | |
| General | 24,843 | 36,014 | 42,974 |
| Corio Freezing Works | 28,377 | 23,239 | 30,211 |
| Depreciation | 38,886 | 46,838 | 54,176 |
| Non-operating Expenses— | | | |
| Superannuation | 5,775 | 9,761 | 8,861 |
| Interest | 22,046 | 111,283 | 128,527 |
| Miscellaneous | 558 | 794 | 1,813 |
| Total Expenditure | 198,601 | 346,038 | 416,609 |
| Net Revenue | 26,000 | 198,363 | 329,991 |
| Appropriations— | | | |
| Sinking Fund | 11,196 | 13,378 | 14,878 |
| Insurance Fund | .. | 10,000 | 20,000 |
| Long Service Leave (accruals in past years) | 241 | 1,024 | 1,104 |
| Total Appropriations | 11,437 | 24,402 | 35,982 |
| Net Surplus | 14,563 | 173,961 | 294,009 |

BALANCE-SHEET.

The following is an abridged statement of the Trust's balance-sheet:—

| | | 31.12.1954. | | 31.12.1955. |
|-----------|--|-------------|------------------|------------------|
| | | £ | | £ |
| 123,085 | Current Liabilities | | | 166,200 |
| | Deferred Liabilities— | | | |
| 2,695,862 | Loans (including liability to State, £242,497) | | 2,993,097 | |
| 10,967 | Other | | 8,879 | |
| | | | <u>3,001,976</u> | |
| | Funds of the Trust— | | | |
| 747,904 | Endowments | | 745,742 | |
| 371,891 | Net Revenue Account | | 665,900 | |
| 173,235 | General Reserve | | 179,213 | |
| 137,159 | Sinking Fund | | 156,997 | |
| 24,008 | Marine Insurance Reserve | | 47,903 | |
| | | | <u>1,795,755</u> | |
| | | | <u>4,963,931</u> | |
| 4,284,111 | | | | 480,687 |
| | Current Assets | | | 7,966 |
| 488,082 | Deferred Assets | | | 4,270,378 |
| 5,678 | Fixed Assets less Depreciation | | | 204,900 |
| 3,629,184 | Investments | | | <u>4,963,931</u> |
| 161,167 | | | | |
| | | | | <u>4,963,931</u> |
| 4,284,111 | | | | |

PORTLAND HARBOR TRUST.

Operations for the year resulted in a surplus of £5,935 as compared with a deficit of £29 in 1954-55. However, revenue was subsidized by a grant from the State of £32,513 in 1954-55 and £57,000 in 1955-56, the latter amount including the sum of £37,000 to assist the Trust to meet interest commitments on its own public loans.

Particulars of revenue and expenditure for the past two years are:—

| 1954-55. | <i>Revenue.</i> | | | | | | | | 1955-56. |
|---------------------|---------------------------|----|----|----|----|----|----|----|------------------|
| £ | | | | | | | | | £ |
| 15,216 | Wharfage Rates | .. | .. | .. | .. | .. | .. | .. | 14,797 |
| 2,549 | Tonnage Rates | .. | .. | .. | .. | .. | .. | .. | 2,416 |
| 366 | Haulage | .. | .. | .. | .. | .. | .. | .. | 604 |
| .. | Storage | .. | .. | .. | .. | .. | .. | .. | 27 |
| 21 | Slipway Charges | .. | .. | .. | .. | .. | .. | .. | 233 |
| 967 | Shipping Services | .. | .. | .. | .. | .. | .. | .. | 1,031 |
| 1,878 | Rent | .. | .. | .. | .. | .. | .. | .. | 2,052 |
| 2,829 | Other | .. | .. | .. | .. | .. | .. | .. | 5,273 |
| 20,850 | Maintenance Grant | .. | .. | .. | .. | .. | .. | .. | 20,000 |
| 11,663 | Interest Subsidy | .. | .. | .. | .. | .. | .. | .. | 37,000 |
| <hr/> | | | | | | | | | |
| 56,339 | | | | | | | | | 83,433 |
| <hr/> | | | | | | | | | |
| <i>Expenditure.</i> | | | | | | | | | |
| Operating— | | | | | | | | | |
| 9,817 | Administrative | .. | .. | .. | .. | .. | .. | .. | 7,762 |
| 19,906 | Maintenance | .. | .. | .. | .. | .. | .. | .. | 23,720 |
| 610 | Shipping Services | .. | .. | .. | .. | .. | .. | .. | 780 |
| 1,634 | Depreciation | .. | .. | .. | .. | .. | .. | .. | 1,563 |
| <hr/> | | | | | | | | | |
| 31,967 | | | | | | | | | 33,825 |
| Non-operating— | | | | | | | | | |
| 23,145 | Loan Interest— | .. | .. | .. | .. | .. | .. | .. | 41,560 |
| 1,256 | Other | .. | .. | .. | .. | .. | .. | .. | 2,113 |
| <hr/> | | | | | | | | | |
| 56,368 | | | | | | | | | 77,498 |
| <hr/> | | | | | | | | | |
| 29 | (Deficit) | .. | .. | .. | .. | .. | .. | .. | Surplus, 1955-56 |
| | | | | | | | | | 5,935 |
| <hr/> | | | | | | | | | |

The accumulated deficit of £4,910 at 30th June, 1955, had increased to £5,588 at 30th June, 1956, by the addition of the following items—Provision for Long Service Leave £855, and for Sinking Funds £5,758, less surplus for the year £5,935.

Loan interest shown in the above statement is in respect of issues of Portland Harbor Trust Inscribed Stock. In the terms of Section 30 of the Act, the Treasurer may require payment of interest and National Debt Sinking Fund contributions in respect of moneys loaned by the State, but so far has deferred action to obtain payment.

BALANCE-SHEET.

The following is an abridged statement of the Trust's balance-sheet :—

| 30.6.1955. | | | | | | | | 30.6.1956. | |
|------------|--|--|--|--|--|--|--|------------|-----------|
| £ | | | | | | | | £ | £ |
| 10,342 | Current Liabilities | | | | | | | .. | 13,168 |
| | Deferred Liabilities— | | | | | | | | |
| 5,000 | Treasury Advance | | | | | | | 5,000 | |
| 1,093,506 | Loan Funds | | | | | | | 1,595,033 | |
| 3,269 | Other | | | | | | | 4,862 | |
| | Funds of the Trust— | | | | | | | ————— | 1,604,895 |
| 144,139 | Endowments | | | | | | | 133,331 | |
| 5,734 | Sinking Fund | | | | | | | 11,797 | |
| | | | | | | | | ————— | 145,128 |
| 1,261,990 | | | | | | | | | 1,763,191 |
| | Current Assets— | | | | | | | | |
| 38,047 | Cash | | | | | | | 4,038 | |
| 19,399 | Stores | | | | | | | 45,940 | |
| 1,912 | Other | | | | | | | 7,724 | |
| | | | | | | | | ————— | 57,702 |
| 212,957 | Investments | | | | | | | .. | 125,397 |
| | Fixed Assets— | | | | | | | | |
| 142,882 | Property Vested (<i>less</i> written off) | | | | | | | 131,655 | |
| 3,155 | Other (<i>less</i> depreciation).. .. . | | | | | | | 2,011 | |
| 838,728 | Construction Works | | | | | | | 1,440,838 | |
| | | | | | | | | ————— | 1,574,504 |
| 4,910 | Net Deficit | | | | | | | .. | 5,588 |
| 1,261,990 | | | | | | | | | 1,763,191 |

Loan Funds at 30th June, 1956, comprised Advances from the Treasurer £593,483 and £1,001,550 raised by the issue of Inscribed Stock.

The deferred liabilities do not include Interest £48,599 and Sinking Fund £2,388, payment of which has been deferred with the Treasurer's approval.

The Endowment Fund which is chiefly represented by the property initially vested in the Trust is being reduced over the period of construction parallel with the writing down of the vested property. This is being written down progressively as the items comprising it are absorbed into new works or dismantled during the course of construction of the harbor.

LOCAL AUTHORITIES SUPERANNUATION BOARD.

Established under the provisions of the Local Authorities Superannuation Act, No. 5216, this Board has, since 1947, been responsible for the administration of schemes to provide retiring allowances for permanent employees of local governing bodies.

Provision is made for two separate schemes, viz. :—

Insurance, under which an employee is required to effect, with an approved company, a policy of endowment insurance, the amount of the policy being that obtainable for an annual premium equivalent to seven per cent. of the salary of the employee; and

Provident Fund, under which there is contributed to a Provident Fund established by the Board an annual sum equivalent to seven per cent. of the salary of the employee.

Premiums and contributions are payable annually in advance by the employing authority, which is then entitled to recover from each employee, by instalments over the ensuing year, half of the amount so paid.

On attaining the retiring age, an employee is entitled to receive the maturity value of his policy, or the amount standing to his credit in the Provident Fund, as the case may be.

Administrative costs of the Board are met from the Management Account into which is paid the commissions received from the underwriting insurance company on both new business and collections.

The Act requires the accounts of the Board to be audited by me, and the audit to 30th June, 1956, has been completed. The following statements summarize transactions on the Board's accounts in the past three years.

