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**REPORT**

OF THE

**AUDITOR-GENERAL**

FOR THE YEAR ENDED

**30th JUNE, 1962**

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# REPORT OF THE AUDITOR-GENERAL OF VICTORIA

UPON

THE TREASURER'S STATEMENT OF THE FINANCES FOR THE YEAR  
ENDED 30<sup>TH</sup> JUNE, 1962.

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As directed by Section 47 of the *Audit Act* 1958, I hereby transmit to the Legislative Assembly the Statement for the financial year ended 30th June, 1962, prepared in detail by the Treasurer, of the receipts and expenditure of—

the Consolidated Revenue,

the Trust Fund, and

the Loan Fund ;

and I have the honour to furnish herein, in accordance with the provisions of the said section, my report—

(i) explaining the Statement in full ; and

(ii) showing particulars of the several matters more specifically referred to in paragraph (a) of sub-section (1) and in sub-section (2) of the said section.

In conformity with the provisions of Section 46 of the *Audit Act*, the Treasurer has included and distinguished in his Statement of the "expenditure of the Consolidated Revenue" for the year such amounts as had been expended but in respect of which no appropriation had been made on or before the 30th June, 1962. It follows that the relevant figures herein are submitted on the basis that, in the near future, Parliamentary approval of these amounts will be signified by the passing of the final Supplementary Estimates for the year.

The Treasurer's Statement and the related subsidiary statements have been checked by my officers and are in agreement with the accounts of the Treasurer.

This report is arranged to present a review of the Treasurer's accounts for the year followed, under appropriate headings, by the more detailed information and explanations necessary to comply with statutory requirements.

My comments upon the accounts of the several major public authorities which I am required by law to audit will be furnished in a supplementary report which is now in course of preparation.

## REVIEW.

### *Revenue and Loan.*

The State's revenue position, as disclosed in the Treasurer's Statement, is discussed hereunder.

In 1961-62—	£	s.	d.
The Revenue brought to account from all sources was ..	196,308,813	3	6
The Expenditure charged against the year's Revenue was	196,298,276	13	11
			<hr/>
The Surplus for the year was .. ..	10,536	9	7

The expenditure shown above includes £3,022,308 19s. 11d.—the sum to be approved by the passing of the final Supplementary Estimates for the year. Following on formal approval of these Estimates, my certificate pursuant to Section 20 of the *Public Account Act* 1958 will be issued in respect of the Surplus for the year.

The component sums and the respective proportions of the Revenue, obtained from Commonwealth and State sources in the past two years, are compared hereunder :—

Source.	1960-61.		1961-62.	
	Component Sum.	Percentage of Gross Revenue.	Component Sum.	Percentage of Gross Revenue.
	£		£	
Commonwealth contributions and recoups . .	70,833,763	38·27	78,487,809	39·98
State sources . . . . .	114,267,640	61·73	117,821,004	60·02
	185,101,403	100·00	196,308,813	100·00

The revenue from Commonwealth sources consisted, in each of the two years, of the under-mentioned grants and recoups :—

Contributions, &c.	1960-61.	1961-62.	Increase
	£	£	£
Financial Assistance Grants . . . . .	67,371,342	73,014,476	5,643,134
Additional Assistance Grant . . . . .	..	1,800,000	1,800,000
Contribution under Commonwealth States Financial Agreement towards Interest . . . . .	2,127,159	2,127,159	..
Recoup under Health Tuberculosis Arrangement . . . . .	1,097,097	1,146,750	49,653
Other recoups . . . . .	238,165	399,424	161,259
	70,833,763	78,487,809	7,654,046

The Commonwealth financial assistance grants and the additional assistance grant included in the above summary are mentioned in some detail at page 11 *et seq.* of this report. Further, certain aspects of the additional assistance grant are the subject of explanation below. The recoup under the Health Tuberculosis Arrangement is brought to account in the Treasury books under the “Department of Health” and is referred to later in this report under that general heading.

The enabling Commonwealth legislation under which the additional assistance grant of £1,800,000 was made to the State in 1961-62 did not prescribe any conditions but the Commonwealth Government did indicate that the over-riding general purpose of the grant was to provide employment.

Moneys granted to the State by the Commonwealth for purposes prescribed in any Commonwealth Act may, pursuant to the provisions of Section 11 of the Victorian *Public Account Act* 1958 be accepted and credited by the Treasurer to “a suitable account in the Trust Fund” in the State Treasury and without any other authority than the said Public Account Act the Treasurer may “authorize the disbursement of such moneys for the purposes set out in the Commonwealth Act”.

In the absence in the relevant Commonwealth Act of any formal prescription of the purposes for which the additional assistance grant of £1,800,000 was made, the provisions of the State’s Public Account Act, cited above, did not apply to this grant, and, accordingly, the amount of the grant was paid by the Treasurer to the credit of Consolidated Revenue. However, to ensure that the grant was used for the purpose indicated by the Commonwealth Government, an equivalent sum was transferred by the Treasurer from Consolidated Revenue to an account within the Trust Fund styled—“Special Works Trust Account—Commonwealth Grant”. The amount of the transfer appears in the Treasurer’s Statement of the Consolidated Revenue as an item of expenditure charged to Treasurer’s Advance.

It will be seen that, to give effect to the aforementioned transfer, it was necessary, pending Parliamentary sanction, to use Treasurer's Advance as a Suspense Account. Use of this particular accounting procedure for the purpose of making transfers from Consolidated Revenue to Special Accounts within the Trust Fund was the subject of comment in my previous report and later of inquiry and subsequent recommendation by the Public Accounts Committee. The comments of the Committee on this particular question are being currently considered by the Treasury and the Audit Office with a view to recommending a more satisfactory method of accounting for transfers of this kind.

As shown in the summary earlier herein, the State's revenue from its own sources amounted to £117,821,004. Of this amount, the sum of £74,837,814 was received from sources other than railways and the balance, £42,983,190, on account of railway income.

Revenue from State taxation amounted to £43,577,287 as compared with the estimate for the year of £43,703,000 and the sum of £42,144,369 received from this source in the previous year. The more important imposts included under this head are discussed fully at page 13 *et seq.* of this report.

Collections on account of interest on Public Account, &c., and on loan advances to the Housing Commission, State Electricity Commission, and other public authorities amounted to £11,489,970 or £1,145,886 in excess of the sum received on this account in the previous year. The upward trend noticeable in receipts from this source reflects the higher commitments of some of these Bodies in consequence of increased borrowings from the State.

Territorial revenue at £2,865,850 was higher by £12,404 than the revenue in the previous year under this head. Actually, collections by the Lands Department increased by £131,501 while collections of royalties, rents, &c., by the Forests Commission decreased by £117,995. These two factors together with a decrease of £1,102 in revenue from mining leases, &c., accounted for the small over-all increase in revenue from territorial sources. The reasons for the aforementioned increase in revenue from the sale, licensing and leasing, &c., of Crown land by the Lands Department and the decrease indicated in revenue from forest royalties, are given in the sections later in this report under the respective headings of "Department of Crown Lands and Survey" and "Forests".

In former years, railway income and revenue from other State undertakings together with recoups from certain loan and other funds were brought to account in the Treasury under the Revenue head of No. 4 Public Works. However, the Treasurer's Statement of the Consolidated Revenue for the year under review has been divided into two Parts both in respect of revenue and expenditure. Part I. refers to *Departments and Services Other than Railways* and Part II. to *Railways*. The division of the accounts as aforesaid is consistent with the provisions of the *Railways (Funds) Act 1961* and is in accordance with the form of presentation adopted for the estimates for the year. This altered form of presentation makes it convenient to discuss the Railway accounts as a separate entity later in this review.

Collections from those sources still recorded under Revenue head—No. 4 Public Works—are compared below with the relevant figures for the previous year:—

Source of Collections.	1960-61.	1961-62.	Increase + Decrease -
	£	£	£
State Rivers and Water Supply Commission—			
Rates, Charges, Water Sales and Miscellaneous .. .. .	2,955,103	3,356,623	+401,520
Recoups on account of amounts paid from Revenue in connexion with Loan Works, &c. .. .. .	922,600	919,225	— 3,375
	3,877,703	4,275,848	+398,145
Public Works Department—			
Recoups on account of amounts paid from Revenue in connexion with Loan Works, &c. .. .. .	1,470,785	1,362,941	—107,844
Other Receipts .. .. .	9,308	8,796	— 512
	1,480,093	1,371,737	—108,356
State Coal Mine .. .. .	360,458	245,229	—115,229
Forest Commission—Undertakings .. .. .	102,460	84,986	— 17,474
Victoria Dock Cool Stores .. .. .	210,598	177,798	— 32,800
Total No. 4—Public Works .. .. .	6,031,312	6,155,598	+124,286

For the purpose of this Review, brief explanations of the variations in revenue disclosed by the preceding summary are given below.

The rise of £401,520 in the collections of the State Rivers and Water Supply Commission from "Rates, Charges, Water Sales, &c.," arose out of an increase in the sum collectable. It is significant in this regard that the percentage of collection was approximately the same as that in the previous year.

The decrease of £3,375 in the Commission's "Recoups on account of amounts paid from Revenue in connexion with Loan Works, &c." was a net figure. It was largely the result of a reduction in receipts consequent upon a reduction from 10 to  $8\frac{1}{3}$  per cent. in the charge for oncost on the Commission's loan works generally, offset by increases in the respective sums collected by way of "Special" oncost and salary recoups from River Murray Commission and other funds.

With respect to the recoups shown in the summary under Public Works Department, the decrease of £107,844 in receipts from this source was caused mainly by the decrease from  $12\frac{1}{2}$  to 11·076 per cent. in the charge on loan and other works for the services rendered by the Department in respect of the design and supervision of such works, and in consideration of associated administrative costs.

The decrease in State Coal Mine receipts was consistent with the downward trend in Mine income due to the fall in production.

Income from the State Sawmill was also at a lower level with a consequential reduction in collections, as shown, from "Forest Commission—Undertakings".

Although there was a decrease of £32,800 in the receipts of the Victoria Dock Cool Stores, revenue of the Undertaking, ascertained on a commercial accounting basis, rose from £198,985 in 1960–61 to £227,549 in 1961–62. This increase and the reduction in receipts are reflected in the variation in the Undertaking's "Sundry Debtors" which moved from £66,813, at the 30th June, 1961, to £116,591, at the 30th June, 1962.

Revenue under "No. 5 Ports and Harbors" fell from £681,984 in 1960–61 to £658,832 in 1961–62, a decrease of £23,152. This decrease was largely accounted for, on the one hand, by a reduction of £70,877 in the statutory payment by the Melbourne Harbor Trust in consequence of a fall in the Trust's revenue and, on the other, by an increase of £50,449 in collections from "Tonnage" due largely to an alteration in the basis of calculation of tonnage duty from "net tonnage" to "gross tonnage", as authorized by the *Marine (Amendment) Act* 1961.

Collections from "Fines" amounted to £567,258 as compared with £540,435 in the previous year, and revenue from "Fees" fell from £1,625,723 to £1,602,858.

Collections brought to account in the Treasury under the Revenue head—"No. 8 Departmental"—consist largely of receipts of departments arising from or in consideration of the performance of their respective functions. Included in these receipts, as already indicated, are the recoups by the Commonwealth of the State's net maintenance expenditure incurred in connexion with the control, &c., of tuberculosis. Excluding these recoups, the respective sums credited to "No. 8—Departmental" in 1960–61 and 1961–62 were £3,627,162 and £4,084,756. Major variations, as between the two years, in the receipts of individual departments are commented upon under appropriate departmental headings elsewhere in this report.

"Miscellaneous" receipts from State sources amounted to £3,835,405 as compared with £3,809,415 in 1960–61. In the year under review, the receipts under this head included the sum of £51,901 transferred from the Maffra Sugar Factory Depreciation Fund under the authority of sub-section (5) of Section 8 of the *Public Account Act* 1958.

As pointed out in previous reports, the purpose for which the Maffra Sugar Factory Depreciation Fund was established no longer exists but the Fund is being allowed to remain open until its investments are realized. The amount of the transfer, £51,901, to Consolidated Revenue represented the cash which, up to the last day of the year, had accumulated to the credit of the Fund on account of interest on investments and proceeds of redemption of securities. As at 30th June, 1962, there still remained at the credit of the Fund securities to the value of £9,650.

Excluding £42,983,190, railway operating expenses, &c., and £1,800,000, the transfer to "Special Works Trust Account—Commonwealth Grant", each of which is referred to specifically elsewhere in this Review, expenditure from Consolidated Revenue amounted to £151,515,087.

Loan expenditure on works, including those associated with Railways amounted to £53,416,863.

Appropriate details of many of the items which make up the aforementioned expenditures are given in various parts of this report. Further, in Statement No. 2 appended to this report, such expenditures are analysed under broad classifications, e.g. social, &c., both on a monetary and proportional basis and compared with the relevant figures for the previous year.

It will be seen throughout this report that departmental salary costs in 1961–62 were higher than those in 1960–61 due :—

- (i) to the adjustment of salary rates or allowances in the nature of salary following on the increase of 12s. a week in the basic wage granted in July, 1961; and
- (ii) in each of several instances, to the appointment of additional personnel to meet the growing social needs of the State.

The effect of both these factors was particularly noticeable in respect of the Education and Police Departments. The creation of the new Social Welfare Branch of the Chief Secretary's Department also involved the appointment of additional staff.

"Debt Charges" on the Public Debt rose from £36,444,994 in 1960–61 to £40,120,636 in 1961–62. After setting off against each of these sums that portion of the State's revenue which may be regarded as available for the payment of interest, sinking fund contributions, &c., the net charges to Consolidated Revenue on account of this item were, in the two years, £25,676,810 and £28,145,665 respectively. (For particulars, see Statement No. 5 appended to this report).

The State's net loan liability, excluding Commonwealth advances for housing purposes and for special assistance for soldier settlement, rose from £632,161,965 as at the 30th June, 1961, to £674,262,410 as at the 30th June, 1962. Summaries of loan raisings, redemptions and related terms and conditions are furnished under "Loan Fund" in this report.

By direction of the *Railways (Funds) Act* 1961, the annual charge against the Railways on account of interest and sinking fund on moneys borrowed for railway purposes ceased as from and inclusive of 1961–62. Accordingly, as from and inclusive of that year, railway operating expenses are comprised of railway working expenses, railway superannuation and retiring allowances and any other expenditure, apart from debt charges, debited to Consolidated Revenue on account of the Railways.

The *Railways (Funds) Act* 1961 also provided for the establishment in the Trust Fund in the Treasury of a "Railway Equalization Account". There was to be paid into this Account, in respect of any financial year, any excess of railway income over railway operating expenses and any credit to such Account was to be available for the purpose of supplementing railway income in any subsequent year in which such income fell short of railway operating expenses.

It may be recalled that the Railway Equalization Account was credited, as at 30th June, 1961, with an amount of £920,347. This initial credit, which was provided under the authority of an item in the final supplementary estimates for 1960–61, was equivalent to the amount of the excess of railway income over railway operating expenses for that year and was, therefore, consistent with the procedure subsequently provided for in the said *Railways (Funds) Act* 1961.

On the new basis, comparative details of railway income and expenditure for the past five years, are given below :—

—	1957-58.	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£	£
Railway Working Expenses, &c. . . . .	36,638,887	36,426,084	37,662,372	39,576,829	40,721,240
Railway Pensions and Superannuation contributions . . . . .	1,712,623	1,845,153	1,969,664	2,126,997	2,258,291
Railway Operating Expenses . . . . .	38,351,510	38,271,237	39,632,036	41,703,826	42,979,531
Railway Income . . . . .	35,947,810	38,141,702	39,031,893	42,624,173	42,983,190
Excess of Working Expenses over Income . . . . .	2,403,700	129,535	600,143	..	..
Excess of Income over Working Expenses . . . . .	..	..	..	*920,347	*3,659

\* Transferred to Railway Equalization Account.