INSURANCE ACCOUNT.

| | 1953-54. | 1954-55. | 1955-56. |
|--|----------|----------|----------|
| <i>Receipts.</i> | £ | £ | £ |
| Balance at Bank | 8,674 | 13,969 | 10,912 |
| Premiums | 354,943 | 362,688 | 423,637 |
| Surrender Values | 48,115 | 56,881 | 67,853 |
| Death Claims | 32,692 | 22,566 | 25,260 |
| Matured Policies | 8,723 | 12,874 | 9,356 |
| Taken-over Policies | 1,787 | 1,046 | 2,060 |
| Other | .. | 801 | 802 |
| | 454,934 | 470,825 | 539,880 |
| <i>Payments.</i> | | | |
| Insurance Companies | 337,625 | 343,028 | 400,269 |
| Management Account—Commission, &c. | 17,670 | 17,957 | 21,776 |
| Authorities and Employees | 85,670 | 98,928 | 108,783 |
| Balance at Bank | 13,969 | 10,912 | 9,052 |
| | 454,934 | 470,825 | 539,880 |

PROVIDENT FUND.

| | 1953-54. | 1954-55. | 1955-56. |
|---|----------|----------|----------|
| <i>Receipts.</i> | £ | £ | £ |
| Balance at Bank | 11,143 | 56,600 | 53,534 |
| Contributions | 120,474 | 118,280 | 136,607 |
| Interest on Investments | 13,704 | 14,855 | 17,098 |
| Other | 226 | 418 | .. |
| | 145,547 | 190,153 | 207,239 |
| <i>Payments.</i> | | | |
| Employees | 60,873 | 84,287 | 97,596 |
| Refunds to Authorities | 10,891 | 11,905 | 12,367 |
| Investments | 6,600 | 40,100 | 27,000 |
| Management Account—Refund advance | 10,000 | .. | .. |
| Other | 583 | 327 | 241 |
| Balance at Bank | 56,600 | 53,534 | 70,035 |
| | 145,547 | 190,153 | 207,239 |

Interest earned to 28th February in each year is distributed over the contributors' accounts, and was sufficient to allow an addition of $3\frac{1}{2}$ per cent. to contributors' credits at 28th February, 1954, and of $3\frac{3}{4}$ per cent. at that date in 1955, and 1956.

The position of the Fund at 30th June in each of the years was:—

| | 1953-54. | 1954-55. | 1955-56. |
|-------------------------------|----------------|----------------|----------------|
| | £ | £ | £ |
| Contributors' credits | 402,894 | 438,962 | 480,730 |
| Unallotted Interest | 6,996 | 7,962 | 9,695 |
| | <u>409,890</u> | <u>446,924</u> | <u>490,425</u> |
| Represented by— | | | |
| Cash at Bank | 56,600 | 53,534 | 70,035 |
| Investments | 353,290 | 393,390 | 420,390 |
| | <u>409,890</u> | <u>446,924</u> | <u>490,425</u> |

MANAGEMENT ACCOUNT.

| | | | | <i>Income.</i> | | |
|--------------------------------------|----|----|----|---------------------|---------------|---------------|
| | | | | £ | £ | £ |
| Commission— | | | | | | |
| New Business | .. | .. | .. | 19,530 | 15,306 | 26,353 |
| Collection | .. | .. | .. | 17,670 | 17,931 | 20,975 |
| Interest on Investments | .. | .. | .. | 3,946 | 5,383 | 7,767 |
| | | | | <u>41,146</u> | <u>38,620</u> | <u>55,095</u> |
| | | | | <i>Expenditure.</i> | | |
| Board Members' Fees | .. | .. | .. | 481 | 502 | 454 |
| Salaries | .. | .. | .. | 6,066 | 6,574 | 7,295 |
| Other Administration Charges | .. | .. | .. | 1,530 | 1,588 | 1,925 |
| Depreciation | .. | .. | .. | 177 | 161 | 147 |
| | | | | <u>8,254</u> | <u>8,825</u> | <u>9,821</u> |
| Surplus | .. | .. | .. | 32,892 | 29,795 | 45,274 |

The Board may invest surplus funds of the Management Account or may appropriate therefrom to a Contingent Account such amounts as it thinks desirable in order to provide sickness benefits, funeral donations or other gratuitous payments to or on behalf of permanent employees. Amounts so applied were:—

| | 1953-54. | 1954-55. | 1955-56. |
|----------------------------|----------|----------|----------|
| | £ | £ | £ |
| Invested | 21,550 | 27,550 | 16,600 |
| Contingent Account | 5,000 | 7,000 | 7,250 |

As at 30th June, in each of the years given, accumulated funds, including the unexpended balances of the Contingent Account were:—

| | 1953-54. | 1954-55. | 1955-56. |
|--|----------------|----------------|----------------|
| | £ | £ | £ |
| Accumulated funds | 153,446 | 176,389 | 214,304 |
| Represented by— | | | |
| Current assets <i>less</i> liabilities | 23,994 | 19,507 | 40,931 |
| Investments | 127,580 | 155,130 | 171,730 |
| Furniture and equipment | 1,591 | 1,450 | 1,320 |
| Prepayments | 281 | 302 | 323 |
| | <u>153,446</u> | <u>176,389</u> | <u>214,304</u> |

MELBOURNE AND METROPOLITAN BOARD OF WORKS.

The operations of the Board during 1955-56 resulted in a surplus of £4,858 compared with a surplus of £300,984 in the preceding year. The following summary of the Revenue Account shows the gross revenue from rates and charges, the results of Farm trading, and the various items of general expenditure, statutory expenditure, and special appropriations.

REVENUE ACCOUNT.

| 1954-55. | | 1955-56. | | |
|-----------|--|----------|------------------|----------------|
| £ | | £ | £ | £ |
| 2,434,199 | Water Supply— Rates and Charges | | 2,554,114 | |
| 2,353,376 | Sewerage—Metropolitan General Rate— Rates and Charges | | 2,511,974 | |
| 196,658 | Drainage and Rivers— Rates and Charges | | 415,093 | |
| 4,984,233 | Total Rates and Charges | | <u>5,481,181</u> | |
| 99,132 | Farm profit on cattle—gross | | 101,346 | |
| .. | Farm profit on sheep—gross | | 9,880 | |
| 3,984 | Farm—Rent | | 5,699 | |
| 3,758 | Farm—Sundry Trading Operations | | <u>5,698</u> | |
| 5,091,107 | Gross Revenue | | 5,603,804 | |
| | Working Expenses— | | | |
| 813,423 | Management | | 894,348 | |
| 1,308,785 | Maintenance | | 1,405,994 | |
| 2,111,592 | Interest (including overseas exchange) | | <u>2,391,587</u> | |
| 4,233,800 | | | | 4,691,929 |
| 857,307 | Gross Surplus | | | <u>911,875</u> |
| | General Expenditure— | | | |
| 73,173 | Loan Flotation Expenses (including Provision) | 85,137 | | |
| 31,314 | Staff Gratuities | 35,153 | | |
| 52,147 | Contributions to Superannuation Fund | 51,146 | | |
| 5,843 | Depreciation—Furniture and Fittings, &c. | 16,447 | | |
| 24,606 | Pensions (cost of living allowance in Superannuation payments) | 27,617 | | |
| .. | Main Drainage Works | 200,904 | | |
| .. | Contribution (special) to Investment Reserve | 32,628 | | |
| | Statutory Expenditure— | | <u>449,032</u> | |
| 7,412 | Contributions to Municipalities | 7,414 | | |
| 137,851 | Contributions to Renewals Fund | 143,105 | | |
| | Appropriations— | | <u>150,519</u> | |
| 123,977 | Contributions to Sinking Fund | 132,466 | | |
| 100,000 | Contributions to Exchange Reserve | 175,000 | | |
| | | | <u>307,466</u> | |
| 300,984 | Net Surplus | | | <u>907,017</u> |
| | | | | 4,858 |
| | Add Surplus brought forward 1st July, 1955 | | | <u>16,333</u> |
| | Net accumulated surplus at 30th June, 1956, carried forward | | | <u>21,191</u> |

The following summary shows the variations in the valuations of properties rateable to the Board, the rates levied, and the total collectable revenue in each of the past six years :—

| Financial Year. | Water Rate. (Maximum 8d.) | | Metropolitan General Rate. (Maximum 1s. 2d.) | | Drainage and Rivers Rate. (Maximum 2d.) | | Assessment Valuations. (Net Annual Values.) |
|-----------------|------------------------------|--|---|--|--|--|--|
| | Rate. | Revenue from Rates and Other Charges. | Rate. | Revenue from Rates and Other Charges. | Rate. | Revenue from Rates and Other Charges. | |
| | d. | £ | s. d. | £ | d. | £ | £ |
| 1950-51 .. | 7 | 1,580,933 | 1 0 | 1,471,198 | 1 | 121,956 | 27,408,224 |
| 1951-52 .. | 7 | 1,674,096 | 1 1 | 1,672,751 | 1 | 132,748 | 29,650,111 |
| 1952-53 .. | 7 | 1,741,760 | 1 1 | 1,872,530 | 1 | 152,007 | 34,430,514 |
| 1953-54 .. | 8 | 2,271,269 | 1 1 | 2,177,498 | 1 | 175,933 | 40,143,932 |
| 1954-55 .. | 8 | 2,434,199 | 1 1 | 2,353,376 | 1 | 196,658 | 43,638,629 |
| 1955-56 .. | 8 | 2,554,114 | 1 1 | 2,511,974 | 2 | 415,093 | 46,629,229 |

With the exception of the Drainage and Rivers Rate, which was raised to its maximum, the rates levied were unchanged from the two preceding years, but the aggregate of Net Annual Values—on which the rates are assessed—continued to rise, all municipalities, with one exception, returning an increased total valuation.