An unusual charge to Railway Working Expenses during 1961-62 was the sum of £165,501 representing four instalment payments in connexion with the purchase of ten diesel locomotives and the cost of certain associated spare parts.

The annual railway results shown in the summary are those disclosed by the relevant accounts of the Treasurer. In these accounts, railway income is recorded substantially on a cash basis. It will be seen that, in respect of the year under review, a surplus of £3,659 is shown. On the other hand, on an accrual basis, there was a revenue loss for the year of £370,445. A reconciliation of these two results is given under the general heading of "Railway Accounts" later in this report. There, it will be observed that Net Railway Revenue Outstandings was reduced from £1,977,848 at the beginning of the year to £1,603,744 at the close of the year. Actually, railway revenue collections reached an unusually high level in 1961-62.

#### TRUST AND SPECIAL FUNDS.

Eleven new funds and accounts were established during the year. Particulars of these and many of the other funds which comprise the Trust Fund are given later in this report under the heading of "Trust and Special Accounts".

In 1961-62, debits and credits to the funds and accounts within the Trust Fund, excluding investment transactions, aggregated respectively £174,695,932 and £175,628,294, as compared with £155,339,880 and £160,145,274 in 1960-61.

The figures shown above indicate the magnitude, in total, of the transactions recorded in the funds and accounts under review. It should be explained, however, that some of these accounts are required only to record the receipt of moneys from the Commonwealth for specific purposes and their transmission to certain public bodies for disbursement, e.g., Commonwealth Advances under the Commonwealth-State Housing Agreement and Commonwealth grants for university purposes. Further, the figures quoted include the debits and credits to "Railway Charges in Suspense Account", "Lands Suspense Account", and "Soldier Settlement Suspense Account" amounting to respectively—£49,016,069 and £49,202,357 in 1960-61; and £53,243,540 and £53,141,412 in 1961-62. These accounts are not funds in the true sense. They are merely accounting media to simplify the charging, at regular intervals, of expenditure of the Railways Department and the crediting of the receipts of Lands Department and Rural Finance and Settlement Commission—Settlement Branch (formerly the Soldier Settlement Commission) to the appropriate accounts in the Treasury books.



As already indicated, conditional advances and grants are made by the Commonwealth to the State and are either transmitted or disbursed through special accounts within the Trust Fund. Comparative details for the past two years are furnished below :—

Account or Fund.	1960-61.			1961-62.		
	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.
	£	£	£	£	£	£
Commonwealth Aid Roads .. ..	9,208,988	9,167,237	41,751	10,121,032	10,092,136	28,896
Commonwealth-State Housing Home Builders' .. ..	7,560,000	7,560,000	..	9,942,345	9,942,345	..
Uniform Railway Gauge Trust .. ..	4,206,361*	4,138,197	68,164	5,518,970*	5,478,037	40,933
Hospital Benefits .. ..	5,007,430	5,007,430	..	4,433,796	4,433,796	..
University (Commonwealth Subsidy) ..	1,753,723	1,668,425	85,298	1,787,357	1,673,194	114,163
Monash University (Commonwealth Subsidy) .. ..	1,574,410	1,574,410	..	1,726,754	1,726,754	..
Rural Rehabilitation .. ..	1,345,342	1,345,342	..	1,817,766	1,817,766	..
Commonwealth Pharmaceutical Benefits	1,623,522	22,039	1,601,483	1,701,535	6,809	1,694,726
Commonwealth-State Free Milk Scheme	1,363,651	1,294,034	69,617	1,420,129	1,417,038	3,091
Commonwealth Scholarship Scheme ..	1,020,257	952,903	67,354	1,103,730	983,906	119,824
Private Hospital Benefits .. ..	698,988	687,425	11,563	840,107	824,269	15,838
Commonwealth-State Grants (Mental Institutions) .. ..	282,501	282,501	..	..	..	..
Other .. ..	83,820	83,820	..	..	..	..
	526,240	443,370	82,870	711,385	605,214	106,171
	36,255,233	34,227,133	2,028,100	41,124,906	39,001,264	2,123,642

\* Includes repayment of advances and interest thereon 1960-61. £1,066,679; 1961-62, £1,392,706.

The amounts shown as passing through the Commonwealth-State Housing Account are disbursed by the Housing Commission in terms of the Commonwealth-State Housing Agreement. Also under this Agreement, funds are credited to the Home Builders' Account. These funds are comprised of Commonwealth Advances, and repayments of principal and payments of interest by various Co-operative Housing Societies. They are administered by the Registry of Co-operative Housing Societies. As at 30th June, 1962, the State's liability to the Commonwealth in respect of housing was £141,411,208 as compared with £128,660,447 at the close of the previous year.

The credits to the Uniform Railway Gauge Trust Fund in 1961-62 amounting in all to £4,433,796 consisted of—

Commonwealth—	£	£
Recoups .. ..	661,814	
Advances .. ..	3,338,186	
		4,000,000
Credits on account of Advances from Public Account ..	..	433,796
		<u>4,433,796</u>

Disbursements from this Fund during the year included transfers amounting to £594,678 in adjustment of advances from Public Account. The actual expenditure on the uniform gauge railway up to and inclusive of the 30th June, 1962, was £15,472,884. This expenditure has been financed by Commonwealth Recoups and Advances to the extent of £14,485,274 and, pending formal allocation, by State Public Account Advances to the sum of £987,610.

Other moneys of substantial amount received from the Commonwealth and included in the preceding summary are the Commonwealth Aid Roads allocations. The total credit in 1961-62, as shown in the summary, consisted of the balance brought forward, £41,751, and £10,079,281, Victoria's share of the moneys allocated to the States

in the year by the Commonwealth pursuant to the provisions of the Commonwealth Aid Roads Act. From the total credit to the Account, the Country Roads Board expended £9,877,696 on roadworks, etc., and the Public Works Department £214,440 on works connected with havens, wharves, and jetties. As indicated in the summary, £28,896 was carried forward to 1962-63.

The credits in the remaining accounts listed in the summary comprise Commonwealth grants for the purposes implied by the respective titles of such accounts. The general designation "Other" includes several smaller accounts which record the receipt and disbursement of Commonwealth moneys provided to meet sundry social and other needs and for assistance to primary producers.

In addition to providing moneys for the purposes outlined above, the Commonwealth has supplemented State contributions to the extent of £43,625 for tobacco experimental purposes.

Mention was made earlier in this Review to the sum of £1,800,000, equivalent to the amount of the Commonwealth Additional Assistance Grant, transferred from Consolidated Revenue to the credit of "Special Works Trust Account—Commonwealth Grant". This credit was allocated for expenditure as set out at page 187 of the Treasurer's Finance Statement. References are also made to these allocations throughout this report.

Collections on account of fees, fines, and licences, &c., under the Motor Car Act and road charges under the Commercial Goods Vehicles Act, are credited to the Country Roads Board Fund, and provide solely from State sources a substantial contribution towards the cost of State roadworks. Excluding cross entries, the credits to the Fund together with the balance brought forward amounted to £13,314,698 in 1960-61 as compared with £12,985,073 in 1961-62.

The actual expenditure by the Country Roads Board on road and associated works met from the Country Roads Board Fund, Commonwealth Aid Roads moneys and from loan allocation, amounted to £21,076,048 in 1961-62 and £19,089,259 in 1960-61. (For further details see under Country Roads Board later in this report).

*Consolidated Revenue Deficit Account.*—The debit balance on this Account, representing the amount of the consolidated revenue deficit standing as a charge to Public Account, was reduced during the year from £1,877,173 to £1,707,342. The reduction of £169,831 was effected by applying to the consolidated revenue deficit brought forward the Revenue Surplus for 1960-61. It should be observed that the application of the previous year's surplus in this way was in conformity with the direction contained in Section 20 of the *Public Account Act 1958*.

#### *Public Account.*

At the close of the year, cash held on current account and fixed deposit amounted to £24,956,828. Details of the composition of this amount and a summary of Treasury Balances, as at 30th June, 1962, are furnished at page 5 of the Treasurer's Finance Statement. On the following page of that Statement, particulars of the Advances from Public Account, excluding the amounts charged to Treasurer's Advance, are given. For information on these latter amounts, attention is invited to the section in this report under the heading of "Treasurer's Advance".

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As already indicated, the various matters outlined in this review are the subject of more detailed comment in the succeeding pages.

## REVENUE.

A synopsis of the Treasurer's summary of revenue appearing on pages 9-15 of the finance statement is given in the following tabular comparison for the purpose of showing the significant variations during the year.

	1960-61.	1961-62.		
	£	£		£
Commonwealth—States Grants Act 1959 ..	67,371,342	73,014,476	Increase	5,643,134
Additional Assistance Grant .. ..	..	1,800,000	..	1,800,000
State Taxes .. .. .	42,144,369	43,577,287	..	1,432,918
Interest .. .. .	10,344,084	11,489,970	..	1,145,886
Water Supply (including Recoups)	3,877,703	4,275,848	..	398,145
Recoups, &c., (other than Interest and Water Supply)	4,266,216	4,489,812	..	223,596
Mint .. .. .	174,326	331,922	..	157,596
Lands .. .. .	868,126	1,010,616	..	142,490
Government Printer .. .. .	1,055,258	1,183,214	..	127,956
Soldier Settlement Commission .. ..	35,671	157,155	..	121,484
Police .. .. .	441,911	505,287	..	63,376
Mental Hygiene .. .. .	551,354	611,397	..	60,043
Transfers from Trust Funds .. .. .	13,610	64,838	..	51,228
Sundry .. .. .	1,221,250	1,268,048	..	46,798
Health .. .. .	1,162,591	1,204,355	..	41,764
Fines .. .. .	540,435	567,258	..	26,823
Education .. .. .	341,703	364,728	..	23,025
<b>Total Increase</b> .. .. .				<b>11,506,262</b>
Transfer from Surplus Revenue (previous year)	313,538	..	Decrease	313,538
Forests .. .. .	2,411,735	2,279,723	..	132,012
State Coal Mine .. .. .	360,458	245,229	..	115,229
Gas and Fuel Corporation—Dividend ..	146,688	116,674	..	30,014
Rents .. .. .	416,138	392,179	..	23,959
Ports and Harbors .. .. .	681,984	658,832	..	23,152
Fees .. .. .	1,609,581	1,589,616	..	19,965
<b>Total Decrease</b> .. .. .				<b>657,869</b>
Commonwealth and States Financial Agreement (Vic.) Act No. 3554 .. ..	2,127,159	2,127,159	..	..
Railways .. .. .	142,477,230	153,325,623	Increase	10,848,393
	42,624,173	42,983,190	..	359,017
	185,101,403	196,308,813	Increase	11,207,410

Commonwealth financial assistance and State taxes can be conveniently discussed at this stage of the Report; further references to revenue from other sources will be made under appropriate departmental headings.

## COMMONWEALTH FINANCIAL ASSISTANCE GRANTS.

Commonwealth legislation, the *States Grants Act* 1959, fixed for 1959-60—the first year of operation of the Act—the respective “Financial Assistance Grants” to the States, formulated the method of calculation of the grants for each subsequent year and provided for a possible review of the terms of the Act in so far as they relate to a year subsequent to 1964-65.

The statutory formula by which, from 1960-61 onwards, the amount of a State's grant for each financial year was to be calculated, stipulated that the basic figure of the calculation was to be the amount of the State's grant for the preceding year and that, from this starting point, the calculation was to proceed in two steps. First, the basic figure was to be increased in proportion to the increase in the State's population during the preceding financial year and then, as the second and final step, the result of the first calculation was to be increased by 1.1 times the percentage increase, as between the two preceding financial years, in the average wages per person employed throughout Australia.

The statistical information necessary for the purpose of the aforementioned calculations is, as directed by the Act, prepared by the Commonwealth Statistician. In intercensal periods, the annual statistics relating to population are necessarily estimated figures but the Act does require that, when a census is taken in June or July of any year, a State's population, so ascertained, shall, for the purpose of calculation of the State's grant, be accepted as the population figure as at the nearer 1st July. However, the Act does not include any requirement that the estimated population as at the previous 1st July be revised in the light of the information revealed by the census.

In respect of Victoria and certain other States, the census taken in June, 1961, proved the estimates of population as at 1st July, 1960, to be substantially incorrect. Therefore, in the case of each of these States, the terms of the Act did not provide a sound basis for determination of the increase in population in 1960-61 for the purpose of calculation of the grant for 1961-62. For instance, if Victoria's grant for 1961-62 had been confined to the amount calculated on the statutory basis of the difference between the estimated population as at 1st July, 1960, and the actual population as at 1st July, 1961, Victoria would have received, in 1961-62, £1,024,000 less than the sum calculated on the basis of population figures estimated in the manner adopted in respect of the previous year.

In recognition of the circumstances as outlined above and in view of the fact that the budgetary plans of the States had been based upon amounts represented by preliminary estimates, the Commonwealth made available, pursuant to the provisions of the *States Grants Act 1962*, a sum of £1,460,000 to supplement the grants payable to Victoria and two other States in accordance with the *States Grants Act 1959*.

Grants to Victoria of the nature described amounted to £73,014,476, and comprised the basic grant of £71,990,476 calculated in conformity with the provisions of the *States Grants Act 1959* and £1,024,000, the State's share of the sum of £1,460,000 authorized by the *States Grants Act 1962*. Also, this latter Act fixes a new base figure of £72,730,000 for the purpose of the calculation of Victoria's grant for 1962-63. Apart from this variation, the calculation of the amount of the State's grant in 1962-63 will conform with the terms of the *States Grants Act 1959*. It will be seen that the new base figure for 1962-63 is less than the total amount received by the State by way of grant in 1961-62. The new base figure was determined after taking into consideration census-revised estimates of the population of Victoria back to 1st July, 1959.

Victoria also received in 1961-62 an "Additional Assistance Grant" of £1,800,000—the State's share of a sum of £10 million distributed by the Commonwealth amongst the States in accordance with the *States Grants (Additional Assistance) Act 1962*. For the reasons given in the Review in this report, this sum was paid into Consolidated Revenue, and a like amount was then made available from Treasurer's Advance for credit to a "Special Works Trust Account—Commonwealth Grant". Particulars of disbursements from the Trust Account are given at page 187 of the Treasurer's Finance Statement and under appropriate departmental headings in this report.

Commonwealth grants to Victoria by way of a Tax Reimbursement and a Supplementary Grant in 1958-59 and those in the nature of Financial Assistance Grants in the years 1959-60 to 1961-62 (inclusive) are compared hereunder:—

Year.	Grant.
	£
1958-59* .. .. .	54,582,520
1959-60 .. .. .	60,625,000
1960-61 .. .. .	67,371,342
1961-62 .. .. .	{ 73,014,476
	{ 1,800,000†

\* For comparative details of earlier Commonwealth Tax Reimbursements and Supplementary Grants—see table at page 11 of my report for 1958-59.

† Additional Assistance Grant pursuant to the provisions of the *States Grants (Additional Assistance) Act 1962*.

## STATE TAXES.

“ Revenue, No. 1 Taxation ”, in the Treasurer’s Accounts is classified, by way of description, under “ Direct ” taxation, revenue under the “ Stamps Acts ”, collections from “ Registrations, &c.,” of shops and factories, &c., and proceeds of “ Licences ” issued under State laws. Further, each of these classifications is dissected in detail on the basis of the component revenue sources.