Interest includes amounts credited to the Board's several Funds as follows :—

Renewals Fund, £109,631, Sinking Fund, £231,771, and Superannuation Fund, £45,595, while exchange on interest remitted overseas amounted to £28,887.

The percentage of interest and exchange to Gross Revenue from Rates and Charges was 43·63 per cent. as compared with 42·36 per cent. in 1954-55. All interest is charged in full through the Revenue Account as the Board does not follow the policy of capitalizing interest on construction works in progress.

Loan flotation expenses, including a provision of £40,000 for loans floated in June, 1956, amounted to £85,137 as compared with £73,173 in 1954-55.

During 1955-56, Drainage and River Improvement capital works, which are non-revenue producing, were partly financed from revenue following a change in Board policy. The proceeds of the additional 1d. rate levied (£200,904) were used for this purpose.

General charges against revenue and appropriations included contributions made to Special Funds.

| | Contribution from Revenue. | Interest Credited. | Total Revenue Additions to Fund. | Credit Balance at 30th June, 1956. |
|-----------------------------|-------------------------------|--------------------|--|---------------------------------------|
| | £ | £ | £ | £ |
| Sinking Fund | 132,466 | 231,771 | 364,237 | 6,046,439 |
| Renewals Fund | 143,105 | 109,631 | 252,736 | 5,988,103 |
| Superannuation Fund | 51,146 | 45,595 | 96,741 | 1,001,591 |
| Insurance Account | .. | .. | .. | 306,430 |
| | 326,717 | 386,997 | 713,714 | 13,342,563 |

Of the several specific funds amounting at 30th June to £13,342,563, the amount of £12,645,483 was used in the Board's works and £697,080 was invested.

Town Planning.—A rate of 1d. was levied for 1955-56 on a total net annual value of £48,866,653. Revenue received from Rates and other charges amounted to £210,230, of which £61,420 was used for Town Planning expenses; £110,202 was written off the cost of the Master Plan—a deferred charge—and the balance of £38,608 was transferred to Planning and Highways Reserve.

The following statement shows the Assets and Liabilities of the Board.

| 30.6.1955. | | £ | 30.6.1956. |
|------------|--|------------|------------|
| £ | <i>Current Assets—</i> | | £ |
| 682,204 | Cash in hand and at bank | 644,855 | |
| 310,600 | Arrears of Rates and Sundry Debtors | 315,317 | |
| 70,863 | Live Stock and Produce on hand | 80,544 | |
| 959,627 | Stores and Materials on hand | 1,242,712 | |
| .. | Reserved Land—Planning and Highways | 38,608 | |
| <hr/> | | | |
| 2,023,294 | | | 2,322,036 |
| | <i>Deferred Charges—</i> | | |
| 153,096 | Town Planning Expenses—Master Plan | | 42,894 |
| | <i>Fixed Assets—</i> | | |
| 29,045,752 | Water Supply Works | 33,147,749 | |
| 21,714,005 | Sewerage Works | 23,410,730 | |
| 670,569 | Sewerage House Connexions | 670,569 | |
| 3,528,672 | Main Drainage Works | 4,061,717 | |
| 729,168 | River Improvement Works | 847,735 | |
| 2,059,629 | Buildings, Water Meters, and other items | 2,418,989 | |
| | | <hr/> | |
| 57,747,795 | | 64,557,489 | |
| 5,748,972 | Less Renewals Fund | 5,988,103 | |
| | | <hr/> | |
| 51,998,823 | | | 58,569,386 |
| 1,825,075 | Plant and Tools | | 1,705,752 |
| 258,370 | Motor Vehicles | | 264,478 |
| 85,376 | Furniture and Fittings | | 87,257 |
| | <i>Investments—</i> | | |
| 806,850 | External—Commonwealth Stock | | 1,500 |
| 1,348,998 | Internal—M.M.B.W. Stock | | 1,330,188 |
| | | <hr/> | |
| 58,499,882 | Total Assets | | 64,323,491 |
| | <i>Current Liabilities—</i> | | |
| 413,187 | Loan Interest, Matured Debentures, and Inscribed Stock | 407,643 | |
| 193,458 | Sundry Creditors and Deposits | 217,129 | |
| | | <hr/> | |
| | | | 624,772 |
| | <i>Deferred Liabilities—</i> | | |
| 910,038 | Superannuation Fund | | 1,001,591 |
| .. | Provision for Furlough | | 135,949 |
| 49,590,850 | Loan Liability | | 54,459,340 |
| | <i>Excess of Assets over Liabilities represented by—</i> | | |
| 674,779 | General Reserve | 922,631 | |
| 5,682,201 | Sinking Fund | 6,046,439 | |
| 306,831 | Insurance Account | 306,430 | |
| 11,751 | Investment Reserve | | |
| 170,000 | Rates Equalization Reserve | 170,000 | |
| 200,000 | Exchange Reserve | 375,000 | |
| 120,173 | Deferred Maintenance Reserve | 105,979 | |
| 210,281 | Distributable Expense Variance Account | 75,561 | |
| .. | Provision for Loan Flotation Expenses | 40,000 | |
| .. | Planning and Highways Reserve | 38,608 | |
| 16,333 | Accumulated Surplus | 21,191 | |
| | | <hr/> | |
| | | | 8,101,839 |
| <hr/> | | | |
| 58,499,882 | Total Liabilities and Funds | | 64,323,491 |

With loan moneys received and from its own internal resources and the sale of investments, fixed assets were increased by £6,809,694. Major increases were:—

| | £ |
|--|-----------|
| Upper Yarra Dam construction | 2,772,117 |
| Silvan—Mt. Waverley Conduit construction | 552,158 |
| Water Supply—extension large mains, meters, &c. | 896,949 |
| Construction and Amplification—sewerage disposal, &c.— | |
| Metropolitan Farm | 212,624 |
| Sewerage—extension mains, &c. | 1,388,096 |
| Main drains and pumping stations—extensions, &c. | 510,753 |
| New head office building—progress payments | 147,382 |

A total of £29,972 has been received from the Government in respect of remedial action against flooding in the Elwood Canal.

MELBOURNE AND METROPOLITAN TRAMWAYS BOARD.

The audit of the accounts to the 30th June, 1956, has been completed. This consists of a continuous audit by a public accountant and an annual audit by the Auditor-General. As far as is practicable the scope of the two audits is complementary in character.

On a commercial accounting basis and excluding statutory payments departmental operations over the past three years show the following results:—

| | Year ended 30th June, 1954. | | Year ended 30th June, 1955. | | Year ended 30th June, 1956. | |
|--------------------------------------|--------------------------------|---------|--------------------------------|---------|--------------------------------|---------|
| | £ | | £ | | £ | |
| Electric Tramways | Loss | 28,296 | Loss | 195,716 | Loss | 243,211 |
| Motor Omnibuses | Loss | 190,730 | Loss | 278,511 | Loss | 384,653 |
| Properties and Miscellaneous | Loss | 5,447 | Profit | 2,747 | Profit | 7,608 |
| | Loss | 224,473 | Loss | 471,480 | Loss | 620,256 |
| Interest from Investments | | 36,896 | | 48,409 | | 38,854 |
| | Net Loss | 187,577 | Net Loss | 423,071 | Net Loss | 581,402 |

An increase in fares commencing on the 30th October, 1955, proved insufficient to meet the higher operating costs and interest charges experienced during the year. The loss on operations in 1955-56 was consequently greater than in the preceding year.

The Board has elected to carry forward its losses. This should be regarded as a temporary expedient only. At the 30th June, 1956, the Board's investments (including accrued interest) amounted to £1,275,515 but, of this sum, £554,491 is in respect of funds which, under the Board's legislation, cannot be realized except for specified purposes. Due to lack of internal resources, financial difficulties will ultimately be experienced by the Board, if losses continue to recur on the present scale.

There are other statutory requirements in the Melbourne and Metropolitan Tramways Act which have to be incorporated in the Board's accounts. This year, the amount carried to the Renewals Reserve Fund is equivalent to the calculated amount of the depreciation provision in the accounts prepared on a commercial basis, but the statutory deficit is greater than the loss shown above to the extent shown in the following reconciliation:—

| | | |
|--|--------|---------|
| Net loss as shown in the above summary | £ | 581,402 |
| Transfers (including interest) to— | | |
| Loan Redemption Account | 22,441 | |
| Loan Sinking Funds | 80,923 | |
| Guarantee Fund | 743 | |
| Public Risk Insurance Reserve Fund | 2,446 | |
| Fire Insurance Reserve Fund | 10,546 | |
| Gratuity Fund | 10,000 | |
| Sick Leave Fund | 5,000 | |
| | | 132,099 |
| Statutory Deficit | | 713,501 |

Reference was made in some detail in my report on the 1954-55 accounts to the complex character of the accounting provisions in the legislation under which the Board functions. In determining the statutory surplus or deficit, as the case may be, there are departures from normal accounting standards which, it is thought on review, would now be considered unnecessary. For these reasons a revision of the present accounting provisions is recommended.

BALANCE-SHEET.

Set out hereunder are particulars of the Board's assets, liabilities and funds, as at the 30th June, 1955 and 1956.

| 30.6.1955. | | £ | 30.6.1956. |
|------------|--|------------|-------------------------|
| £ | | £ | £ |
| | Current Assets— | | |
| 35,021 | Cash in Hand | 23,665 | |
| 220,223 | Sundry Debtors | 198,436 | |
| 833,973 | Stores on Hand and Manufactures in Progress | 737,338 | |
| | | <hr/> | 959,439 |
| 1,089,217 | | | |
| | Fixed Assets— | | |
| 11,758,156 | Electric Tramways | 12,603,897 | |
| 1,791,740 | Motor Omnibuses | 1,792,985 | |
| 201,022 | Freehold Properties | 208,541 | |
| | | <hr/> | |
| 13,750,918 | | 14,605,423 | |
| 4,795,368 | <i>Less</i> Provision for Depreciation | 5,524,785 | |
| | | <hr/> | 9,080,638 |
| 8,955,550 | | | |
| 1,476,084 | Investments (including accrued interest) | 1,275,515 | |
| | Trust Account— | | |
| 20,164 | Contractors' Deposits, &c. | 16,210 | |
| | | <hr/> | 1,291,725 |
| 1,496,248 | | | |
| 11,541,015 | Total Assets | | <hr/> 11,331,802 |
| | Current Liabilities— | | |
| 904,161 | Sundry Creditors | 729,099 | |
| 66,225 | Contractors' and Other Deposits | 85,402 | |
| 84,470 | Bank Overdraft | 153,740 | |
| | | <hr/> | 968,241 |
| 1,054,856 | | | |
| 6,335,685 | Loans | | 7,313,244 |
| | Specific Reserves— | | |
| 3,840,496 | Renewals Reserve | 4,049,202 | |
| 4,795,368 | Provision for Depreciation | 5,524,785 | |
| | | <hr/> | 1,475,583* |
| 954,872* | | | |
| 79,868 | Public Risk Insurance Reserve | 82,314 | |
| 344,359 | Fire Insurance Reserve | 354,905 | |
| 22,856 | Guarantee Fund | 23,599 | |
| 78,235 | Hanna-street Leasehold Reserve | 80,191 | |
| 10,000 | Gratuity Fund | 20,000 | |
| 5,000 | Sick Leave Fund | 10,000 | |
| | | <hr/> | 571,009 |
| 540,318 | | | |
| | Excess of Assets over Liabilities comprising— | | |
| 449,969 | Sinking Funds | 530,892 | |
| 2,374,421 | Loan Redemption | 2,396,862 | |
| 78,786 | Commonwealth Grants for Tramlines constructed at its request | 78,786 | |
| | Expenditure upon Cable Tramways prior to their being vested in the Board | 1,695,648 | |
| 1,695,648 | | <hr/> | |
| 4,598,824 | | 4,702,188 | |
| 954,872 | * <i>Less</i> Excess of Depreciation Accrued over Renewals Reserve Provision | 1,475,583 | |
| | | <hr/> | |
| 3,643,952 | | 3,226,605 | |
| 33,796 | <i>Less</i> Balance of deficit carried forward | 747,297 | |
| | | <hr/> | 2,479,308 |
| 3,610,156 | | | |
| 11,541,015 | Total Liabilities and Funds | | <hr/> 11,331,802 |

The provision for depreciation has been revised in respect of the earlier years to include an additional amount of £423,866 which relates to certain depreciable items not previously included. This provision is a statistical figure only and is shown in the balance-sheet for the purpose of disclosing the calculated provision for depreciation and in the operating accounts for the purpose of determining losses on a commercial accounting basis.

PUBLIC TRUSTEE.

The powers and duties of the Public Trustee are prescribed by Statute. He has special functions in relation to certain classes of estates of deceased persons and in the management of estates of mental patients. He is also authorized to carry on general business comparable with that of a Trustee Company.

Investments and property held on behalf of individual estates together with pooled investments through the Common Fund totalled at 30th June £9,410,624, consisting of—

| | £ |
|---|-----------|
| Common Fund | 3,336,603 |
| Inscribed Stock held on behalf of estates | 1,482,915 |
| Land, shares, &c., held on behalf of estates | 4,585,530 |
| Cash at Commonwealth Bank on behalf of specific estates | 5,576 |
| | <hr/> |
| | 9,410,624 |

The funds of these estates are outside the ambit of the Public Account, all receipts being paid into a Common Fund under the control of the Public Trustee and relative payments being made therefrom at his direction. The Common Fund provides a means of pooling the cash balances of estates for investment so that the estates may participate in interest earnings during the time the respective balances form part of the pool. At the 30th June, 1956, the composition of the Common Fund was:—

| | £ |
|--|-----------|
| Inscribed Stock | 1,771,550 |
| Mortgages | 216,357 |
| Loan to Co-operative Housing Society | 180,672 |
| Municipal Debentures | 1,004,744 |
| Cash at State Savings Bank | 162,895 |
| Advance—Petty Cash | 385 |
| | <hr/> |
| | 3,336,603 |

At any point of time there are many unclaimed balances in respect of which, despite diligent enquiry, the Public Trustee has been unable either to ascertain or locate the persons presently entitled thereto. After the lapse of six years from the time the Public Trustee has become satisfied no claim will be made for any of such balances these are paid into Consolidated Revenue. The aggregate of unclaimed balances in the Common Fund was £201,674 at the 30th June.

The Act requires interest earned by the fund to be transferred to an Interest Suspense Account. From this account is provided the interest payable to the credit of estates. It is the duty of the Public Trustee to determine the rate of interest payable on estate balances in the fund and he is also required to determine the amount necessary to be transferred into the Estates Guarantee and Reserve Account. The purpose of the Reserve Account is to meet any losses on investments of the Common Fund as well as a variety of costs prescribed in the Act. The balance in the Interest Suspense Account at the close of the year is paid to Consolidated Revenue towards the cost of administration of the Public Trustee Acts. The allocation to the Estates, Guarantee and Reserve Account this year was £12,000, and the sum paid to Consolidated Revenue was £46,527.

Operations through these two accounts were:—

| | £ | £ |
|---|--------|---------|
| INTEREST SUSPENSE ACCOUNT. | | |
| Income from investments | .. | 128,436 |
| | | <hr/> |
| Appropriations— | | |
| Interest allocated to estates | 63,909 | |
| Provision for interest payable to estates | 6,000 | |
| Estates Guarantee and Reserve Account | 12,000 | |
| Consolidated Revenue | 46,527 | |
| | <hr/> | 128,436 |

| ESTATES GUARANTEE AND RESERVE ACCOUNT. | | | | | | £ |
|---|----|----|----|----|----|--------|
| Balance at 1st July, 1955 | .. | .. | .. | .. | .. | 65,321 |
| Transfer from Interest Suspense Account | .. | .. | .. | .. | .. | 12,000 |
| Interest | .. | .. | .. | .. | .. | 628 |
| | | | | | | 77,949 |
| <i>Less</i> Costs, &c., Paid | .. | .. | .. | .. | .. | 49 |
| | | | | | | 77,900 |

Receipts from the management of estates by way of fees and commission as well as the interest contribution already mentioned are paid by the Public Trustee into Consolidated Revenue from which the cost of operating expenses is met. The net result of operations for the financial year was a surplus of £1,956, compared with £3,396 in the preceding year. Particulars are :—

| <i>Receipts.</i> | | £ | <i>Payments.</i> | | £ |
|--|---------|---------|---------------------------|---------|---------|
| Fees and Commission | .. .. . | 73,005 | Salaries and Pay-roll Tax | .. .. . | 103,789 |
| Surplus from Interest Suspense Account | .. .. . | 46,527 | Advertising | .. .. . | 2,001 |
| | | | Rent | .. .. . | 6,822 |
| | | | Other Expenses | .. .. . | 4,964 |
| | | | Surplus for the year | .. .. . | 1,956 |
| | | 119,532 | | | 119,532 |

The Public Trustee has been the medium for the collection of amounts from various sources on account of Consolidated Revenue. Probate duties on estates administered by him are assessed and collected by the Public Trustee. Moneys have been received also for maintenance of patients in Mental Hospitals. The major part of these latter collections relates to costs borne by the Commonwealth in respect of the care of military patients in Mental Hospitals, and the balance to payments deferred during the period prior to the agreement between the Commonwealth and State in respect of ordinary patients.

Amounts paid by the Public Trustee to Consolidated Revenue from all sources during the last three years were :—

| | 1953-54. | 1954-55. | 1955-56. |
|--|----------|----------|----------|
| | £ | £ | £ |
| Fees and Commission | 63,765 | 79,736 | 73,005 |
| Stationery, Postages, &c., recouped | 2,691 | 2,976 | 2,666 |
| Surplus from Interest Suspense Account | 37,534 | 30,621 | 46,527 |
| Probate Duty | 41,254 | 79,711 | 81,595 |
| Transfer of Unclaimed Moneys—Section 60, Act No. 4654 | 10,797 | 18,058 | 19,301 |
| Payments to Revenue from certain Intestate Estates—Section 16, Act No. 4654 | 623 | 652 | 57 |
| Maintenance of patients in Mental Hospitals | 161,325 | 143,792 | 155,005 |
| Sundry Receipts | .. | 151 | 1 |
| | 317,989 | 355,697 | 378,157 |

RURAL FINANCE CORPORATION.