“ Direct ” taxation includes revenue from Probate Duty, Land Tax, Entertainments Tax, Motor Car Third-Party Insurance—Surcharge, Totalizator and Tattersall Duty. Revenue under the “ Stamps Acts ” comprises collections from the sale of Betting Tickets, Duty on Insurance Business, Sale of Duty Stamps and Turnover Tax on Bookmakers’ Transactions. The title “ Licences ” covers not only licence fees credited direct to Consolidated Revenue but also the payment made thereto from the Licensing Fund.

Under each of the four main classifications referred to, taxation revenue over the past four years is compared hereunder :—

No. 1 Taxation.	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£
Direct .. .. .	17,750,209	21,020,961	24,670,615	26,542,987
Stamps Acts .. .. .	9,614,800	13,780,837	14,039,215	13,434,363
Registrations, &c .. .. .	154,390	157,053	143,111	156,402
Licences .. .. .	2,988,314	3,034,999	3,291,428	3,443,534
Total Taxation .. .. .	30,507,713	37,993,850	42,144,369	43,577,286

The following comments refer in more detail to several of the main sources of taxation revenue.

*Probate Duty, Land Tax, and Entertainments Tax.*—The following statement gives a comparison over the last four years of collections of Probate Duty, Land Tax, and Entertainments Tax.

—	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£
Probate Duty .. .. .	7,838,504	9,412,898	11,530,879	12,540,213
Land Tax .. .. .	4,661,300	5,854,092	6,706,494	7,406,384
Entertainments Tax .. .. .	1,629,469	1,412,206	1,335,540	1,110,718

Probate Duty for 1961-62 amounting to £12,374,422 was collected by the Commissioner of Probate Duties and £165,791 by the Public Trustee.

The aggregate value of new estates assessed increased from £89·7 million in 1960-61 to £93·2 million in 1961-62.

*Land Tax.*—The revision of land values throughout the State continued to be the main factor contributing to the upward trend in the collections from this source. Concessions provided by the *Land Tax (Exemptions and Rates) Act* 1961, No. 6827, applicable to the 1962 assessment year, offset to a minor extent the increased revenue arising from higher valuations.

*Entertainments Tax.*—The *Entertainments Tax (Amendment) Act* 1961, No. 6810, which operated by proclamation from 1st January, 1962, exempted from tax the proprietors of the following classes of entertainment :—

- (i) entertainments (conducted by certain non-profit making bodies) consisting solely or principally of “amateur” sports or games; and
- (ii) “live artist” entertainments.

Also, the amending legislation granted reductions in tax rates ranging from 3d. to 9d. to entertainments consisting solely or principally of the exhibition of cinematograph films and, under certain conditions, to entertainments consisting solely or principally of dancing.

The influence of the concessions outlined above and a full year's effect of the concessions granted by the *Entertainments Tax (Amendment) Act* 1960, which operated from 16th January, 1961, contributed substantially to the continuation of the downward trend in collections from Entertainments Tax.

*Comptroller of Stamps.*—A comparative statement of collections of revenue by the Comptroller of Stamps is given in the following table :—

	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£
Duty Stamps .. .. .	7,317,498	9,925,177	9,859,923	9,202,243
Insurance Licences .. .. .	1,042,622	2,419,064	2,611,222	2,718,574
Betting Tax .. .. .	1,153,998	1,320,890	1,453,372	1,400,566
Betting Tickets .. .. .	100,682	115,706	114,699	112,979
Bookmakers' Licences .. .. .	37,754	37,443	37,159	36,897
Total .. .. .	9,652,554	13,818,280	14,076,375	13,471,259

The decrease of £657,680 in revenue from “Duty Stamps” reflected the continued effect of the change in national credit policy introduced in the latter part of 1960. Improvement in the position was noticeable in the second half of the year under review. Whereas duty collected during the first half of the year was less than that collected in the corresponding period of the previous year by £1,098,638, duty collected in the second half of the year was £440,958 in excess of that for the comparable period of the previous year.

*Registrar of Titles, Registrar of Companies, and Registrar-General.*—The following comparative statement sets out the collections in each of the past four years :—

	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£
Fees, Titles Office .. .. .	644,458	730,637	718,117	684,319
„ Registrar of Companies .. .. .	238,035	305,878	508,326*	489,954
„ Registrar-General .. .. .	20,533	28,696	28,621	33,349
Total .. .. .	903,026	1,065,211	1,255,064	1,207,622

\* Excluding £16,896, cash in transit to Treasury on 30th June, 1961.

The lower revenue from Titles Office fees was due to the decrease in the number of lodgments from 232,222 in 1960-61 to 216,667 in 1961-62.

New companies registered during the year fell from 4,116 in 1960-61 to 3,434 in 1961-62. This was the main contributing factor to the decrease in revenue collected at the Companies Office.

*Motor Car Third-party Insurance.*—In conformity with the requirements of the *Motor Car (Insurance Surcharge) Act 1959*, as amended by the *Motor Car (Insurance Surcharge Continuance) Act 1960* and the *Motor Car (Insurance Surcharge) Act 1961*, an additional fee of £1 has, since 16th November, 1959, been paid annually by each motor car owner with the premium payable in respect of his contract of third-party insurance.

Revenue under this head in 1961–62 was £924,110 as compared with £881,577 in the previous year.

*Tattersall Duty.*—The trustees of the will and estate of the late George Adams promote and conduct sweepstakes in Victoria under a licence granted in accordance with the provisions of the *Tattersall Consultations Act 1958*.

The number of consultations drawn and the total subscriptions in each of the years since the licence was granted are shown in the following statement:—

	5s. Units.	10s. Units.	£1 Units.	£2 Units.	£5 Units.	Subscriptions.
						£
1954–55 .. ..	142	3	6	..	..	8,313,391
1955–56 .. ..	149	10	7	..	..	8,850,000
1956–57 .. ..	148	7	3	..	2	9,250,000
1957–58 .. ..	152	9	7	..	..	8,950,000
1958–59 .. ..	148	7	6	..	..	8,750,000
1959–60 .. ..	158	10	5	..	..	9,300,000
1960–61 .. ..	163	7	7	1	..	10,400,000
1961–62 .. ..	160	6	8	..	..	9,700,000
	1,220	59	49	1	2	73,513,391

In 1961–62, five of the £1 consultations were for 100,000 units only. Each of the remaining consultations consisted of 200,000 units.

Duty equivalent to 31 per centum of the total amount of subscriptions to the consultation is payable to the Treasurer within seven days after the drawing of each consultation. The duty payable and amounts shown in the Treasurer's accounts in each of the past three years are set out hereunder:—

	1959–60.	1960–61.	1961–62.
	£	£	£
Duty payable .. .. .	2,981,446	3,333,564	3,091,666
Less amounts due for consultations drawn but payable in July of succeeding year .. .. .	49,002	125,405	48,191
	2,932,444	3,208,159	3,043,475
Plus amounts paid and exchange credited in July on account of previous year .. .. .	46,244	61,862	138,723
	2,978,688	3,270,021	3,182,198
Less exchange on balance held in New Zealand as at 30th June	12,859	13,319	7,560
Amount of duty shown in Treasurer's accounts .. .. .	2,965,829	3,256,702	3,174,638

In 1960, an agreement was entered into with the Government of Tasmania whereby the promoters of Tattersall Consultations in Victoria were in effect granted the exclusive right to sell lottery tickets in Tasmania. This permission was given subject to the Government of Victoria undertaking to pay to the Government of Tasmania an amount equal to 15½ per centum of the total amount of subscriptions received by accredited representatives in Tasmania. The agreement is in operation for a period of ten years from 5th October, 1960, and may be extended by mutual consent for periods not exceeding ten years.

Payments to the Government of Tasmania during the year amounted to £68,957 as compared with £42,438 in 1960-61.

The Tasmanian share of duty for consultations drawn late in May and in June, 1962, amounted to £5,952. This amount, together with the relevant duty for July and August, was paid in conformity with the terms of the agreement to the Tasmanian Government in September.

A somewhat similar agreement has, since 1954, existed with the Government of New Zealand. With respect to the subscriptions in that country, exchange on the balance held in the Government of Victoria Public Account in Wellington as at the end of each financial year is brought to account by the Treasurer early in the succeeding year when the quarterly payment is made to the Government of New Zealand in accordance with the terms of the agreement. As at the 30th June, 1962, the balance in this account was £26,892 (N.Z. currency).\*

Payments to the Government of New Zealand during the year, on the basis of 15½ per centum of New Zealand subscriptions, totalled £250,902, as compared with £283,412 in 1960-61.

As at the 30th June, 1962, an amount of £39,444, equivalent to £31,884 (N.Z.), was due to the Government of New Zealand. This sum represented the balance at credit in New Zealand as at that date and the respective sums on account of five consultations drawn immediately prior to the close of the year.

The shares of the Victorian, New Zealand and Tasmanian Governments of the duty from consultations drawn from 1st July, 1954, to 30th June, 1962, were, respectively, £21,668,088, £1,721,167 and £117,348.

It is a condition of the licence that not less than 60 per centum of the total amount of subscriptions to each consultation shall be paid by the promoter by way of prizes in respect of each such consultation. Regarding New Zealand and Australian subscriptions as equivalent "units of account," such condition has been fulfilled in respect of each consultation conducted by the licensee.

Unpaid prizes for consultations drawn in each year during the period 1954-55 to 1958-59 (inclusive) totalled £40,483. In accordance with the Regulations under the Act, this amount, less certain expenses incurred by the promoter in searching for the persons concerned, has been paid to the Treasurer to place to the credit of the Unclaimed Moneys Fund.

All duty is paid to Consolidated Revenue, and pursuant to the provisions of the *Tattersall Consultations Act* 1958, is paid therefrom to the Hospitals and Charities Fund and the Mental Hospitals Fund in such proportions as the Treasurer from time to time determines.

*Totalizator.*—Part V. of the *Racing Act* 1958 provides for the establishment and use of totalizators at horse-races, including trotting meetings, and at dog-races. These provisions were extended, as from 20th July, 1960, by the *Racing (Totalizators Extension) Act* 1960 to allow of off-course betting on racecourse totalizators. Actually, the scheme came into operation at the race-meeting held on 11th March, 1961.

\* Excludes cash in transit, &c.



The legislation mentioned directs, *inter alia*, that a commission of 12 per centum shall be deducted from all totalizator investments and that, in each instance, the resulting sum shall be divided in the manner outlined below :—

(1) On-course betting—

- (i) at metropolitan meetings, in respect of the double and quinella totalizators, one-third is payable to Consolidated Revenue and two-thirds to the club concerned and, in respect of the win and place totalizators, seven-twelfths is due to Consolidated Revenue and five-twelfths to the club ; and
- (ii) at country meetings, in respect of all types of totalizator, one-sixth is payable to Consolidated Revenue and five-sixths to the club concerned.

(2) Off-course betting—There is payable—

- (i) three-twelfths\* to Consolidated Revenue ;
- (ii) one-twelfth to a Treasury Trust Account (Totalizator Agency Board Trust Account) for application by the Treasurer of Victoria for or towards recouping racing clubs for expenses associated with the establishment of the Totalizator Agency Board and the financing of its operations until such time as he (the Treasurer) certifies by notice published in the *Government Gazette* that the payment is no longer necessary ; and
- (iii) the balance—two-thirds—to the Totalizator Agency Board to be expended in terms of the Act.

\* NOTE:—After publication of the notice referred to in paragraph (2) (ii), the payment to Consolidated Revenue is increased from three-twelfths to four-twelfths.

A summary of receipts by the Treasury on account of the Consolidated Revenue is as follows :—

	1960-61.			1961-62.		
	Horse-races.		Dog-races.	Horse-races.		Total.
	£	£	£	£	£	£
<b>Percentage—</b>						
<b>Win and Place—</b>						
<b>Metropolitan—</b>						
On-course ..	510,108		17,723	482,112		18,228
Off-course ..	27,137		..	306,481		..
<b>Country—</b>						
On-course ..	10,019		484	16,733		772
Off-course ..	5,363		..	81,123		..
<b>Doubles and Quinella—</b>						
<b>Metropolitan—</b>						
On-course ..	183,488		23,573	189,857		24,780
Off-course ..	2,340		..	1,529		..
<b>Country—</b>						
On-course ..	8,352		544	10,191		713
Off-course ..	..		..	..		..
		746,807		1,088,026		44,493
			42,324			
					789,131	
						1,132,519
<b>Fractions—</b>						
<b>Win and Place—</b>						
<b>Metropolitan ..</b>	108,205		4,642	168,339		4,430
<b>Country .. ..</b>	9,537		360	37,491		509
<b>Doubles and Quinella—</b>						
<b>Metropolitan ..</b>	10,160		3,053	9,453		2,316
<b>Country .. ..</b>	2,155		107	849		164
		130,057			216,132	
			8,162			7,419
					138,219	
<b>Dividends Unclaimed—</b>						
<b>transferred to Con-</b>						
<b>solidated Revenue ..</b>	..	..	..	..	..	..
					29,457	30,841
					*956,807	*1,386,911

\*On-course—1960-61, £921,967; 1961-62, £997,778. Off-course—1960-61, £34,840; 1961-62, £389,133.

The credit to Consolidated Revenue as shown is specially appropriated to the Hospitals and Charities Fund which is required to repay to Revenue the cost of administration of totalizator inspection, &c.

In addition to the afore-mentioned credits, an amount of £130,194 was credited to the Totalizator Agency Board Trust Account for distribution to racing clubs in the terms of the *Racing (Totalizator Extension) Act 1958*.

*Licensing Fund Payment.*—The revenue of the Licensing Fund consists mainly of fees charged to licensed victuallers (£2,570,437), spirit merchants and grocers (£543,829), and clubs (£155,191).

As directed by the *Licensing Act 1958*, the surplus of receipts over payments for 1961–62 was transferred to Consolidated Revenue.

A comparative statement of receipts and payments of the Licensing Fund for the period 1st July, 1959 to 30th June, 1962, is given hereunder:—

	1959-60.	1960-61.	1961-62.
	£	£	£
Balance 1st July.. ..	330,736	330,736	330,736
<i>Receipts—</i>			
Licences and Club Certificates	2,954,672	3,176,677	3,320,699
Permits—Extended Hours .. ..	31,668	33,885	33,914
Fees and Fines .. ..	23,883	29,454	31,529
Interest on Investments .. ..	10,052	10,052	10,052
Miscellaneous .. ..	8,551	8,737	9,684
<i>Total Receipts for the Year</i> .. ..	3,028,826	3,258,805	3,405,878
<i>Payments—</i>			
Salaries and other administrative Expenses .. ..	87,103*	70,237	72,285
Cost of policing Act .. ..	53,127	57,720	57,339
Payments to Municipalities .. ..	57,152	56,836	56,532
Payment to Police Super-annuation Fund .. ..	23,000	23,000	23,000
Compensation .. ..	8,240	14,530	3,603
<i>Total Payments for the Year</i> .. ..	228,622	222,323	212,759
<i>Transfer to Consolidated Revenue</i> .. ..	2,800,204	3,036,482	3,193,119
Balance 30th June .. ..	330,736	330,736	330,736
Percentage of <i>Revenue Transfer</i> to total receipts .. ..	92.4	93.2	93.8

\* Includes non-recurring Court accommodation costs of £19,492.

The following statement shows the variations of Revenue Receipts from the Budget Estimate in 1961-62.

	Budget Estimate.	Revenue.	Excess + Deficiency -
	£	£	£
<b>PART I.</b>			
State Taxes—			
Probate Duty .. .. .	11,800,000	12,540,213	740,213+
Land Tax .. .. .	7,400,000	7,406,384	6,384+
Entertainments Tax .. .. .	1,150,000	1,110,718	39,282-
Income Tax (Arrears) .. .. .	.. .. .	10	10+
Unemployment Relief Tax (Arrears) .. .. .	.. .. .	3	3+
Motor Car Third-party Insurance .. .. .	915,000	924,110	9,110+
Totalizator .. .. .	1,250,000	1,386,911	136,911+
Tattersall Duty .. .. .	3,400,000	3,174,638	225,362-
Betting and Bookmakers' Turnover Tax .. .. .	1,590,000	1,513,546	76,454-
Duty on Insurance Business .. .. .	2,800,000	2,718,574	81,426-
Stamp Duty .. .. .	9,900,000	9,202,243	697,757-
Registration Fees—Tobacco, &c. .. .. .	145,000	156,402	11,402+
Licensing Fund Payment .. .. .	3,100,000	3,193,119	93,119+
Auctioneers' and other Licences .. .. .	253,000	250,415	2,585-
Interest .. .. .	11,582,510	11,489,970	92,540-
Territorial .. .. .	3,003,400	2,865,850	137,550-
Water and other State Works .. .. .	5,872,135	6,155,599	283,464+
Ports and Harbors .. .. .	691,070	658,832	32,238-
Fines .. .. .	574,000	567,258	6,742-
Fees—Titles Office and Registrar-General, &c. .. .. .	1,602,400	1,602,858	458+
Departmental .. .. .	5,139,700	5,231,506	91,806+
Repayment of Revenue Advances .. .. .	10,000	28,907	18,907+
Housing Agreement .. .. .	1,147,000	1,150,324	3,324+
Recoup Sinking Fund Contributions .. .. .	327,000	326,637	363-
Recoup Exchange, &c. .. .. .	138,000	158,365	20,365+
Other Receipts .. .. .	2,524,350	2,570,596	46,246+
Commonwealth Financial Agreement .. .. .	2,127,159	2,127,159	..
Commonwealth States Grants Act 1959 .. .. .	73,049,000	73,014,476	34,524-
Additional Assistance Grant .. .. .	.. .. .	1,800,000	1,800,000+
<b>Total Revenue PART I.</b> .. .. .	<b>151,490,724</b>	<b>153,325,623</b>	<b>1,834,899+</b>
<b>PART II.</b>			
Railways .. .. .	42,733,967	42,983,190	249,223+
<b>Total Revenue</b> .. .. .	<b>194,224,691</b>	<b>196,308,813</b>	<b>2,084,122+</b>

## EXPENDITURE.

The expenditure charged against Income was more than the outlay for 1960-61 by the amount of £11,366,705. A comparison of the figures for the two years under the separate divisions of votes and special appropriations is given in the following statement:—

<i>Votes—Part I.—</i>	1960-61. £	1961-62. £		£
Education .. .. .	36,921,516	40,666,257	Increase	3,744,741
Chief Secretary .. .. .	11,835,192	12,828,097	,,	992,905
Health .. .. .	19,593,456	20,467,156	,,	873,700
Water Supply .. .. .	4,083,029	4,361,627	,,	278,598
Agriculture .. .. .	2,414,755	2,647,590	,,	232,835
Attorney-General .. .. .	2,385,296	2,530,904	,,	145,608
Public Works .. .. .	3,700,142	3,812,555	,,	112,413
Lands and Survey .. .. .	1,594,356	1,674,971	,,	80,615
Premier .. .. .	836,039	913,203	,,	77,164
Labour and Industry .. .. .	300,536	348,981	,,	48,445
Forests .. .. .	1,234,737	1,276,944	,,	42,207
Local Government .. .. .	87,943	117,421	,,	29,478
Treasurer .. .. .	8,637,222	8,659,420	,,	22,198
Other .. .. .	221,840	247,566	,,	25,726
State Coal Mine .. .. .	621,685	561,655	Decrease	60,030
Mines .. .. .	458,191	454,170	,,	4,021
	94,925,935	101,568,517	Increase	6,642,582
<i>Special Appropriations—Part I.—</i>				
Interest including Exchange* .. .. .	30,662,205	33,821,185	Increase	3,158,980
National Debt Sinking Fund .. .. .	5,749,064	6,225,681	,,	476,617
Charities Fund (Totalizator) .. .. .	956,807	1,386,911	,,	430,104
Pensions .. .. .	2,624,155	2,826,788	,,	202,633
Other .. .. .	2,763,570	2,992,558	,,	228,988
Charities and Mental Funds (Tattersall)	3,256,702	3,174,638	Decrease	82,064
Endowments and Grants .. .. .	1,368,961	1,318,809	,,	50,152
	47,381,464	51,746,570	Increase	4,365,106
<i>Votes—Part II.—Railways .. .. .</i>				
	40,280,175	40,504,240	Increase	224,065
<i>Special Appropriations—Part II.—Railways .. .. .</i>				
	2,343,998	2,478,950	,,	134,952
Grand Total .. .. .	184,931,572†	196,298,277†	,,	11,366,705

\* Additional Interest voted in 1960-61, £21,995, and in 1961-62, £27,410.

† Includes charges to Treasurer's Advance pending Parliamentary authority.

Most of the expenditure shown in the foregoing statement has been classified under departmental headings and is discussed in subsequent sections. That in connexion with the Treasury has not been so classified, and is dealt with generally throughout the Report.

A major expenditure group, which comprises endowments and subsidies, contributions to various funds and bodies and grants for health, education and other social services is provided partly from special appropriations and partly from departmental votes. For the purposes of this Report, expenditure falling within this group and pertaining to Health, Education and Forests is dealt with under related headings. Details of the remainder are given in Appendices C1-2.

The synopsis hereunder provides a comparison of budgeted and actual expenditure.

	Appropriations.			Expenditure under Parliamentary Authority.	Unexpended	Expended from Treasurer's Advance.	Expenditure for the Year.
	Annual.	Supplementary.	Total.				
<i>Notes—Part I.—</i>	£	£	£	£	£	£	£
Parliament .. .. .	191,657	..	191,657	187,956	3,701	15,238	203,193
Premier .. .. .	915,606	..	915,606	901,944	13,662	11,259	913,203
Chief Secretary .. .. .	12,885,256	20,350	12,905,606	12,756,931	148,675	71,165	12,828,097
Labour and Industry .. .. .	351,583	..	351,583	348,981	2,602	..	348,981
Education .. .. .	40,385,329	150	40,385,479	40,292,491	92,988	373,767	40,666,257
Attorney-General .. .. .	2,466,303	1,365	2,467,668	2,456,050	11,618	74,854	2,530,904
Treasurer .. .. .	6,832,720	72,600	6,905,320	6,776,500	128,820	1,882,920	8,659,420
Lands and Survey .. .. .	1,624,865	10,925	1,635,790	1,622,792	12,998	52,178	1,674,971
Public Works .. .. .	3,815,579*	6,500	3,822,079	3,772,483	49,596	40,072	3,812,555
Local Government .. .. .	116,963	2,726	119,689	112,492	7,197	4,929	117,421
Mines .. .. .	460,584	..	460,584	454,170	6,414	..	454,170
Forests .. .. .	1,279,201	..	1,279,201	1,252,367	26,834	24,576	1,276,944
Water Supply .. .. .	4,288,700	1,878	4,290,578	4,283,727	6,851	77,901	4,361,627
Agriculture .. .. .	2,619,736	3,000	2,622,736	2,591,843	30,893	55,747	2,647,590
Health .. .. .	20,512,106	5,570	20,517,676	20,371,229	146,447	95,927	20,467,156
Railway Construction .. .. .	33,797	1,890	35,687	34,468	1,219	..	34,468
State Coal Mine .. .. .	598,243	..	598,243	559,570	38,673	2,085	561,655
Transport .. .. .	9,919	..	9,919	9,810	109	95	9,905
	99,388,147	126,954	99,515,101	98,785,804	729,297	2,782,713	101,568,517
<i>Notes—Part II.—</i>							
Railways .. .. .	40,264,648	..	40,264,648	40,264,644	4	239,596	40,504,240
Total Votes .. .. .	139,652,795*	126,954	139,779,749	139,050,448	729,301	3,022,309	142,072,757
<i>Special Appropriations.—</i>							
Part I .. .. .	..	..	51,746,570	51,746,570	..	..	51,746,570
Part II. .. .. .	..	..	2,478,950	2,478,950	..	..	2,478,950
Total Special Appropriations	..	..	54,225,520	54,225,520	..	..	54,225,520
Grand Total .. .. .	139,652,795*	126,954	194,005,269	193,275,968	729,301	3,022,309	196,298,277

\* Actual appropriation reduced by £3,290 on account of recoups in excess of estimate.

## LOAN FUND.

The State incurred additional loan liability of £48,597,576 on account of moneys raised for works and associated purposes during the year, compared with £45,900,541 in the previous year—an increase of £2,697,035. The sources of the funds were—three public loans in Australia, one in New York, one in the Netherlands, and the proceeds of the sale of Special Bonds.

After adjustments in respect of Treasurer's Advance and provision for flotation expenses and discounts had been made, the proceeds of these loans, together with the balance brought forward and moneys from the repayments of advances, allowed the implementation of a programme of works costing £53,416,863.

The unexpended balance of loan cash at 30th June was £3,328.

These transactions may be summarized as follows:—

Liability—					£
Australian Loans	..	..	..	..	46,306,764
New York Loan	..	..	..	..	1,071,818
Netherlands Loan	..	..	..	..	689,305
Domestic Raisings	..	..	..	..	529,689
					<hr/>
					48,597,576
					£
Premium on Exchange—New York	..			1,226,209	
Netherlands	..			345,000	
					<hr/>
					1,571,209
					<hr/>
					50,168,785
Less—					
Discounts capitalized	..	..	..	93,785	
Expenses of Flotation	..	..	..	243,944	
					<hr/>
					337,729
					<hr/>
					49,831,056
Balance forward 1st July, 1961	..	..	..	925,511	
Less Charged to Treasurer's Advance at 30th June, 1961				292,463	
					<hr/>
					633,048
Repayments	..	..	..	..	2,956,087
					<hr/>
Total loan cash available	..	..	..	..	53,420,191
Works—					
Under Parliamentary Authority	..	..		53,206,348	
Charged to Treasurer's Advance pending Authority				210,515	
					<hr/>
					53,416,863
					<hr/>
Loan Cash on Hand at 30th June, 1962	..	..	..	..	3,328
					<hr/>

The above statement takes no account of £14,000,445 advanced by the Commonwealth Government under the Commonwealth—State Housing Agreement. The total amount now owing to the Commonwealth on advances for housing purposes is £141,411,208. There is also a liability to the Commonwealth of £6,995,057 on account of special assistance loans for Soldier Settlement. In consideration of the debt position of the State, cognizance must be taken of these liabilities, although they do not form part of the public debt statements included in the Treasurer's Finance Statement.

Details of the terms and conditions in respect of the Victorian proportion of the raisings for works and associated purposes by way of public issues and the sale of Special Bonds are as follows:—

Loan.	4½ Per Cent.	4¾ Per Cent.	5 Per Cent.	5¼ Per Cent.	5½ Per Cent.	5¾ Per Cent.	Special Bonds.	Price of Issue.	Date of Maturity.
	£	£	£	£	£	£	£	£ s. d.	
No. 130 ..	..	7,213,000	..	..	..	..	..	Par	15.2.64
	..	..	..	2,393,000	..	..	..	Par	15.8.70
	..	..	..	..	9,066,000	..	..	Par	15.2.82
No. 132 ..	8,424,000	3,080,000	..	..	..	..	..	99 12 6	15.5.64
	..	..	4,484,000	..	..	..	..	99 12 6	15.9.71
	..	..	..	..	..	..	..	Par	15.10.84
No. 134 ..	3,245,000	604,000	..	..	..	..	..	99 10 0	15.4.65
	..	..	4,596,094	..	..	..	..	99 12 6	15.9.71
Netherlands ..	..	..	689,305	..	..	..	..	Par	15.10.84
New York ..	..	..	..	..	..	1,071,818	..	Par	15.12.81
Series F ..	..	..	..	..	..	..	3,201,670	97 0 0	1.7.81
	..	..	..	..	..	..	..	Par	1.1.69
	11,669,000	10,897,000	9,769,399	2,393,000	9,066,000	1,071,818	3,201,670	..	..

Expenses associated with the raising of loans for works purposes were met from the Loan Fund, a total amount of £243,944 being so charged during the year. Of this sum £182,710 was in respect of loans raised in the year, and £61,234 related to loans raised in 1960-61. The expenses of Loan No. 134 and of Special Bonds Series "F" raised in the latter part of the year, are not yet known, and will be met in the current year.

Particulars of public loans raised to meet the conversion of securities which matured in 1961-62 are:—

Securities Dealt With.		Redeemed by Sinking Fund (a) and Loan Proceeds (b)	Converted to—							Price of Issue.	Date of Maturity.
Rate and Maturity.	Amount.		4½ Per Cent.	4¾ Per Cent.	5 Per Cent.	5¼ Per Cent.	5½ Per Cent.	5¾ Per Cent.	Special Bonds.		
	£	£	£	£	£	£	£	£	£	£ s. d.	
3½ per cent., 15.9.61	8,407,300	2,214,300	..	2,158,000	..	1,425,000	..	..	..	Par	15.2.64
	..	..	..	..	..	..	..	..	..	Par	15.8.70
	..	..	..	..	..	2,386,000	..	..	..	Par	15.2.82
	..	..	..	..	..	..	..	224,000	..	Par	Series "F"
	..	..	..	..	..	..	..	..	..	Par	1.1.69
4½ per cent., 15.9.61	4,501,000	2,152,000	..	468,000	..	1,071,000	..	..	..	Par	15.2.64
	..	..	..	..	..	..	..	..	..	Par	15.8.70
	..	..	..	..	..	374,000	..	..	..	Par	15.2.82
	..	..	..	..	..	..	..	436,000	..	Par	Series "F"
	..	..	..	..	..	..	..	..	..	Par	1.1.69
3½ per cent., 1.2.62 (New York)	645,433	137,059	..	..	..	..	..	508,374	..	98 5 0	15.1.82
4 per cent., 15.2.62	14,059,000	1,471,000	8,130,000	..	..	..	..	..	..	99 12 6	15.5.64
	..	..	..	2,193,000	..	..	..	..	..	99 12 6	15.9.71
	..	..	..	..	1,937,000	..	..	..	..	Par	15.10.84
	..	..	..	..	..	..	..	328,000	..	Par	Series "F"
	..	..	..	..	..	..	..	..	..	Par	1.1.69
4 per cent., 15.5.62	6,740,000	500,000	4,531,000	..	..	..	..	..	..	99 10 0	15.4.65
	..	..	..	1,578,000	..	..	..	..	..	99 12 6	15.9.71
	..	..	..	..	42,000	..	..	..	..	Par	15.10.84
	..	..	..	..	..	..	..	89,000	..	Par	Series "G"
	..	..	..	..	..	..	..	..	..	Par	1.6.69
4½ per cent., 15.5.62	5,465,000	450,000	928,000	..	..	..	..	..	..	99 10 0	15.4.65
	..	..	..	2,346,000	..	..	..	..	..	99 12 6	15.9.71
	..	..	..	..	1,648,000	..	..	..	..	Par	15.10.84
	..	..	..	..	..	..	..	93,000	..	Par	Series "G"
	..	..	..	..	..	..	..	..	..	Par	1.6.69
	39,817,733	6,924,359	13,589,000	8,743,000	3,627,000	2,496,000	2,760,000	508,374	1,170,000	..	..

Funds for the redemption of Special Bonds on request by the holders were provided from the proceeds of Special Bonds of later issues. Details are:—

Redeemed.			Funds provided by—	
Series.	Maturing.	Amount.	Series " E " 1.6.1968.	Series " F " 1.1.1969.
		£	£	£
A .. ..	1.1.1966	*240,078	91,630	148,448
B .. ..	1.10.1966	303,360	102,520	200,840
C .. ..	1.6.1967	266,920	99,590	167,330
D .. ..	1.1.1968	196,620	78,030	118,590
E .. ..	1.6.1968	48,680	..	48,680
	—	1,055,658	371,770	683,888

\* Includes capital increase—£808.