The Corporation was established by Act No. 5414. Its objects under Part III. of the Act include the making of advances by way of loan, which are required to be made, at the lowest possible rates of interest, to existing or proposed country industries, both primary and secondary. Under Part IV. of the Act the Corporation is the successor in law of the Farmers' Debts Adjustment Board and is empowered to advance moneys, for the purposes of compositions or schemes of arrangement, to or for the benefit of farmers.

In accordance with the Act a profit and loss account for the financial year ended 30th June, 1956, and a balance-sheet as at that date were prepared. For the financial year the profit on operations shown in the statements prepared by the Corporation was £57,828. In the preceding year a profit of £32,226 was shown.

Advances under Part IV.—The fund, formerly known as the Farmers' Debts Adjustment Fund, and originally financed by Commonwealth grants, is now incorporated in the Rural Rehabilitation Fund and repayments by farmers in respect of payments to creditors, pursuant to the Farmers' Debts Adjustment Acts, have since 26th April, 1950, been credited to the latter fund.

Interest received in respect of advances made from the Farmers' Debts Adjustment Fund and from the Rural Rehabilitation Fund, forms part of the Corporation's income. Most of the advances made by the Farmers' Debts Adjustment Board were free of interest. Interest receivable by the Corporation under this heading and included in the year's revenue totalled £10,082.

The position of the Rural Rehabilitation Fund is summarized hereunder:—

| | £ | £ |
|--|-----------|------------|
| Grants from Commonwealth Government | .. | 2,392,000 |
| Add Amounts received from farmers (repayments of advances and interest) to 30th June, 1955 | 2,282,040 | |
| Repayments of advances, 1st July, 1955, to 30th June, 1956 | 101,763 | |
| | ————— | 2,383,803* |
| | | 4,775,803 |
| Less Payments <i>re</i> debt adjustment to 30th June, 1955 | 3,423,820 | |
| Payments <i>re</i> debt adjustment 1st July, 1955, to 30th June, 1956 | 135,241 | |
| | ————— | 3,559,061 |
| Unexpended balance 30th June, 1956 | | 1,216,742 |

* Includes mortgage interest £9,702 received prior to 26th April, 1950.

This fund is held in the Treasury ; no interest is payable thereon to the Corporation.

Advances—Farmers' Debts Adjustment Act 1943.—Another fund had been financed from the State's Consolidated Revenue as an adjunct to the Farmers' Debts Adjustment Fund, the sum made available for this purpose being £100,000. Interest and repayments of advances made from the State fund were required to be paid to Consolidated Revenue as and when received. Advances amounting in all to £99,618 had been made from this fund prior to the establishment of the Corporation. It is not a continuing fund and the Corporation's function in connexion therewith is the collection of interest and repayments on behalf of the State. During the year £6,793 was received and paid to Consolidated Revenue ; the amount due to the State at 30th June, 1956, was £30,571.

Loans under Part III.—Loans made under this Part are to be "at the lowest possible rates of interest". This requirement is interpreted as meaning that the business of the Corporation is to be conducted on a budgeted plan so that interest on the loans, together with its other income, will approximate the costs of administration plus interest payable in respect of borrowed money. The Corporation is, however, dependent on a concession in the rate of interest charged on loans by the State to the Corporation.

The authority to determine the rate of interest payable to the State is vested in the Treasurer. The formula used since the inception of the Corporation—fixed at 1½ per centum per annum less than the rate payable by the State—continued to be the basis for payment of interest to the Treasury.

During the year loans advanced under Part III. totalled £1,420,200 and repayments were £522,679. The total sum held by borrowers at 30th June, 1956, under this part, amounted to £5,699,831.

The Income and Expenditure Account for the financial year ended 30th June, 1956, is as follows:—

| | £ |
|---|---------|
| <i>Income.</i> | |
| Interest | 247,765 |
| Application and Legal Fees | 3,931 |
| Other | 523 |
| | <hr/> |
| | 252,219 |
| | <hr/> |
| <i>Expenditure.</i> | |
| Administration | 37,982 |
| Interest on Loan Indebtedness | 137,573 |
| Depreciation | 686 |
| Long Service Leave Provision | 2,389 |
| National Debt Sinking Fund Contribution | 15,761 |
| Profit | 57,828 |
| | <hr/> |
| | 252,219 |
| | <hr/> |

The profit for the year, together with the accumulated surplus brought forward (£39,292) was available for writing off Discount and Expenses on Loans (£18,980) as allocated by the Treasurer to 30th June, 1956, and transfer to Reserve Account (£78,140).

At 30th June, 1955, and 30th June, 1956, funds available to the Corporation were:—

| 30.6.1955. | | 30.6.1956. |
|------------|--|------------|
| £ | | £ £ |
| | Loan Funds— | |
| 4,771,122 | Loan Liability—Treasurer of Victoria (net) | 5,668,455 |
| 15,000 | Advances for purposes of establishment and administration—Treasurer of Victoria .. .. . | .. .. . |
| | Other Funds— | |
| 37,364 | Advances— <i>Farmers Debts Adjustment Act 1943</i> —Treasurer of Victoria | 30,571 |
| 2,392,000 | Funds provided by Grant under <i>Commonwealth Loan (Farmers Debts Adjustment) Act 1935</i> | 2,392,000 |
| 9,702 | Interest on Mortgages prior to 26th April, 1950 | 9,702 |
| | | <hr/> |
| | | 2,432,273 |
| 2,000 | Trust Account—Amounts in suspense | 5,862 |
| 1,028 | Sundry Creditors | 597 |
| 62,093 | Reserve—National Debt Sinking Fund (including Commonwealth contributions) | 90,937 |
| 4,931 | Provision for Long Service Leave | 7,083 |
| 39,292 | Profit and Loss Account .. .. . | .. .. . |
| .. | Reserve Fund | 78,140 |
| | | <hr/> |
| 7,334,532 | | 8,283,347 |
| | | <hr/> |

The funds were applied as follows :—

| 30.6.1955. | | 30.6.1956. | |
|------------|--|------------|-----------|
| £ | | £ | £ |
| | Loans and Advances— | | |
| 4,802,310 | Loans under Part III.— <i>Rural Finance Corporation Act 1949</i> .. | 5,699,831 | |
| | Advances under <i>Farmers Debts Adjustment Act 1935</i> , and Part IV.— <i>Rural Finance Corporation Act 1949</i> (including uncollectable and doubtful debts £51,972) | 1,184,960 | |
| 1,151,481 | | | |
| 37,364 | Advances under <i>Farmers Debts Adjustment Act 1943</i> | 30,571 | |
| | | ————— | 6,915,362 |
| 44,839 | Interest Due and Accrued | | 83,404 |
| 13,360 | Discount and Expenses on Loans | | |
| | Cash held at Treasury— | | |
| 1,250,220 | Rural Rehabilitation Fund | 1,216,742 | |
| 606 | National Debt Sinking Fund | 1,162 | |
| | | ————— | 1,217,904 |
| | Fixed Assets— | | |
| 3,229 | Furniture and Office Equipment <i>less</i> Depreciation | 3,106 | |
| 520 | Motor Car <i>less</i> Depreciation | 855 | |
| | | ————— | 3,961 |
| | Cash— | | |
| 2,000 | Held in Trust | 5,862 | |
| 28,408 | For General Purposes | 51,890 | |
| | | ————— | 57,752 |
| .. | Long Service Leave Investment Fund | | 4,888 |
| 195 | Charges paid in Advance | | 76 |
| | | ————— | 8,283,347 |
| 7,334,532 | | | ————— |

The total of uncollectable and doubtful debts (£51,972) included in the amount due by farmers in respect of advances for debt adjustment (£1,184,960) does not include any losses in respect of advances made by the Corporation.

A new item appearing in the balance-sheet is “ Reserve Fund ” (£78,140) created as already stated, by the transfer of the net profits accumulated to the 30th June, 1956.

The purpose of the fund is to meet any loss or deficiency incurred in the course of the business of lending money. So far as practicable, this fund is to be invested in government securities or placed on deposit in a bank—presumably so that the funded amount will be available if and when such a loss or deficiency occurs.

In view of the alternative, it is not obligatory for the Corporation to immobilise its money by the acquisition of securities and so far no part of the fund has been so invested. In order to comply with the scheme of the Act, it will be necessary at all times that investments plus cash on deposit with any bank will at least be equal to the amount of the Reserve Fund.

VICTORIAN INLAND MEAT AUTHORITY.

This Authority, the successor in law of the Amalgamated Freezing Company and its constituent companies, commenced functioning in 1943. The audit for 1955-56 is in course and subject to its completion, the operations for the year resulted in a loss of £25,376 as compared with a profit of £4,325 in 1954-55.