The conversion bonus of £38,711 in respect of securities which were converted on 15th February, 1962, was met from the Loan Fund. Payment of £27,573 is still to be made in relation to the conversion of 15th May, 1962.

*Public Debt and Debt Charges.*—The Public Debt statement discloses that the Public Debt increased during the year by £41,468,837 and that the total amount of the indebtedness at 30th June, 1962, amounted to £674,477,415. Of this total, £623,203,468 represented internal and £51,273,947 external borrowing. The repayment of the external debt will entail the use of sterling or dollars as the case may be.

After deducting cash at credit of the National Debt Sinking Fund from the amount of the Public Debt, the State's capital liability to the Commonwealth was £674,265,738. This sum was accounted for in the Treasurer's Statements as follows:—

Total liability apportioned as between the various services of the State on account of expenditure from Loan Fund .. .. .	£	768,251,053	£	
Less—On account of equity in National Debt Sinking Fund .. .. .		84,363,030		
Net Liability .. .. .				683,888,023
Plus—Unapportioned—Loan Cash on Hand .. .. .				3,328
				<u>683,891,351</u>
<i>Deduct—Exchange premium—</i>				
London .. .. .		785,813		
New York .. .. .		6,652,064		
Canada .. .. .		1,029,306		
Switzerland .. .. .		813,430		
Netherlands .. .. .		345,000		
				<u>9,625,613</u>
State's capital liability to the Commonwealth as above .. .. .				<u>674,265,738</u>

The charges on the Public Debt, excluding loan conversion expenses, were—

Interest—On Funded Debt .. .. .	£	27,896,494	£	
Loan Management and Expenses of Paying Interest .. .. .		109,572		
Exchange on Overseas Interest .. .. .		960,411		
Total Interest (excluding interest on Commonwealth advances for Housing and Soldier Settlement and interest paid on Deposits) .. .. .				28,966,477
Sinking Fund—State's contributions to National Debt Sinking Fund—for details see section on the National Debt Sinking Fund .. .. .				6,225,681
Total Debt Charges .. .. .				<u>35,192,158</u>
The comparable figure for the previous year was .. .. .				<u>31,958,988</u>



*Loan Expenditure.*—The net loan expenditure in the year 1961–62 according to Treasury records was £53,416,863, compared with £51,704,981 for 1960–61 and £52,036,730 for 1959–60. The details are summarized below :—

	1959–60.	1960–61.	1961–62.
	£	£	£
Railways .. .. .	7,814,405	7,563,610	7,664,373
Water Supply .. .. .	7,193,562	8,094,984	7,955,704
Forests .. .. .	661,862	763,718	914,669
Country Roads .. .. .	160,000	283,000	683,000
King-street Bridge .. .. .	1,014,046	1,029,722	280,317
Electricity Commission .. .. .	6,500,000	6,750,000	7,000,000
Gas and Fuel Corporation .. .. .	90,000	80,000	70,000
Portland Harbor Trust .. .. .	250,000	250,000	188,000
Advances—Sundry .. .. .	299,568	388,016	131,750
Country Sewerage .. .. .	625,285	470,439	385,316
Hospitals .. .. .	4,536,000	4,590,669	5,170,331
Mental Hospitals .. .. .	1,042,793	1,211,831	1,165,110
Municipal Subsidies .. .. .	489,556	510,183	665,561
Police Buildings .. .. .	404,155	366,218	402,314
Rural Finance Corporation .. .. .	150,000	534,200	635,000
Sanatoria, &c. .. .. .	47,468	41,870	57,598
School Buildings .. .. .	10,205,716	10,731,208	11,282,129
Soldier Settlement .. .. .	633,912	702,782	295,487
Land Settlement .. .. .	2,803,344	1,092,211	1,504,440
Slum Reclamation .. .. .	610,000	536,051	710,000
Universities—			
Melbourne .. .. .	296,300	325,000	480,505
Monash .. .. .	432,050	1,195,000	1,878,000
Other Public Works .. .. .	3,230,708	4,194,269	3,897,259
In Aid of Revenue .. .. .	2,546,000	..	..
Total within Financial Agreement .. .. .	52,036,730	51,704,981	53,416,863
Commonwealth–State Housing Agreement*	10,660,000	10,660,000	14,000,445
Commonwealth–State Soldier Settlement*	1,000,000	..	..
	63,696,730	62,364,981	67,417,308

\* Amounts shown are the Commonwealth advances to the State for the purposes indicated.

The items included in the above statement are examined in greater detail in the appropriate departmental and other sections of this Report.

*National Debt Sinking Fund.*—A summary of the transactions in the National Debt Sinking Fund, in relation to this State, for the year is:—

	£	£
Balance at 1st July, 1961 .. .. .	..	213,566
Contributions 1961-62—		
<i>Commonwealth—</i>		
2s. 6d. per centum per annum on debt prior to 30th June, 1927 .. .. .	170,436	
5s. per centum per annum on new debt since 1927	1,395,315	
	—————	1,565,751
<i>State—</i>		
5s. per centum per annum on debt prior to 1927	340,872	
5s. per centum per annum on new debt since 1927	1,344,247	
£4 per centum per annum on deficit loans ..	778,161	
15s. per centum per annum on deficit loans ..	29,963	
15s. per centum per annum on water supply replacements and imported coal and materials	41,203	
£1 15s. per centum per annum on drought relief and deferred maintenance of railways and schools .. .. .	177,013	
£2 per centum per annum on tourist resorts development .. .. .	5,714	
Various, on discount and expenses overseas loans	53,874	
£4 10s. per centum per annum on cancelled securities .. .. .	3,454,633	
	—————	6,225,680
Interest .. .. .	..	1,814
		—————
		8,006,811
Securities repurchased and redeemed, £7,337,508 at a cost of	7,775,823	
Discount on New York Loan .. .. .	19,311	
	—————	7,795,134
		—————
Balance of cash in Sinking Fund at 30th June, 1962 .. .. .	..	211,677
		—————

The total amount of securities repurchased or redeemed and cancelled on account of this State since the inception of the scheme is now £84,151,353 at a cost, including exchange on overseas purchases, of £87,262,008.

### TREASURER'S ADVANCE.

The *Public Account Act* 1958 authorizes the temporary issue and application from the Public Account of any sum or sums (not exceeding in all Three million pounds) required to be provided for advances to the Treasurer to enable him to meet urgent claims that may arise before Parliamentary sanction therefor is obtained.

Any such advance must be repaid to the Public Account upon the necessary sanction being signified. Further, all expenditure met and paid out of moneys so advanced is required to be included in the expenditure of the financial year in respect of which the advance was made, provided that, if in the opinion of the Treasurer, it is necessary or expedient to carry forward any portion of such expenditure to the next succeeding year, the Treasurer is required to furnish the Auditor-General with a statement of the reasons therefor and a copy of this statement is to be annexed to the Auditor-General's annual Report.

The total expenditure charged to Treasurer's advance, as at 30th June, 1962, was £3,232,824 and consisted of expenditure of £3,022,309 from revenue pending the passing of the final supplementary estimates for the year and £210,515 from loan moneys in anticipation of the necessary Parliamentary sanction. Mention was made in the review of the necessity, pending Parliamentary sanction, to use Treasurer's Advance as a suspense account to give effect to the transfer from Consolidated Revenue to "Special Works Trust Account—Commonwealth Grant" of the sum of £1,800,000, i.e., an amount equivalent to the Commonwealth additional assistance grant to the State. Obviously, this transaction was the principal reason for the charge to Treasurer's Advance on the 30th June, 1962, being in excess of the statutory maximum.

In the past, it has been the practice to regard the sum charged to Treasurer's Advance, as at the close of the year, on account of expenditure from loan moneys as being carried forward to the next succeeding year and for the Treasurer, in accordance with statutory requirements, to furnish me with a statement of the reasons therefor. However, as from the year under review, the charge to Treasurer's Advance of the nature described and amounting to £210,515 has been incorporated in the Treasurer's Statement of the Loan Fund as part of the loan expenditure for the year. This form of presentation is consistent with that now followed, with Parliamentary approval, in respect of that part of the revenue expenditure awaiting endorsement by the passing of the final supplementary estimates for the year. I have raised no objection to the new procedure, and I transmit, per medium of Appendix "A" to this Report, details, which were furnished by the Treasurer, of the said charge of £210,515.

In respect of the year under review the Treasurer sought and obtained, to a much greater extent, the direction of the Governor in Council as provided in sub-section (1) of Section 25 of the *Audit Act* 1958. The provisions of this sub-section are :—

"If in the opinion of the Treasurer it is necessary to alter the proportions assigned to the particular items comprised under any subdivision in the annual supplies, it shall be lawful for the Governor in Council by Order to direct that there shall be applied in aid of any item that is deficient a further limited sum out of any surplus arising on other items under the same subdivision, unless such subdivision is expressly stated to be inalterable".

Sub-section (2) of Section 47 of the *Audit Act* directs that I shall annex or append to my Report a copy of every Order in Council issued under the provisions of sub-section (1) of Section 25 of the *Audit Act* cited above. Because of the number of Orders involved, strict compliance with this statutory direction is impracticable. However, substantial conformity therewith is achieved by the submission of the relevant details in summary form in Appendix "B" to this Report.

## AGRICULTURE DEPARTMENT.

This Department is engaged in the administration of legislation relating to primary production, in research and experimental work, practical farming education, and supervision as prescribed by the relevant Acts. In this connexion, advice, assistance and encouragement are given to those engaged in the many branches of the agricultural, horticultural, live stock and dairying industries.

The expenditure (excluding that of the Victoria Dock Cool Stores) of the Department from revenue for the year was £2,700,205 against which there were departmental receipts of £430,852 resulting in a net cost to the State of £2,269,353 as compared with £2,076,176 for the previous year. Details of expenditure and receipts for the two years are:—

	<i>Expenditure.</i>					1960-61.	1961-62.
Vote—						£	£
Department of Agriculture .. .. .	..	..	..	..	..	2,414,755	2,647,590
Treasurer—Accident Insurance .. .. .	..	..	..	..	..	17,382	17,774
Treasurer—Pay-roll Tax .. .. .	..	..	..	..	..	44,391	46,565
Treasurer—Unforeseen .. .. .	..	..	..	..	..	122	292
Public Works .. .. .	..	..	..	..	..	60,450	59,952
Special Appropriations .. .. .	..	..	..	..	..	56,229	56,384
						<hr/>	<hr/>
						2,593,329	2,828,557
<i>Less</i> Business undertaking—Victoria Dock Cool Stores .. .. .	..	..	..	..	..	123,124	128,352
						<hr/>	<hr/>
						2,470,205	2,700,205
						<hr/>	<hr/>
	<i>Receipts.</i>						
Departmental .. .. .	..	..	..	..	..	565,880	568,144
<i>Less</i> Victoria Dock Cool Stores .. .. .	..	..	..	..	..	210,598	177,798
						<hr/>	<hr/>
						355,282	390,346
Licences—Dairies, Dairy Farms, Dairy Produce, Factories, &c. (included under heading—Taxation) .. .. .	..	..	..	..	..	38,747	40,506
						<hr/>	<hr/>
						394,029	430,852
						<hr/>	<hr/>
Net outgoing (excluding interest, sinking fund, and proportion of Government contribution to superannuation) .. .. .	..	..	..	..	..	2,076,176	2,269,353
						<hr/>	<hr/>

### *Expenditure from Loan.*

Expenditure from loan on the acquisition of properties and on works and buildings at Agricultural and Dairy Colleges, Research Farms and the Victoria Dock Cool Stores, &c., amounted to £458,106

### Agricultural Colleges and Research Farms.

In various parts of the State, the Department has, in past years, established and maintained colleges and research farms for the purpose of agricultural education and to develop improved farming methods in respect of all classes of primary production.

Departmental statements of cash receipts and payments are prepared for all educational and research institutions, and a summary of these statements is given in Appendix "F" to this Report.

A comparison with figures for the previous year shows :—

	Total Receipts.	Total Payments.	Net Cost.
	£	£	£
1960-61 .. .. .	223,773	1,135,265	911,492
1961-62 .. .. .	237,065	1,149,930	912,865

Total receipts as stated above were credited as follows :—

	£
Consolidated Revenue .. .. .	232,550
Trust Fund—Tobacco Research ( <i>re</i> Myrtleford) .. .. .	4,515
	<hr/>
	237,065
	<hr/>

Expenditure, which amounted to £1,149,930 was on account of general maintenance and capital improvements and was provided as shown hereunder :—

	General Maintenance.		Capital Improvements.		Total.
	£	£	£	£	£
From Vote .. .. .	682,135	..	65,658	..	747,793
Loan .. .. .	3,570	..	342,253	..	345,823
Public Account (Act No. 6345) .. .. .	..	..	4,098	..	4,098
Trust Fund—					
Wheat Marketing					
( <i>re</i> Walpeup and Rutherglen) .. .. .	..	..	9,280	..	9,280
Tobacco Research					
( <i>re</i> Myrtleford) .. .. .	25,890	..	16,055	..	41,945
Pastoral Research ( <i>re</i> Hamilton)	180	..	811	..	991
	<hr/>	26,070	<hr/>	26,146	<hr/>
					52,216
Total expenditure for year .. .. .	711,775	..	438,155	..	1,149,930
1960-61 expenditure was .. .. .	653,086	..	482,179	..	1,135,265
	<hr/>		<hr/>		<hr/>

Capital Improvements comprised :—

	£
Properties .. .. .	1,248
Buildings .. .. .	297,010
Plant and Equipment .. .. .	88,095
Furniture, &c. .. .. .	14,074
Electrical Installation, &c. .. .. .	4,070
Fencing .. .. .	10,728
Roads .. .. .	3,232
Water Reticulation .. .. .	14,826
Other Permanent Improvements .. .. .	4,872
	<hr/>
	438,155
	<hr/>

At Dookie, expenditure on buildings amounted to £224,372. This expenditure was incurred mainly on the new main College building and appurtenant services.

## Victoria Dock Cool Stores.

A profit of £60,574 resulted from operations during the year ended 30th June, 1962. The following comparative statement summarizes transactions during each of the last three years :—

—	1959-60.		1960-61.		1961-62.	
	£	£	£	£	£	£
<i>Revenue.</i>						
Storage Charges .. .. .	185,733		183,067		222,476	
Shipping Charges .. .. .	20,019		13,832		2,987	
Rental .. .. .	2,091		2,086		2,086	
	207,843		198,985		227,549	
<i>Expenditure.</i>						
Salaries and Wages, &c. .. .. .	77,218		75,866		73,740	
Pay-roll Tax .. .. .	1,915		1,903		1,875	
Rent of Site .. .. .	2,708		2,710		2,710	
Agency and Commission .. .. .	10,395		9,151		10,294	
Maintenance .. .. .	9,774		11,584		12,691	
Electrical Energy .. .. .	17,428		18,790		19,115	
Other Charges (net) .. .. .	2,493		2,663		2,355	
Depreciation .. .. .	14,250		16,659		16,167	
Interest on Capital .. .. .	21,105		24,262		28,028	
	157,286		163,588		166,975	
Net operating profit .. .. .	50,557		35,397		60,574	

Over recent years, a programme of replacements involving in addition, improvements, has been undertaken in respect of a section of the storage space erected in 1914 and certain machinery installed in that year. For these purposes, moneys have been provided each year by the Treasurer from Loan Fund. In 1961-62, the amount so provided was £54,321.

In the books of the undertaking, the original cost of each asset replaced has been charged to the "Provision for Depreciation". Originally, it was anticipated that the replacement programme would be completed within a period of seven years from its commencement and, it was on this basis, that provision for the ultimate writing off of certain assets with a book value of £25,333, as at the 30th June, 1955, was in the course of being made.

However, having regard to the actual rate of expenditure, it became evident in 1961-62, that the period of the replacement programme would extend over an additional seven years. In the circumstances, it was decided to adjust the provision for depreciation on this new basis. As a result of this adjustment, the accumulated profit of the undertaking was increased to the extent shown in the abridged Balance-sheet below.

The interest charge shown in the statement is based on capital which has been provided by the State from Loan and Revenue sources—principally the former. The balance of receipts by Consolidated Revenue over working and other expenses provided therefrom has not, so far, been treated as a contra to the capital provided by the State in arriving at the notional charge for interest.

30.6.1961.	ABRIDGED BALANCE-SHEET.		30.6.1962.
£			£
606,018	Capital provided by State .. .. .		664,006
74,696	Contribution by Commonwealth, &c. .. .. .		74,696
9,485	Sundry Creditors .. .. .		9,443
2,961	Reserve .. .. .		2,961
			£
298,537	Profit forward .. .. .		298,537
..	Plus credit on account of adjustment of depreciation provision .. .. .		10,857
..	„ Net Operating Profit .. .. .		60,574
			369,968
991,697			1,121,074



### CHIEF SECRETARY'S DEPARTMENT.

The accounts of a number of sub-departments and branches controlled by the Chief Secretary are discussed hereunder. Exceptions are the accounts of the State Accident and State Motor Car Insurance Offices which are discussed later in this report.

#### Police Department.

*Police Services.*—The net cost to revenue of these services was £8,401,523. In determining “net cost”, expenditure from special appropriations, from votes for police purposes and, to the extent to which applicable, from the votes of other departments, has been included, and the revenue associated with the service has been deducted. A comparison of expenditure and revenue for the year with corresponding figures for the previous year is:—

	1960-61.	1961-62.
	£	£
<i>Expenditure—</i>		
Salaries and Allowances .. .. .	6,553,942	6,941,004
Overtime and Penalty Rates .. .. .	62,539	64,676
Payments in lieu of Long Service Leave .. .. .	90,909	85,884
Pay-roll Tax .. .. .	164,163	173,430
Travelling and Subsistence .. .. .	239,975	260,336
Office Requisites and Equipment, Printing, &c. .. .. .	90,996	81,927
Postal and Telephone Expenses .. .. .	154,999	164,998
Motor Vehicles, Purchase and Running Expenses .. .. .	274,389	274,704
Fuel, Light, Power, and Water .. .. .	69,997	72,988
Other Expenditure .. .. .	188,624	197,859
Maintenance, Rent, Erection of Buildings .. .. .	114,941	107,938
Police Classification Board .. .. .	2,691	2,633
Workers' Compensation Insurance .. .. .	58,140	82,145
Pensions and Superannuation .. .. .	871,650	871,650
	<hr/>	<hr/>
	8,937,955	9,382,172
<i>Revenue—</i>		
Police Services .. .. .	441,911	505,287
Firearms Licences .. .. .	3,869	4,114
Recoup from Country Roads Board Fund—Cost Motor Registration Branch .. .. .	451,323	471,248
	<hr/>	<hr/>
	897,103	980,649
 Net Cost .. .. .	 8,040,852	 8,401,523
 Further Expenditure from Loan Funds on Police Buildings and Residences .. .. .	 366,218	 402,314
	<hr/>	<hr/>

The increase in expenditure on “Salaries” was mainly the result of:—

- (i) the revision of salary rates following on the increase in the basic wage granted in July, 1961; and
- (ii) an increase of 150 in the strength of the Police Force over the year.

The variation indicated above in collections on account of “Police Services”, was due largely to the receipt, in 1961-62, of five quarterly contributions from the Country Roads Board in consideration of the services rendered by the Mobile Traffic Section, including one such contribution on account of the last quarter of the previous year.



*Motor Registration Branch.*—Functions of the Branch include matters relating to the registration of motor vehicles, issue of motor drivers' licences, and the collection, as agents for authorized insurers, of premiums under third-party policies pursuant to the provisions of the *Motor Car Act 1958*, as amended. In addition, the Branch, as from the 16th November, 1959, has been required to collect surcharges in respect of contracts of third-party insurance.

Collections under the authorities mentioned above are, by statutory direction, credited as set out hereunder:—

1960-61.			1961-62.
£		£	£
	<i>Country Roads Board Fund—</i>		
9,427,167	Motor Fees and Drivers' Licence Fees .. ..	9,790,371	
592,302	Owners' Certificates (two-thirds) .. ..	582,926	
		—————	10,373,297
	<i>Level Crossings Fund—</i>		
296,151	Owners' Certificates (one-third) .. ..	..	291,463
	<i>Municipalities Assistance Fund—</i>		
256,673	Motor Drivers' Licence Fees (half) .. ..	..	259,890
	<i>Transport Regulation Fund—</i>		
5,821	Omnibus Registration Fees .. ..	..	5,742
10,578,114	<i>Total Fees under Motor Car Act</i> .. ..	..	10,930,392
	<i>Third-party Insurance—</i>		
4,558,926	Premiums on behalf of and Paid to Approved Insurers .. ..	..	4,773,398
55,293	Motor Car (Hospital Payments) Fund .. ..	..	58,076
629,424	Consolidated Revenue—No. 1 Taxation (Surcharges) .. ..	..	660,984
15,821,757	<i>Total Collections</i> .. ..	..	16,422,850

It will be seen that fees collected by the Branch under the Motor Car Act increased by £352,278. This increase was largely the result of the greater number of motor cars registered in 1961-62 as compared with the previous year.

The fees under the Motor Car Act are credited to the various funds indicated above as directed by the said Act and other Acts. Costs of collection are apportioned between the participating funds with the exception that, in respect of amounts credited to the Level Crossings Fund, the relevant costs of collection are borne by the Country Roads Board Fund.

Section 4 of the *Motor Car (Amendment) Act 1961*, No. 6762, which was proclaimed to operate as from 7th May, 1962, provided for the issue of a motor driving instructor's licence with a currency of three years at a fee of £10. It also provided that half of this fee was to be credited to the Country Roads Board Fund and the other half to the Municipalities Assistance Fund.

Revenue from this source up to the close of the year amounted to £3,660 and was apportioned as prescribed.

### SOCIAL WELFARE.

The several provisions of the *Social Welfare Act* 1960, No. 6651, with the exception of those contained in sub-section (1) of Section 38 and paragraph (a) of Section 57, became operative by proclamations of the Governor-in-Council effective, respectively, from 11th July, 1960, 7th December, 1960 and 1st July, 1961. The legislation created the Social Welfare Branch of the Chief Secretary's Department and determined its functions which were, in effect, to assume the existing responsibilities of the Children's Welfare and Penal and Gaols Departments and to provide additional facilities in the sphere of social welfare. Further, the legislation established the following divisions of the Branch :—

Research and Statistics ;  
 Family Welfare ;  
 Youth Welfare ;  
 Prisons ;  
 Training ; and  
 Probation and Parole.

The expenditure, revenue and the net cost of the Branch to Consolidated Revenue for the year are shown in the summary hereunder :—

Division.	Expenditure.	Revenue.	Net Cost.
	£	£	£
Administration and Research and Statistics .. .. .	63,698	..	..
Family Welfare .. .. .	1,308,623	..	..
Youth Welfare .. .. .	343,344	..	..
	1,715,665	71,875	1,643,790
Prisons .. .. .	1,204,259	121,066	1,083,193
Training .. .. .	13,524	..	13,524
Probation and Parole .. .. .	80,756	..	80,756
	3,014,204	192,941	2,821,263

The following details are furnished in amplification of the information contained in the preceding summary :—

#### EXPENDITURE FROM CONSOLIDATED REVENUE

<i>Administration and Research and Statistics—</i>	£	£
Salaries .. .. .	44,873	
Overtime and penalty rates .. .. .	2,222	
Payments in lieu of long service leave .. .. .	4,228	
	51,323	
Payroll Tax .. .. .		1,073
Other .. .. .		11,302
		63,698

The above items include expenditure relating to the newly established division of Research and Statistics and, therefore, are not readily comparable with administrative expenditure figures for the previous year.

*Family Welfare—*

	£	£
Salaries .. .. .	107,023	
Overtime and penalty rates .. .. .	1,677	
Payments in lieu of long service leave .. .. .	232	
Payroll Tax .. .. .	2,477	
School Books .. .. .	10,211	
Other .. .. .	21,320	
	<hr/>	142,940
Maintenance of Wards—		
In Departmental Establishments—		
Salaries .. .. .	176,142	
Overtime and penalty rates .. .. .	26,888	
Payments in lieu of long service leave .. .. .	736	
Provisions .. .. .	50,742	
Clothing .. .. .	26,226	
Light, power, fuel .. .. .	11,958	
Other .. .. .	32,667	
	<hr/>	325,359
Boarded out in Children's Homes and Foster Homes .. .. .		432,961
Allowances for children (non-wards) in necessitous circumstances .. .. .		407,363
		<hr/>
		1,308,623

Comparable figures for 1960–61 under the above sub-heads are not available. However, analysis of the two years' expenditure disclosed substantial increases in salaries (£43,552) and in allowances for children (non-wards) in necessitous circumstances (£154,421). The increased salary expenditure was the result mainly of the appointment of additional staff consequent upon the expansion of family welfare activity. The rise in the allowances for children in necessitous circumstances was attributable, largely, to an increase in the number of families granted assistance as a result of unemployment.

*Youth Welfare—*

	£	£
Salaries .. .. .	20,925	
Overtime and penalty rates .. .. .	75	
Payments in lieu of long service leave .. .. .	470	
Payroll Tax .. .. .	479	
Other .. .. .	6,173	
	<hr/>	28,122
Maintenance of Wards—		
In Departmental Establishments—		
Salaries .. .. .	140,087	
Overtime and penalty rates .. .. .	21,620	
Provisions .. .. .	36,305	
Clothing .. .. .	15,166	
Light, power, fuel .. .. .	13,644	
Other .. .. .	24,777	
	<hr/>	251,599
In non-Departmental Establishments .. .. .		63,623
		<hr/>
		343,344

Figures for 1960–61 on a similar basis to that adopted above are not available. However, analysis of the salary figures for the two years disclosed an increase of £34,642 on this item. This increase was due largely to additional staff appointments to meet the expansion in youth welfare services.

*Prisons—*

	£	£
Salaries .. .. .	576,943	
Overtime and penalty rates .. .. .	87,766	
Payments in lieu of long service leave .. .. .	6,116	
	<hr/>	670,825
Payroll Tax .. .. .	16,632	
Travelling and Subsistence .. .. .	6,842	
Motor Vehicles—Purchase and Running Expenses .. .. .	19,043	
Fuel, light, power and water .. .. .	49,228	
Stores, provisions, equipment, &c. .. .. .	190,235	
Materials for manufacture .. .. .	102,918	
Allowances to Working Prisoners .. .. .	78,962	
Maintenance, Erection of Buildings, &c. .. .. .	51,016	
Workers' Compensation Insurance .. .. .	5,775	
Other Expenditure .. .. .	12,783	
	<hr/>	533,434
		<hr/>
		1,204,259
		<hr/>

Expenditure of this division is possible of comparison with that of the previous year. Such a comparison discloses an over-all increase, with the principal variations occurring in the items Salaries and Stores, provisions and equipment. The higher salary costs were due to an increase in staff numbers and the effect of the rise granted from 9th July, 1961, in the allowance under Public Service (Board) Regulation 74. Expenditure on Stores, provisions and equipment was roundly £20,000 higher than in the previous year, and the effect of this increase is reflected in the rise in value of stores on hand—£106,745 in 1961 to £131,231 at 30th June, 1962.

*Training—*

	£	£
Salaries .. .. .		8,679
Payroll Tax .. .. .	198	
Travelling and Subsistence .. .. .	132	
Motor Vehicles—Purchase and Running Expenses .. .. .	900	
Training Equipment and Materials .. .. .	2,975	
Other Expenditure .. .. .	640	
	<hr/>	4,845
		<hr/>
		13,524
		<hr/>

Because of the extended activities of this division, expenditure in 1961–62, which showed a substantial increase, cannot be compared in detail with that of the previous year.

*Probation and Parole—*

	£	£
Salaries .. .. .	60,416	
Overtime and Penalty Rates .. .. .	207	
	<hr/>	60,623
Payroll Tax .. .. .	1,201	
Travelling and Subsistence .. .. .	5,496	
Motor Vehicles—Purchase and Running Expenses .. .. .	1,922	
Parole Boards—Members' Fees and Expenses .. .. .	3,855	
Rent of Buildings .. .. .	4,185	
Workers' Compensation Insurance .. .. .	373	
Other Expenditure .. .. .	3,101	
	<hr/>	20,133
		<hr/>
		80,756
		<hr/>

Expenditure from Consolidated Revenue was incurred in previous years in respect of the probation and parole functions. However, the system introduced after the passing of the *Social Welfare Act 1960* embraces expanded activities which resulted in increased expenditure in most of the items shown above. Therefore, the relevant figures for the past two years are not properly comparable.

## LOAN EXPENDITURE.

Expenditure from loan moneys amounted to £358,181, and represented the cost of acquisition and erection of buildings, and the furnishing and equipping of the various establishments under the control of the Branch.

The net costs of the remaining sub-departments and branches of the Chief Secretary's Department for 1961-62 as compared with the previous year are as set out below :—

	1961-62.			1960-61.
	Expenditure.	Revenue.	Net Cost.	Net Cost.
	£	£	£	£
State Library, &c. .. .. .	756,751	1,509	755,242	683,867
Government Statist .. .. .	137,868	45,943	91,925	90,416
Fisheries and Wildlife .. .. .	278,180	75,429	202,751	175,736
Immigration .. .. .	35,334	8,302	27,032	29,394
Other Branches .. .. .	224,970	67,492	157,478	114,441
Administrative .. .. .	120,614	11,905	108,709	92,766
	1,553,717	210,580	1,343,137	1,186,620

Expenditure from loan funds and on account of loan during 1961-62 related to :—

	£
State Library, Latrobe Library, National Gallery, National Museum and Institute of Applied Science .. .. .	59,713
Country Art Galleries .. .. .	34,416
Fisheries and Wildlife .. .. .	57,033

The rise in the net cost of the State Library, &c., was due mainly to the higher expenditure in respect of grants to municipalities for free libraries.

An increase in the contribution to the Game Development Account and a decline in revenue from fishing and game licences were the main factors in the higher net cost of the Fisheries and Wildlife Branch.

The expenditure for "Other Branches" includes a contribution of £50,000 to the Aborigines Welfare Fund, that is, an increase of £25,000 over the previous year. Further reference to this Fund is made under the general heading of "Trust and Special Accounts" later in this report.

The item, "Other Branches," also includes the revenue and expenditure of the Office of the Chief Inspector of Explosives and Gas Examiner in respect of its governmental functions. Commercial accounts were kept by the Office in relation to the handling and storage of explosives at Truganina Explosives Reserve. A summary of these accounts and relevant comments follow. It will be noted that operations at the Reserve ceased on 26th May, 1962.

## LIGHTERAGE, LANDING AND STORAGE OF EXPLOSIVES.

The operations in each of the past four years are summarized hereunder :—

	1958-59.	1959-60.	1960-61.	1961-62.
<i>Revenue.</i>	£	£	£	£
Explosives Dues .. .. .	176,504	152,144	119,807	114,860
Storage Charges .. .. .	7,340	6,525	4,460	3,256
Miscellaneous .. .. .	278	279	279	299
	184,122	158,948	124,546	118,415
<i>Expenditure.</i>				
Working Expenses .. .. .	125,081	120,087	100,145	90,002
Administrative Expenses .. .. .	7,500	7,500	7,500	7,500
Interest on Capital .. .. .	9,984	10,143	10,278	10,305
Depreciation .. .. .	9,212	9,589	9,832	9,727
	151,777	147,319	127,755	117,534
Net Profit .. .. .	32,345	11,629	..	881
Net Loss .. .. .	..	..	3,209	..