A summarized statement of trading operations for 1955-56 is as follows:—

| | £ | £ |
|--|---------|-----------|
| REVENUE. | | |
| Sales of Meat, Offals, and By-products | 739,033 | |
| Inter-departmental Sales | 153,484 | |
| | <hr/> | 892,517 |
| Hides, Skins, and Wool | .. | 119,317 |
| Storage, Treatments, and other General Receipts | .. | 220,312 |
| Stock Increase at 30th June, 1956 | .. | 20,906 |
| | <hr/> | 1,253,052 |
| Loss | .. | 25,376 |
| | <hr/> | 1,278,428 |
| EXPENDITURE. | | |
| Purchases of Livestock and Carcass Meat | 560,024 | |
| Inter-departmental Purchases | 153,484 | |
| | <hr/> | 713,508 |
| Working Expenses—Wages, Fuel, Freight, Stores, &c. | .. | 477,241 |
| General Expenses—Rent, Rates, Payroll Tax, &c. | .. | 24,750 |
| Administration—Head Office, Salaries, &c. | .. | 16,375 |
| Maintenance and Depreciation— | | |
| Donald Works (inoperative) | .. | 2,430 |
| Interest— | | |
| Government of Victoria | 22,941 | |
| Commonwealth Bank | 3,484 | |
| | <hr/> | 26,425 |
| Depreciation | .. | 17,699 |
| | <hr/> | 1,278,428 |

Factors contributing to the loss were:—

Loss on export sales and a reduced carcass out-turn at both works resulting from the unsatisfactory prices ruling in the United Kingdom.

Inability of the retail shops and small-goods factory to maintain satisfactory trading margins.

The slaughtering, treatment, and delivery of stock required for trade purposes by local butchers as well as the Authority's basic activities were continued at Ballarat and Bendigo during the year.

At Ballarat, the Egg and Egg Pulp Marketing Board continued the storing of frozen liquid egg products in the Authority's cold-storage facilities.

At Bendigo, slaughtering and cold-storage facilities were utilized by a public company operating a factory for pig canning and for the treatment of poultry for export and local markets.

Gross revenue of the four retail butchering businesses and small-goods factory, all situated at Ballarat, was greater than in any previous year, but the aggregate net profit declined to £956 as compared with £5,715 in 1954-55.

The Authority purchased a small-goods distributing business situated in Geelong in March, 1956.

A comparison over the last six years of the Authority's operations is given in the following statement :—

| | 1950-51. | 1951-52. | 1952-53. | 1953-54. | 1954-55. | 1955-56. |
|---|-----------|----------|-----------|----------|-----------|-----------|
| | £ | £ | £ | £ | £ | £ |
| Sales | 894,882 | 504,647 | 793,521 | 527,867 | 924,935 | 858,350 |
| Storage, Treatments, &c. | 109,056 | 173,367 | 214,404 | 196,758 | 242,957 | 220,312 |
| Stock Increase | 15,449 | 32,132 | .. | 16,440 | 179,611 | 20,906 |
| Net Losses | 64,524 | .. | 8,455 | 28,807 | .. | 25,376 |
| | 1,083,911 | 710,146 | 1,016,380 | 769,872 | 1,347,503 | 1,124,944 |
| Purchases | 795,843 | 347,424 | 545,891 | 351,070 | 737,054 | 560,024 |
| Working and Other Costs | 267,557 | 327,781 | 391,383 | 385,523 | 563,180 | 518,366 |
| Interest | 8,806 | 11,630 | 13,894 | 18,724 | 24,305 | 26,425 |
| Maintenance and Depreciation—Donald Works (inoperative) | 1,914 | 4,535 | 3,844 | 2,502 | 3,281 | 2,430 |
| Depreciation | 9,791 | 10,377 | 11,545 | 12,053 | 15,358 | 17,699 |
| Stock Decrease | .. | .. | 49,823 | .. | .. | .. |
| Net Profits | .. | 8,399 | .. | .. | 4,325 | .. |
| | 1,083,911 | 710,146 | 1,016,380 | 769,872 | 1,347,503 | 1,124,944 |

The Donald works have been silent since the Authority commenced operations in 1943. Including £18,878 for depreciation charges, the total loss by the Authority in respect of these works amounts to £47,775.

Variations in balance-sheet items are summarized hereunder :—

| | At 1st May, 1948. | At 30th June— | | | |
|--|-------------------|---------------|---------|-----------|-----------|
| | | 1953. | 1954. | 1955. | 1956. |
| | £ | £ | £ | £ | £ |
| Capital | 286,672 | 360,815 | 360,815 | 360,815 | 360,815 |
| Capital Revaluation and Adjustment | 74,143 | .. | .. | .. | .. |
| Loan for Fixed Assets | .. | 269,030 | 358,666 | 435,396 | 458,666 |
| Current Liabilities | 12,633 | 194,326 | 236,005 | 389,894 | 289,792 |
| Profits and Reserves | 883 | .. | .. | .. | .. |
| | 374,331 | 824,171 | 955,486 | 1,186,105 | 1,109,273 |
| Fixed Assets less Depreciation | 309,252 | 608,346 | 683,650 | 758,482 | 790,655 |
| Current Assets | 65,079 | 93,077 | 119,393 | 277,506 | 142,875 |
| Losses less Reserves | .. | 122,748 | 152,443 | 150,117 | 175,743 |
| | 374,331 | 824,171 | 955,486 | 1,186,105 | 1,109,273 |

On the security of the current assets of the Authority and a Government guarantee limited to £50,000, the Commonwealth Bank continued to provide temporary financial accommodation and, at 30th June, 1956, the Bank overdraft was £108,105. Current liabilities also include amounts totalling £145,000 advanced by the Treasurer towards working capital. Amounts totalling £23,270 received during the year from the State increased the existing loan to £458,666.

Amounts borrowed from the Government for building purposes and working capital since the inception of the Authority and interest rates thereon, have been—

£367,000 at 3½ per cent. per annum ;

£49,666 at 4 per cent. per annum ;

£187,000 at 4½ per cent. per annum.

MARKETING BOARDS.

Act No. 4337 provides the machinery under which Boards may be constituted for the marketing of primary products. Six Boards are operating, the Egg and Egg Pulp, Maize, Seed Beans, Onion, Potato, and Chicory Boards.

Egg and Egg Pulp Marketing Board.—This Board administers the marketing of eggs in Victoria. Some of the “floors” through which eggs are received are owned by the Board and others are operated on its behalf by agents. The Board carries on pulping operations in its own factories.

The audit has been completed to the close of the “pool” period ended 30th June, 1956. The year ended with a net deficit on operations of £4,065.

The operations of the “pool” during the accounting periods for 1954–55 and 1955–56 may be summarized:—

| 1954–55. | | 1955–56. |
|----------|----------------------------------|----------|
| £ | Income— | £ |
| 669,671 | Producers' Contributions | 532,234 |
| 11,632 | Market Fluctuation—Gain | .. |
| 334 | Sundry Sources | 130 |
| 681,637 | | 532,364 |
| | Expenditure— | |
| 225,382 | Pulping—loss | 270,450 |
| 198,967 | Export—loss | 114,939 |
| 72,855 | General Marketing costs | 78,142 |
| 64,123 | Administrative costs | 67,618 |
| .. | Market Fluctuation—loss | 5,280 |
| 561,327 | | 536,429 |
| 120,310 | Pool Surplus | .. |
| .. | „ Deficit | 4,065 |

The following is an abridged statement of the Board's balances at 30th June, 1956. Comparative figures at the end of the preceding year are also given:—

The Liabilities and Funds of the Board were:—

| 2.7.1955. | | 30.6.1956. |
|-----------|---|------------|
| £ | Current Liabilities— | £ |
| 94,130 | Sundry Creditors | 50,420 |
| .. | Deferred Liabilities—Long Service Leave | 557 |
| 234,065 | Commonwealth Egg Control Surplus distributed to the Victorian Board | 234,065 |
| 195,081 | Reserve Fund | 187,499 |
| 10,313 | Surplus—Pool period 1953–54 | 11,813 |
| 120,310 | „ „ 1954–55 | 482 |
| 653,899 | | 484,836 |

They were represented by:—

| £ | Current Assets— | £ | £ |
|---------|--|---------|---------|
| 228,524 | Cash at Bank, on Hand, &c. | 40,691 | |
| 113,862 | Sundry Debtors | 72,812 | |
| | | £ | |
| 41,158 | Stocks—Cases, and Packing Materials | 55,605 | |
| 19,818 | Eggs (including Eggs in Cool Store, Egg Powder, &c.) | 4,685 | |
| 62,537 | Egg Pulp, Yolks, and Whites | 97,981 | |
| 5,012 | Pulp Tins, Stationery, &c. | 4,454 | |
| | | 162,725 | |
| 182,988 | Fixed Assets less Depreciation | | 276,228 |
| 653,899 | | | 208,608 |
| | | | 484,836 |

The 1954–55 “pool”, as shown above, had a surplus at the close of the accounting period of £120,310. This included an amount of £49,852 due to the Board in respect of charges for Grading and Selling Commission which had not been deducted during the latter part of the “pool” period, but which, following on a legal opinion, were to be recovered from producers. The surplus was reduced during 1955–56 to £482 by a further distribution to producers.

Maize Marketing Board.—The audit of the accounts of this Board for the accounting period 1st April, 1955, to 14th April, 1956, has been completed.

Brief particulars of the operations are as follows:—

| | | | | | |
|----------------------------------|----|----|----|----|---------|
| Total number of bushels marketed | .. | .. | .. | .. | 204,138 |
| | | | | | £ |
| Gross proceeds of sales | .. | .. | .. | .. | 153,963 |
| Administration expenses | .. | .. | .. | .. | 1,912 |
| Amount paid to growers | .. | .. | .. | .. | 135,490 |
| Taken to Reserve | .. | .. | .. | .. | 313 |

Seed Beans Marketing Board.—The financial statements for the second pool cover the period 1st December, 1954, to 28th February, 1956. Seed beans delivered to the Board totalled 20,623 bushels of which 5,319 bushels were then unsold.