The downward trend in revenue experienced in recent years continued in 1961-62, until 26th May, 1962, at which date operations at the Truganina Explosives Reserve were discontinued.

Subsequent to the close of the financial year, arrangements were made for the fixed assets of the undertaking to be taken over by the Lands and Public Works Departments.

The financial position of the undertaking as at 30th June, 1961, and 30th June, 1962, was as shown below :—

		30.6.1962.
£	Source of Funds—	£      £
265,941	Capital provided by Treasury .. .. .	265,941
82,616	Profit and Loss Accumulation Account .. .. .	83,497
348,557		349,438
	Represented by—	
	Current Assets—	£
1,109	Sundry Debtors .. .. .	270
192,582	Treasurer of Victoria (excess of payments to Consolidated Revenue over working and other expenses provided therefrom) .. .. .	202,468
193,691		202,738
	Less—	
	Current Liabilities—	
1,605	Sundry Creditors .. .. .	44
192,086		202,694
255,762	Fixed Assets including Land and Buildings, Floating Plant, &c.	255,762
99,291	Less Provision for Depreciation .. .. .	109,018
156,471		146,744
348,557		349,438

### EDUCATION.

The net expenditure on education from Consolidated Revenue during 1961-62 was £44,268,847. This expenditure was not wholly provided from the votes of the Education Department, sundry items being included from payments made under special appropriations and from other departmental votes. The following statement shows the heads of expenditure contributing to the cost of education to the State:—

Departmental Votes (including on account of Votes)—		£	£
Education—			
Schools, &c. . . . .		40,665,257	
University Grant . . . . .		1,000	
		40,666,257	40,666,257
Treasury—			
Schools, &c. (Payroll Tax, Workers' Compensation Insurance, &c.) . . . . .		1,014,056	
University Grants . . . . .		1,450,000	
		2,464,056	2,464,056
Public Works—Schools, &c. (Maintenance, Rents, &c.) . . . . .		272,358	
Agriculture—University Grant . . . . .		30,000	
Special Appropriations—			
Adult Education, Pensions, &c. . . . .		1,055,357	
University of Melbourne . . . . .		88,100	
Monash University . . . . .		250,000	
		1,393,457	1,393,457
			44,826,128
<i>Less—</i>			
Revenue Collections . . . . .		514,086	
Recoups of Expenditure . . . . .		43,195	
		557,281	557,281
Net Cost to Revenue . . . . .			44,268,847
Forestry Fund—University Grant . . . . .			1,500
Loan Acts Nos. 6602, 6701 and 6826, Maintenance—Schools &c. . . . .			879,305
Loan Acts Nos. 6602, 6701, 6777 and 6826, Capital Works—Schools, &c. . . . .			10,402,824
Loan Act No. 6826 and Treasurer's Advance pending loan—			
University of Melbourne . . . . .			541,694
Act No. 6184/6712—Monash University . . . . .			1,878,000
Special Works Trust Account—Commonwealth Grant—			
School Buildings and Fencing Works . . . . .		200,000	
Universities Buildings Grants . . . . .		200,000	400,000
		400,000	400,000
Total Cost of Education . . . . .			58,372,170

Figures obtained from the Public Works Department show the distribution of loan expenditure on capital works as follows:—

	£
Primary schools . . . . .	3,371,593
High schools . . . . .	3,619,674
Technical schools . . . . .	2,656,160
Girls' secondary schools . . . . .	273,452
Teachers' colleges and hostels . . . . .	434,314
Universities . . . . .	2,419,694
Other . . . . .	47,631
	12,822,518

It should be noted that expenditure by the Public Works Department from Loan Fund for capital and maintenance works in connexion with schools, teachers' colleges and hostels amounted to £11,018,096 of which £1,001,964 was charged to recoup that Department the expenses involved in the design and supervision of such works, and the administration costs associated therewith.

The following comparative statement sets out receipts and expenditure during 1961-62 and the four preceding years:—

	1957-58.	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£	£
Consolidated Revenue—					
Expenditure .. .. .	28,847,635	31,612,647	35,954,435	40,830,004	44,782,933
Receipts .. .. .	354,569	363,400	438,966	490,928	514,086
Net Cost Consolidated Revenue .. .. .	28,493,066	31,249,247	35,515,469	40,339,076	44,268,847
Forestry Fund—Chair of Forestry—University	4,000	4,500	3,750	2,500	1,500
Loan Fund .. .. .	7,634,677	8,478,565	10,948,465	12,262,708	13,701,823
Special Works Trust Account—Commonwealth Grant.. .. .	..	..	..	..	400,000
Total Cost .. .. .	36,131,743	39,732,312	46,467,684	52,604,284	58,372,170

The above figures do not include interest and sinking fund charges on loans, expenditure on Agricultural Education administered by the Department of Agriculture, or subsidies to the University of Melbourne for bacteriological and other services.

*Analysis of Expenditure.*—A detailed statement showing a comparative analysis of expenditure from loan and revenue moneys in respect of the various services provided is given in Appendix E to this report. For ready reference the net cost of each service is shown hereunder.

	1960-61.	1961-62.
	£	£
Administration .. .. .	805,797	856,004
Central Schools and Classes .. .. .	258,125	258,343
Correspondence School .. .. .	122,514	148,208
Girls' Secondary Schools .. .. .	724,483	929,232
High Schools .. .. .	10,950,789	12,768,606
Higher Elementary Schools .. .. .	309,929	185,354
Primary Schools .. .. .	20,094,192	21,328,399
Registered Schools .. .. .	481,441	539,477
Special Schools and Hostels attached thereto .. .. .	549,509	587,594
Special Activities (Library, Music, &c.) .. .. .	853,128	936,763
Technical Schools .. .. .	8,801,162	9,781,720
Teachers' Colleges .. .. .	4,017,884	4,321,618
Teachers' Colleges Hostels .. .. .	326,388	195,168
Universities .. .. .	3,263,900	4,453,977
Pensions, &c. .. .. .	939,034	1,020,025
Miscellaneous .. .. .	106,009	61,682
	52,604,284	58,372,170

It will be seen on reference to the details in Appendix "E" that "Salaries—Teachers" rose from £25,981,093 to £28,501,277. This rise of £2,520,184 was due to an increase of roundly 1,300 in the average teaching strength together with the effect of the adjustment of the allowance under Teaching Service Regulation 45 (a) in consequence of the increase in the basic wage in July, 1961.



*Technical Schools.*—Maintenance grants made available to technical schools under the Annual Appropriation Act are augmented by tuition fees and other revenue collected and retained by the schools. These funds are expended on salaries of part-time instructors and full-time teachers employed by school councils, salaries and wages of office and maintenance staffs, and general costs incidental to the operating of the schools. Salaries of technical school teachers appointed under the *Teaching Service Act 1958*, are met from the amounts voted by Parliament for the Education Department.

The following statement, to be read in conjunction with Appendix E to this report, combines Treasury and technical school accounts to show the total expenditure on technical schools.

1960-61.		1961-62.	
£	Source of Funds—	£	£
6,486,585	Consolidated Revenue (net) .. .. .	6,969,198	
2,314,577	Loan Acts .. .. .	2,746,531	
..	Special Works Trust Account—Commonwealth Grant— .. .. .	65,991	
		<hr/>	9,781,720
604,776	Tuition fees collected by Technical Schools .. .. .	..	658,505
166,587	Other Technical School Revenue .. .. .	..	197,222
		<hr/>	
9,572,525			10,637,447
..	<i>Less</i> Surplus in Technical School Maintenance Accounts .. .. .	..	31,944
10,023	<i>Plus</i> Deficit in Technical School Maintenance Accounts .. .. .	..	..
		<hr/>	
9,582,548			10,605,503
		<hr/>	
Disbursement of Funds—			
Salaries (including Pay-roll Tax)—			
5,125,136	Teachers and part-time Instructors .. .. .	5,419,840	
741,175	Administrative and Maintenance Staff .. .. .	838,427	
		<hr/>	6,258,267
2,406,956	Erection and Maintenance of Buildings, &c. .. .. .	..	2,836,009
171,100	Equipment (including Special Equipment Grants £100,000) .. .. .	..	240,396
434,686	General costs of classes .. .. .	476,973	
360,168	Administrative and other costs .. .. .	408,565	
		<hr/>	885,538
357,179	Allowances to pupils .. .. .	..	396,714
		<hr/>	
9,596,400			10,616,924
13,852	<i>Less</i> Rents, &c., received by Education Department .. .. .	..	11,421
		<hr/>	
9,582,548	<b>Total Net Cost</b> .. .. .	..	10,605,503
		<hr/>	

*Training of Teachers.*—Allowances paid to students in training represent approximately three-quarters of the cost of operating teachers' colleges. The Department conducts 34 hostels for students living away from home. The *per capita* cost of training is substantially higher for students accommodated in hostels as revenue from board does not cover the cost of operation. In the following figures, showing the trend over the last four financial years, average *per capita* costs (excluding capital items) are based on the approximate number of students in training during each of those years:—

	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£
Cost of conducting teachers' colleges .. .. .	2,440,807	3,080,654	3,549,977	3,897,640
Cost of conducting hostels for students in training .. .. .	119,965	121,349	131,241	160,428
	2,560,772	3,202,003	3,681,218	4,058,068
Average number of students in hostels .. .. .	1,230	1,358	1,401	1,472
Average number of students accommodated privately .. .. .	3,274	3,871	4,314	4,597
Average total number of students .. .. .	4,504	5,229	5,715	6,069
	£	£	£	£
Average <i>per capita</i> cost of training per annum .. .. .	542	589	621	642
Average additional <i>per capita</i> cost of training per annum for those students accommodated in hostels .. .. .	98	89	94	109

*Conveyance of Pupils.*—The provision of bus services for the transport of children to schools and pupils' travelling allowances is an annually increasing cost. The following is a comparative analysis of expenditure on these services:—

	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£
Allowances not exceeding 1s. per day for eligible pupils attending primary schools .. .. .	93,520	102,491	93,585	98,449
Allowances to eligible pupils attending post-primary schools (covering travel by bicycle and/or public transport facilities)	215,403	235,366	269,294	287,312
Payments to contractors providing special bus transport services for pupils .. .. .	1,692,684	1,782,006	2,030,588	2,137,993
	2,001,607	2,119,863	2,393,467	2,523,754

#### UNIVERSITY OF MELBOURNE.

The accounts of this University are subject to a continuous audit by officers under my direction.

The general income of the University is drawn principally from grants by the State and Commonwealth Governments and from fees of various kinds. Further sources of income are donations and bequests, but in some instances these are for specific purposes and form the principal of trust funds. Only the income received from the investment of such funds is available for disbursement.

The accounts are prepared on an accrual basis, the accounting period being the calendar year. The following statement has been prepared to show the over-all income and expenditure of the University, excluding extraneous accounts such as the University Press, Union, &c.

<i>Income</i> —	1960.		1961.	
	£	£	£	£
<b>State Government Grants—</b>				
General purposes .. .. .	1,066,100		1,190,162	
Special purposes .. .. .	844,373		321,657	
	1,910,473		1,511,819	
<b>Commonwealth Government Grants—</b>				
General purposes .. .. .	1,170,399		1,313,747	
Special purposes .. .. .	692,031		256,349	
	1,862,430		1,570,096	
Fees .. .. .		1,170,231		1,241,580
Donations and bequests .. .. .		610,155		689,162
Interest, dividends, rents .. .. .		173,745		202,987
Loan for Dental Hospital Building .. .. .		68,500		456,250
Other income .. .. .		129,716		175,189
		5,925,250		5,847,083
<b>Expenditure—</b>				
Salaries and Pay-roll Tax .. .. .		2,974,962		3,347,507
Apparatus and books .. .. .		366,337		460,523
Buildings, land, grounds, and vehicles .. .. .		1,267,476		1,182,273
Examination expenses .. .. .		102,832		116,259
Special grants, and fees to affiliated institutions .. .. .		254,426		244,344
General expenses .. .. .		251,935		298,881
Payment to Dental Hospital of proceeds of loan .. .. .		..		512,467
Interest and Redemption—Dental Hospital loan .. .. .		..		24,261
		5,217,968		6,186,515
<b>Balance—</b>				
General Account .. .. .	<i>Surplus</i>	*263,268	<i>Deficit</i>	*407,869
Trust Fund .. .. .	,,	*444,014	<i>Surplus</i>	*68,437
	<i>Gross Surplus</i>	707,282	<i>Net Deficit</i>	339,432

\* Takes into consideration inter-fund transfers.

In a comparison of the results of the two years, it should be realized that the Trust Fund is the holding account for donations and bequests pending expenditure thereof on specific projects.

The disclosed balances of the General Account are composite figures and include the surpluses and deficits of a number of research and special funds. If these are disregarded, the General Fund showed a surplus of £411 for 1961, compared with a surplus of £4,106 in the previous year. After crediting the surplus, the accumulated deficit on this account at 31st December, 1961 was £103,108.

As in previous years, Government grants comprised more than half the income of the University in 1961. State Government grants, provided principally from Consolidated Revenue, decreased by £398,654, as compared with the previous year.

Amounts received from the Commonwealth comprised the basic and supplementary general purpose grants calculated in accordance with the formula laid down in the related States Grants (Universities) Act, together with grants for special purposes.

#### MONASH UNIVERSITY.

This University was established by the *Monash University Act 1958* (No. 6184) and, by proclamation of the Governor in Council, was incorporated on 27th May, 1958.

The Council of the University was constituted on 3rd July, 1961, in pursuance of the provisions of section 43 of the said Act, and thereupon replaced the Interim Council and assumed responsibility for the administration of the affairs and property of the University.

The statements hereunder summarize the University's transactions for the years 1960 and 1961 and disclose its financial position as at the close of each of those years :—

1960.		1961.
£	<i>Income—</i>	£
40,000	State Government Grant (from Consolidated Revenue) .. .. .	554,000
60,750	Commonwealth Government Grant .. .. .	233,000
	Students' Fees .. .. .	39,038
	Donations .. .. .	2,292
342	Sundries .. .. .	8,599
101,092		836,929
	<i>Expenditure—</i>	
24,351	Teaching Departments .. .. .	263,942
4,306	Library .. .. .	26,976
33,373	Administration (General) .. .. .	162,429
8,634	Grounds Maintenance .. .. .	10,179
70,664		463,526
30,428	Excess of income over operating expenses .. .. .	373,403
	The Funds of the University as at 31st December, were :—	
1,278,035	Grant from State Loan Fund .. .. .	2,391,145
382,500	Grant from Commonwealth for capital expenditure .. .. .	1,759,888
1,660,535		4,151,033
	Excess of income over operating expenses—	
13,684	As at 1st January .. .. .	44,112
30,428	For the year .. .. .	373,403
		417,515
	Less Initial Staff Establishment costs, 1960—written off .. .. .	23,470
		394,045
1,704,647		4,545,078
	These Funds were applied as follows :—	
	Current Assets—	
458,158	Cash at bank and in hand .. .. .	390
5,013	Sundry Debtors and Prepayments, &c. .. .. .	36,570
463,171		36,960
	Less Current Liabilities—	
..	Commercial Bank of Australia Ltd. .. .. .	167,816
27,293	Sundry Creditors .. .. .	28,596
600	Contractors' Deposits .. .. .	100
..	Other .. .. .	8,501
27,893		205,013
435,278		Cr. 168,053
	Deferred Assets—	
1,990	Deposits lodged with State Electricity Commission and others .. .. .	31,206
	Fixed Assets—	
	Land and Buildings—	
357,927	Acquisition of Site .. .. .	242,131
37,305	Site Development .. .. .	293,961
772,282	Buildings .. .. .	3,477,464
76,395	Equipment and Furniture .. .. .	4,013,556
	Intangible Assets—	668,369
23,470	Initial Staff Establishment Costs .. .. .	..
1,704,647		4,545,078

Substantial progress in the initial stages of establishment of the University is reflected in the figures furnished above. Teaching commenced in 1961 and the enrolment for the year was 347.