Details of operations within the above period are summarized hereunder:—

| | | | | £ | £ |
|---------------------------------|----|----|----|----|---------|
| Gross proceeds from sales | .. | .. | .. | .. | 115,808 |
| Sales of sacks, &c. | .. | .. | .. | .. | 1,442 |
| Stocks on hand, beans and sacks | .. | .. | .. | .. | 24,161 |
| Handling charges, &c. | .. | .. | .. | .. | 5,746 |
| Administration | .. | .. | .. | .. | 2,857 |
| Payment of Advances to Growers | .. | .. | .. | .. | 96,516 |
| Balance | .. | .. | .. | .. | 36,292 |
| | | | | | <hr/> |
| | | | | | 141,411 |
| | | | | | <hr/> |
| | | | | | 141,411 |
| | | | | | <hr/> |

The Onion Marketing Board.—Final accounts for the pools ended 15th November, 1954, and 15th November, 1955, have not as yet been prepared, as the Board experienced difficulty in assembling figures relating to bag stocks. The audit has been completed to the stage preceding the final accounts, and the following are details of the operations in these pools:—

| | | | 1953-54. | 1954-55. |
|---------------------------------------|----|----|-------------|-------------|
| Total onions marketed | .. | .. | 21,102 tons | 23,523 tons |
| | | | £ | £ |
| Gross proceeds from sales | .. | .. | 727,791 | 717,379 |
| Administration and marketing expenses | .. | .. | 64,975 | 31,307 |
| Amount paid to growers | .. | .. | 636,468 | 644,186 |
| Amount undistributed | .. | .. | 26,348 | 41,886 |

The average return per ton to growers in 1953-54 was £30 3s. and, in 1954-55, £27 8s.

The high rate of marketing expenses for the 1953-54 pool is attributable mainly to the costs incurred in promoting sales by the use of an improved type of bag for the purposes of display.

Potato Marketing Board.—The position outlined in my 1954-55 report still continues. The commodity has not been vested in the Board since 31st August, 1954.

Although the commodity remains unvested, the term of office of the members was renewed for a further period of two years from 20th May, 1956. This creates a situation which does not appear to have been contemplated in the Marketing of Primary Products Act.

Since the termination of the vesting order the Board has operated in competition with the wholesale merchants, either by purchasing potatoes from growers for or in anticipation of sales or in acceptance of deliveries for sale on a consignment basis. The Board also marketed potatoes through retailers in 7-lb. packages. Packaging operations ceased in September, 1956.

A summary of operations for the year ended 30th November, 1955, discloses:—

| | | | | £ | £ |
|--|----|----|----|--------|---------|
| Proceeds of wholesale sales of 12,488 tons | .. | .. | .. | .. | 371,926 |
| <i>Less</i> —Purchases, freight and sales expenses | .. | .. | .. | .. | 365,147 |
| | | | | | 6,779 |
| Gain | .. | .. | .. | .. | 6,779 |
| <i>Loss</i> —Store Operational Account | .. | .. | .. | 3,934 | |
| Packaging Account | .. | .. | .. | 707 | |
| Administration expenses | .. | .. | .. | 18,594 | |
| | | | | | 23,235 |
| Net loss | .. | .. | .. | .. | 16,456 |

Since the termination of the vesting order on the 31st August, 1954, the Board's limited operations could only legally be financed from the credit in the Reserve Fund which had been built up from previous pools. That the situation is deteriorating is apparent; at 30th November, 1954, the credit to the Reserve Fund amounted to £42,655 which had been reduced to £26,765 at 30th November, 1955. Further losses estimated at £9,400 have been incurred between the latter date and the 31st August, 1956.

HOUSING COMMISSION.

Operations for the Year 1955-56.—During the financial year, 4,152 housing units were completed, bringing the total number of completed units at 30th June, 1956, to 32,205. Of these, the Commonwealth-State Housing Agreement applied to all but 1,328 units which were financed under the State Housing plan in operation prior to December, 1943. Contracts in progress at 30th June, 1956, covered an additional 1,518 units, of which 1,332 were under construction at that date.

The number of concrete home units taken over from the Concrete House Project, Holmesglen, during the year, was 1,219, including 318 flats. These were erected and finished by day labour as part of the project. The cost of the units charged to the Commission in the year was £3,118,532 for 1,196 units, including 306 flats.

Houses sold up to 30th June, 1955, totalled 102. During 1955-56, 1,298 were sold as under :—

Commonwealth-State Agreement—

| | | | | | | | |
|---------------------------------------|--|--|--|--|--|--|-------|
| For cash | | | | | | | 24 |
| To War Service Homes Division | | | | | | | 83 |
| On terms | | | | | | | 1,183 |

1,290

| | | | | | | | |
|--------------------------------|--|--|--|--|--|--|---|
| State Housing—On terms | | | | | | | 8 |
|--------------------------------|--|--|--|--|--|--|---|

1,298

At that date, unsold dwellings consisted of :—

Commonwealth-State Agreement—

| | | | | | | | |
|-----------------|--|--|--|--|--|--|--------|
| City | | | | | | | 16,515 |
| Country | | | | | | | 12,982 |

29,497

State Housing—

| | | | | | | | |
|-----------------|--|--|--|--|--|--|-------|
| City | | | | | | | 1,174 |
| Country | | | | | | | 134 |

1,308

30,805

In addition, there are 70 shops, 50 of which are in the metropolitan area and 20 in the country, the costs of which have been financed out of State Housing loans. Of these, 40 have residences attached.

The financial statements of the Commission for the year ended 30th June, 1956, have been prepared with much greater despatch than in previous years. Copies were obtained from the Accountant on 19th October, 1956, but the audit has not yet been completed. The comparative figures for the years 1954-55 and 1955-56, however, are informative and, in abridged form, the revenue statement and balance-sheet, together with comments, are given hereunder.

GENERAL REVENUE ACCOUNT.

| 1954-55. | | 1955-56. | |
|------------------|---|-----------|-----------|
| £ | REVENUE. | £ | £ |
| 3,420,290 | Gross rentals charged after deducting rebates allowed, losses from vacancies, &c. | 4,617,420 | |
| 1,808 | Interest receivable | 1,947 | |
| 1,166 | Miscellaneous | 1,680 | |
| .. | House Trading Account—Cash and War Service Homes Sales | 118,317 | |
| .. | Sales on terms | 887,710 | |
| <hr/> | | <hr/> | |
| 3,423,264 | | | 5,627,074 |
| EXPENDITURE. | | | |
| 495,661 | Rates, less amount capitalized | 624,360 | |
| 802,185 | Provision, accrued maintenance | 927,902 | |
| 1,810,019 | Interest payable, less amount capitalized | 2,132,684 | |
| 183,185 | Administration, less amount capitalized and amount applied to house sales | 234,298 | |
| 32,852 | Cost of rent collections in country areas | 37,729 | |
| 46 | Loan conversion expenses | .. | |
| 564,979 | Loan Redemption—Commonwealth and State Agreement | 648,629 | |
| 2,380 | Contributions to National Debt Sinking Fund | 2,506 | |
| 500 | Contributions to Debenture Loan Sinking Fund | 500 | |
| 4,807 | Redemption of Debentures | 4,277 | |
| 9,499 | House Trading Account—Net loss for year 1954-55 | .. | |
| .. | Transferred to House Sales Reserve Suspense Account | 809,238 | |
| <hr/> | | <hr/> | |
| 3,906,113 | | | 5,422,123 |
| 482,849 | (Deficit) Surplus for year 1955-56 | .. | 204,951 |
| 9,499 | Transferred to House Sales Reserve—Net loss for year 1954-55 | .. | .. |
| .. | Net Surplus on House Sales from former years transferred | .. | 35,058 |
| <hr/> | | <hr/> | |
| 473,350 | (Debit) Balance to Accumulated Deficit Account | (Credit) | 240,009 |
| <hr/> | | <hr/> | |

The net result of the year's operations shows a surplus of £204,951. Excluding transactions in respect of house sales, the surplus was £8,161. Whether adequate provision for maintenance has been charged or a provision for insurance should have been made are referred to under those sub-headings later in these explanatory paragraphs.

The increased gross rentals are due to two principal factors, viz., a greater number of houses were occupied during the year as house units under construction became available for occupation and also higher rentals were charged from 4th September, 1955, following a review of capital costs and a consequential adjustment of economic rentals.

Sales of Houses.—As already stated the number of houses sold during 1955-56 totalled 1,298. Sales under the altered Commonwealth and State Housing Agreement commenced in February, 1956. The legislation ratifying this agreement, Act No. 5899, was assented to on 29th November, 1955, but administrative preparations therefor, and a few sales through the War Services Homes Division, were put in motion earlier.

The method of treatment in the General Revenue Account has been to take full credit in the year for surpluses on cash and War Service Homes sales and, in respect of sales on terms, credit has been taken for only that proportion of the ultimate surplus on each of these sales that deposits and instalments received bear to the net sale price. The balance has been transferred to House Sales Reserve Suspense Account.

The amount standing to the credit of House Sales Reserve at 30th June, 1955, being the net surplus on houses sold for cash to that date, has been credited to the Accumulated Deficit Account.

Items Capitalized.—As provided in the Agreement, expenditure on administration, rates, and interest deemed to be applicable to, or incurred during, construction has been capitalized. Details of sums capitalized are :—

| | 1953-54. | 1954-55. | 1955-56. |
|------------------------|----------|----------|----------|
| | £ | £ | £ |
| Rates | 30,732 | 30,782 | 34,267 |
| Interest | 330,525 | 243,626 | 204,431 |
| Administration | 106,824 | 107,039 | 116,379 |
| | 468,081 | 381,447 | 355,077 |

Rates are based on actual figures. Administration is determined by estimation of the costs of the several components of expenditure within this group. A marked reduction is to be seen in the amount of capitalized interest. This is explained chiefly by the series of contracts in connexion with imported pre-cut houses tapering to actual completion in September, 1955. As stated in my 1953-54 report in respect of imported houses, the periods between initial payments and final construction have been much longer than in the case of other building projects.

Provision for Maintenance.—The amount provided in the 1954-55 Revenue Account was £802,185 and, in 1955-56, £927,902. Actual expenditure on maintenance is met from an "Accruing Maintenance Provision Account" and, in the respective years, totalled £519,827 and £623,653. The balance in the Provision Account at 30th June, 1956, was £983,408.

The estimate of accruing maintenance has been based so far on the Maintenance Architect's assessments as applied to classified types of Commission houses. His estimates were founded on costs in December, 1952—their adequacy as applied in later years was questioned by the Committee of Inquiry appointed in September, 1955, and later, by the Royal Commission which also gave attention to this aspect. Assuming the accrued maintenance has been under-provided, there is an off setting factor which will also need annual review, i.e., the provision made in past years in respect of houses sold to the extent that such provision has not been applied.

Depreciation.—No provision has been made out of Revenue for depreciation of houses. The expenditure from Revenue on account of debt redemption has so far been regarded by the Commission as a reasonable substitute for depreciation, as it provides for amortization over a period of 53 years.

Insurance.—No provision for insurance has been included in the charges against revenue. An estimate of the annual amount to be so charged would be difficult to determine. Such a provision, however, was advocated by the Committee of Inquiry in its report of 4th November, 1955.

ABRIDGED BALANCE-SHEET AS AT 30TH JUNE.

| 30.6.1955. | | 30.6.1956. | |
|------------|--|------------|------------|
| £ | | £ | £ |
| | <i>Current Assets—</i> | | |
| 635,888 | Construction materials | 394,072 | |
| 47,319 | Maintenance materials | 10,606 | |
| 269,317 | Sundry debtors | 381,020 | |
| | | <hr/> | 785,698 |
| 26,372 | <i>Investments</i> | | 23,983 |
| | <i>Deferred Assets—</i> | | |
| | House Purchase Debtors | | 3,025,580 |
| | <i>Fixed Assets—</i> | | |
| 11,934,400 | Estates, being cost of land, developmental and incidental expenses .. | 13,031,385 | |
| 62,634,880 | Buildings | 71,327,541 | |
| | | <hr/> | 84,358,926 |
| | Less Suspense Account for estimated capital costs of houses sold .. | 911,041 | |
| | | <hr/> | 83,447,885 |
| 83,243 | Cost of properties acquired for Slum Reclamation | 176,683 | |
| 27,240 | Store rooms and offices | 38,979 | |
| 112,332 | Plant, vehicles, office furniture, and equipment | 154,577 | |
| 42,091 | Precutting depots and constructional buildings | 17,078 | |
| 1,525,250 | Holmesglen housing factory | 1,429,492 | |
| | | <hr/> | 85,264,694 |
| 190,026 | <i>Deposit, and Trust Account—</i> Cash and securities at Bank | | 121,945 |
| 11,199 | <i>Loan Flotation Expenses—</i> Less amount written off | | 11,951 |
| 1,465,280 | <i>Accumulated Deficit</i> | | 1,225,271 |
| | | <hr/> | 90,459,122 |
| 79,004,837 | Total | | |
| | <i>Current Liabilities—</i> | | |
| 325,358 | Sundry creditors | 259,318 | |
| 678,279 | Bank overdraft less cash in transit | 543,101 | |
| | | <hr/> | 802,419 |
| | <i>Loans—</i> | | |
| 73,526,504 | Government advances | 83,434,036 | |
| 470,398 | Debenture issues | 466,120 | |
| | | <hr/> | 83,900,156 |
| | <i>Advances—</i> | | |
| 683,487 | State Treasury—Advances to meet losses | 929,645 | |
| 80,000 | Advances for Slum Reclamation | 80,000 | |
| | | <hr/> | 1,009,645 |
| | <i>Reserves and Sinking Funds—</i> | | |
| 49,602 | Debenture Loans Redemption | 53,880 | |
| 113,802 | Cancelled Securities—National Debt Sinking Fund | 123,385 | |
| 8,755 | Debenture Loan Sinking Fund | 9,561 | |
| 2,159,848 | Loan Redemption—Commonwealth and State Agreement | 2,637,035 | |
| 4,560 | “Trans-fab” Construction Insurance Reserve | 6,580 | |
| 679,160 | Accruing Maintenance Provision | 983,408 | |
| 35,058 | House Sales Reserve | | |
| | House Sales Reserve Suspense Account | 809,238 | |
| | House Sales—Death Benefit Scheme and Insurance | 1,870 | |
| | | <hr/> | 4,624,957 |
| | <i>Deposit and Trust Account—</i> | | |
| 190,026 | Contractors' deposits and other trust moneys | | 121,945 |
| 79,004,837 | Total | | 90,459,122 |

The bank overdraft of £678,279 at 30th June, 1955, is attributed by the Commission to a reduction of £1,050,000 in their loan allocation for 1954-55, notification of which was not received until early in June, 1955. However, there was again an overdraft at 30th June, 1956, amounting to £543,101.

The overdraft at 30th June, 1955, was unavoidable, and it was only a matter of days during which the overdraft at 30th June, 1956, continued. Reference is made to this subject as recourse to bank overdraft is not provided for under the Housing Acts. This situation should be remedied.

The total liability of the Commission for borrowed money at 30th June, 1956, was £83,900,156 made up as follows:—

| <i>State Housing.</i> | | £ |
|--|---------|------------|
| From the Government of Victoria | | 1,078,577 |
| „ Debenture issues of the Commission | | 497,500 |
| | | <hr/> |
| Government Loan transferred to the Commission | | 1,576,077 |
| | | 30,000 |
| | | <hr/> |
| | | 1,606,077 |
| | £ | |
| <i>Less</i> Securities purchased out of National Debt Sinking Fund and cancelled | 125,029 | |
| Debentures redeemed under Act No. 4583, Section 5 | 31,379 | |
| | | <hr/> |
| | | 156,408 |
| | | <hr/> |
| | | 1,449,669 |
| <i>Commonwealth and State Housing Agreement.</i> | | |
| Loan Advances received from the Commonwealth of Australia | | 85,781,000 |
| <i>Less</i> Repayments | | 3,330,513 |
| | | <hr/> |
| | | 82,450,487 |
| | | <hr/> |
| Aggregate Liability State Housing and Agreement as at 30th June, 1956 | | 83,900,156 |
| | | <hr/> |

THE SUPERANNUATION BOARD.

The State Superannuation Board was constituted under the provisions of the *Superannuation Act 1925*. This Act and later amendments provided retiring benefits, on a contributory basis, for the Public and Teaching Services, the employees of the Railways, and certain statutory bodies.

The Superannuation Fund established under the *Superannuation Act 1925* was, until the 30th June, 1952, included in the Treasurer's Accounts, although the investments of the fund were in the name of the Board. Since the 1st July, 1952, the fund has been under the direct control of the Board and has not formed part of the Public Account. The administration costs, however, are met from Consolidated Revenue.

The transactions for the current year, together with those since the inception of the scheme, are shown in the following summary:—

| — | Year ended 30th June, 1956. | Total. |
|--|--------------------------------|------------|
| <i>Receipts.</i> | £ | £ |
| Contributions from officers.. .. . | 2,177,115 | 19,458,678 |
| Contributions from Consolidated Revenue | 2,616,887 | 24,260,960 |
| Interest | 786,161 | 8,007,830 |
| Underwriting from Investments | 6,812 | 39,156 |
| Premiums on Sale of Securities | .. | 135,612 |
| Balance in hand—1st July, 1955 | 1,419 | .. |
| | 5,588,394 | 51,902,236 |
| <i>Disbursements.</i> | | |
| Pensions | 3,258,328 | 30,310,221 |
| Endowment Assurances | 399 | 99,871 |
| Retrenchment (Section 39) | .. | 134,312 |
| Assurance Premiums | 166 | 1,007 |
| Lump Sum Payments (Act No. 5911, Section 10) | 64 | 64 |
| | 3,258,957 | 30,545,475 |
| The Balance was | 2,329,437 | 21,356,761 |
| Of which there has been invested | 2,329,353 | 21,356,677 |
| Leaving a cash balance of | 84 | 84 |

I wish to express my appreciation to the officers of the audit staff who, under exacting conditions, have given me their wholehearted support, and also to the officers of the activities referred to herein for the helpful co-operation they have accorded me and my staff in the performance of our statutory duties.

Melbourne, 8th November, 1956.

E. A. PEVERILL,
Auditor-General.