It will be observed that Government grants comprised the major part of the income for the year. State Government grants for general purposes amounted to £554,000 compared with £40,000 for the previous year. Expenditure of a revenue nature totalled £463,526 and the excess of income over operating expenses was £373,403.

Government grants for capital purposes amounted to £2,490,498. Additional fixed assets were provided during the year to the value of £3,438,016. These acquisitions were financed, mainly, from the unexpended balances of capital grants brought forward from 1960, grants for capital purposes received during the year and the excess of income over operating expenses.

## FORESTS.

## EXPENDITURE.

In the year under review, expenditure amounted to £3,274,995. Under broad headings the principal divisions of expenditure in the past two years were:—

	1960-61.	1961-62.
	£	£
Appropriations—		
Salaries and Payments in the Nature of Salary .. .. .	728,927	773,860
Pay-roll Tax .. .. .	20,038	20,947
Pensions .. .. .	25,415	31,344
School of Forestry .. .. .	17,587	17,150
Other Administrative Expenses .. .. .	74,398	75,776
Utilization Forest Produce .. .. .	307,733	308,989
Business Undertakings .. .. .	79,490	67,896
Sundry .. .. .	18,014	13,338
Contribution to the National Sirex Fund .. .. .	..	10,425
	<u>1,271,602</u>	<u>1,319,725</u>
Forestry Fund—		
Forests .. .. .	907,035	901,891
Plantations .. .. .	53,110	44,784
Nurseries .. .. .	22,249	20,541
General .. .. .	21,803	53,385
	<u>1,004,197</u>	<u>1,020,601</u>
Loan Fund—		
Land .. .. .	32,785	26,446
Fire Protection .. .. .	137,763	206,686
General Operations .. .. .	97,108	99,317
Extraction Roads .. .. .	291,278	282,761
Plantations .. .. .	107,829	239,522
Buildings .. .. .	68,238	53,406
Plant and Machinery .. .. .	28,717	6,531
	<u>763,718</u>	<u>914,669</u>
Special Works Trust Account—Commonwealth Grant—		
Plantations .. .. .	..	20,000

Since the inception of the use of loan funds for forestry purposes, the sum of £19,124,451 has been so applied. After allowing for discount and expenses and amounts redeemed or repaid, the Loan Liability at 30th June, 1962, was £15,841,394, towards which there was an equity of £1,187,133 in the National Debt Sinking Fund.

Variations in percentages relating to expenditure from Vote &c., Fund, and Loan may be compared as under:—

	1960-61.		1961-62.	
	£	%	£	%
Vote, &c. .. .. .	1,271,602	42	1,319,725	40·3
Fund .. .. .	1,004,197	33	1,020,601	31·2
Loan .. .. .	763,718	25	914,669	27·9
Special Works Trust Account—Commonwealth Grant .. .. .	..	..	20,000	·6

Allocations for forestry purposes, provided for in the annual Appropriation Act, may be grouped under three broad headings—administrative, business undertakings and utilization of forest produce.

With respect to administrative costs, it should be observed that, in addition to the figures for salaries and payments in the nature of salary, shown in the preceding summary of expenditure, salaries of forest foremen and others amounting to £190,220 were charged to Utilization Vote, Forestry Fund, Loan Fund and Stores Suspense Account.

Expenditure in connexion with the State Sawmill, Erica, has been recouped by the revenue of such undertaking.

Included in the gross amount of £914,669 charged to Loan Fund were allocations for special projects as set out hereunder :—

	£
Provision of special roading in the Macalister Forest District :—	
Bennison Plains .. .. .	40,030
Tambouther Saddle .. .. .	63,020
Plantation expansion .. .. .	211,035
Establishment costs—Prison Camp, Olsen's Bridge .. .. .	11,483

Local millers also have been contributing towards the cost of roads in the Macalister Forest District. With the object of specifically setting aside these contributions for the purpose for which they were made, the Bennison Roothing Trust Account was established in the Treasury in December, 1958.

To 30th June, 1960, the Heyfield Sawmillers Logging Co. Pty. Ltd., the representative of the millers concerned, had contributed, on the basis of £36,000 per annum, the sum of £60,000. However, the Commission indicated to the Treasury on 4th July, 1960, that it had entered into an agreement whereby, in consideration of the Commission's commitment for constructional costs of roads specifically designated in the area, the Commission had imposed, for this purpose, "over and above the royalty payable, a further sum as a roading charge of 2s. 6d. for every 100 super. feet H.L.V. of the annual volume of logs allocated by the Commission to the company during the period 1st November, 1958, to 31st October, 1963, subject to the continuance during that period of the holding by the company of a licence".

Up to the 30th June, 1961, the sum of £93,000 had been credited to the Bennison Roothing Trust Account and, as at that date, an amount of £3,000 was due for the month of June, 1961. This sum was received on the 10th July, 1961, and, on that date, the Commission agreed to suspend further payments by the Company until the 31st October, 1962, and then to review certain aspects of the existing arrangement.

Expenditure from the Bennison Roothing Trust Account to 30th June, 1962, amounted to £36,497 and the balance of the Account at that date was £59,503.

It will be seen that, during the year, the State contributed an amount of £10,425 to a "National Sirex Fund".

The Sirex Wasp was discovered in Victoria in December, 1961, and, at the Premiers' Conference in Canberra in February, 1962, it was decided to set up the National Sirex Fund; also that, the Commonwealth, on the one hand, and the States on the other, would contribute to the Fund on a £ for £ basis.

From the Fund, the Commonwealth made available to Victoria in 1961-62 the sum of £32,500 to finance the expenditure incurred by the State, as from the 15th February, 1962, in its attempt to eradicate and control the wasp. For the purpose of recording the relevant transactions, an account styled the "Commonwealth—State Sirex Trust Account" was established in the State Treasury. Expenditure recorded against the Account up to and inclusive of the 30th June, 1962, amounted to £26,307, leaving an unexpended balance to the credit of the Account of £6,193. Actually, there were certain items of expenditure incurred in the latter part of the year in connexion with the campaign which, at the close of the year, had not been charged to the Account. In this regard, it should be stated that the adjustment of the amounts involved has since been effected by the provision of the necessary sum from the National Sirex Fund.

## RECEIPTS.

The Commission's revenue receipts for the past two years are shown hereunder :—

	1960-61.	1961-62.
	£	£
Territorial—		
Rents .. .. .	36,359	39,448
Royalties .. .. .	1,936,059	1,821,546
Miscellaneous .. .. .	7,919	1,347
Fees .. .. .	435	334
Tramways .. .. .	2,244	3,227
State Sawmill .. .. .	99,712	81,159
Timber Seasoning Works .. .. .	504	600
Departmental .. .. .	328,503	332,062
Miscellaneous .. .. .	18,235	30,156
	<u>2,429,970</u>	<u>2,309,879</u>

The decrease in revenue from "Royalties" indicated above was largely the result of :—

- (i) a falling off in the production of hardwood logs due to a reduction in demand; and
- (ii) a decrease in the related average royalty rate.

The effects of the two factors outlined above were offset by an increased production of softwood logs together with an increase in the average royalty rate thereon.

The net cost of the Commission for 1961-62, based on receipts and expenditure in the Consolidated Revenue Account, was £666,329.

The Consolidated Revenue receipts and expenditure for the past two years were :—

1960-61.	Receipts.	1961-62.	1960-61.	Expenditure.	1961-62.
£		£	£		£
2,429,970	As detailed .. .. .	2,309,879	11,450	Commissioners' Salaries .. .. .	11,437
443,042	Net Cost .. .. .	666,329	1,234,737	Votes .. .. .	1,276,944
			25,415	Pensions .. .. .	31,344
			990,168	Grants to the Forestry Fund .. .. .	931,171
			573,670	Interest and Exchange on Loans .. .. .	685,015
			114	Loan Conversion Expenses .. .. .	1,205
			37,458	National Debt Sinking Fund .. .. .	39,092
<u>2,873,012</u>		<u>2,976,208</u>	<u>2,873,012</u>		<u>2,976,208</u>

## STORES SUSPENSE ACCOUNT AND PLANT AND MACHINERY FUND.

*Stores Suspense Account.*—The terms of operation of the Forest Stores Suspense Account are set out in Section 31 of the *Forests Act* 1958. In 1952-53, £20,000 was applied out of Loan Fund to finance the Account under the authority of Loan Application Act No. 5588.

The Account is charged with expenditure incurred in the purchase of stores, fuel and material, on repairs to plant and machinery, and in connexion with the manufacture and repair of articles.

As such stores or manufactured articles are issued for use, the Account is credited with the value of the article or articles concerned and the appropriate works authority or other authority debited.



In respect of costs of repair of plant and machinery charged to the Account, these costs are offset by credits:—

- (i) arising from a proportion of the "hire charges" on moneys provided for the carrying out of works on which the plant and machinery are engaged; and
- (ii) from recoups by other funds or appropriations on account of particular repair costs properly chargeable to such funds or appropriations.

The balance of £138,993 at credit of the Forest Stores Suspense Account in the Treasurer's books at 30th June, 1962, is a net figure. The Commission's books disclose that this balance is the net result of the balances of several accounts within the Stores Suspense Account as follows:—

<i>Credit balances—</i>	£	£	£
Stores Account .. .. .		40,057	
Repairs to Plant Account .. .. .		103,740	
Manufactured Articles (Carpenters' Shop) .. .. .		675*	
		—————	144,472
 <i>Debit balances—</i>			
Drums Account .. .. .			5,019
Fire Protection Workshop Account—			
Unadjusted Expenditure .. .. .	1,960		
Less Advance from Stores Account .. .. .	1,500		
		—————	460
			—————
			5,479
			—————
			138,993

\* Remainder of £1,500 advanced from Stores Account.

It will be observed that the balance of the "Stores" section plus advances made from this section to other sections of the Stores Suspense Account exceeds the sum of £20,000 provided from loan to finance the Account. The major reason for this position and the manner in which it is being dealt with were mentioned on page 53 of my report for 1957–58. In 1961–62, a sum of £35,000 together with the proceeds of the sale of surplus stocks amounting to £10,250 was transferred to Loan Fund Credit Account.

Consideration as to whether the "Repairs to Plant" section of the Account is in excess of requirements has been deferred by the Treasury. It is understood that it is awaiting the result of the proposed investigation by the Parliamentary Public Accounts Committee into the question of Stores Suspense Accounts generally.

*Plant and Machinery Fund.*—Section 32 of Act No. 6254 provides for a Plant and Machinery Fund. The component of the hire charge on account of the renewal and replacement of specified plant and machinery is debited to the appropriate expenditure allocation and credited to this Fund.

The following statement summarizes operations since the date of establishment of the Fund (1st July, 1953) to 30th June, 1962:—

	1st July, 1953, to 30th June, 1961.	1st July, 1961, to 30th June, 1962.	Total.
	£	£	£
Plant Hire .. .. .	998,689	111,081	1,109,770
Expenditure on Renewals .. .. .	855,542	2,974	858,516
	—————	—————	
Balance at 30th June, 1962.. .. .			251,254
			—————

## STATE SAWMILL, ERICA.

The following information taken from the Commission's Profit and Loss Statements summarizes operations in 1960-61 and 1961-62:—

	1960-61.		1961-62.	
	£	£	£	£
Sales .. .. .	97,172		81,698	
Other Receipts .. .. .	585		431	
Increase in Stock .. .. .	3,289			
		101,046		82,129
Working Expenses .. .. .	86,493		73,550	
Interest Calculated on Capital Used in the Business .. .. .	2,541		2,541	
Decrease in Stock .. .. .			1,853	
		89,034		77,944
Net Profit .. .. .		12,012		4,185

Depreciation charges were consistent with the basis mentioned in my report for 1959-60. Interest on capital was charged at the same rate as for the previous year and was made without regard to the net revenue paid into the Treasury.

The accumulated profit at 30th June, 1962, was £69,552.

The statement hereunder shows the position of the undertaking as at the close of each of the past two years:—

	30.6.61.		30.6.62.	
	£	£	£	£
<i>Fixed Assets less provision for Depreciation—</i>				
Buildings .. .. .	13,636		11,646	
Machinery and Plant .. .. .	16,235		13,251	
Rolling-stock .. .. .	1,296		1,022	
		31,167		25,919
<i>Current Assets—</i>				
Debtors .. .. .	13,108		13,022	
<i>Stock on Hand—</i>				
Timber .. .. .	11,630		9,779	
Stores .. .. .	50		48	
		24,788		22,849
		55,955		48,768
Less Current Liabilities .. .. .		2,204		1,216
		53,751		47,552
The balances shown above were financed from the following sources:—				
Capital raised from Revenue and Loan Fund .. .. .	61,607		61,607	
Accumulated Profit .. .. .	65,367		69,552	
		126,974		131,159
Less the excess of receipts over payments which has been paid into Consolidated Revenue .. .. .		73,223		83,607
		53,751		47,552

Timber stocks on hand at 30th June, 1962, comprised logs valued at £7,993, and sawn timber valued at £1,786.

### GOVERNMENT PRINTER.

Income from printing, sales of publications, &c., for the year amounted to £1,203,156 compared with £1,075,071 in 1960-61.

Most of the work for the State is for the purpose of meeting the requirements of other departments and charges for these services are met from departmental votes. The statement below shows a profit of £26,819 on the year's operations.

The purpose of the statement is to apply commercial accounting tests to the operations of the Government Printing Office. The basis of its preparation has been consistent from year to year. Because of this, it indicates trends in costs and turnover, but it should be noted that the result shown each year is arrived at without regard to the following factors :—

- (i) interest paid applicable to the cost of the undertaking ;
- (ii) depreciation on buildings ;
- (iii) the State's contribution towards pensions ;
- (iv) freight and costs of distribution met by the Treasury ; and
- (v) in the valuation of publications on hand, the practice of assessment at marked selling prices without due allowance for discount on subsequent purchases by agents.

<i>Item.</i>	1960-61.	1961-62.
	£	£
Materials .. .. .	436,928	419,331
Salaries and Wages (including Pay-roll Tax) .. .. .	577,890	601,355
Insurance—Workers' Compensation .. .. .	5,560	5,245
Insurance—Fire .. .. .	802	802
Power, Fuel, and Light .. .. .	14,185	14,965
Repairs to Buildings and Plant .. .. .	5,037	5,782
Sundry Charges .. .. .	21,277	25,385
Postage and Incidentals .. .. .	7,552	9,420
Depreciation .. .. .	36,769	37,108
Work done by other than Government Printer .. .. .	39,307	56,944
	1,145,307	1,176,337
Profit .. .. .	..	26,819
Loss .. .. .	70,236	..
	1,075,071	1,203,156

The transfer of the Government Printing Office from East Melbourne to North Melbourne having been completed early in the financial year, production and turnover have returned to normal levels, resulting in the surplus shown in the above statement.

The total cost of plant and machinery met from loan funds to 30th June, 1962, was £510,759. During the financial year 1941-42, a Printing Machinery Depreciation Fund was established for the replacement of plant and machinery acquired from loan funds. Annual credits to the Depreciation Fund were made from Consolidated Revenue up to the financial year 1957-58. Since then, no further contributions have been made to the fund, and as no expenditure took place in 1961-62, the balance in the fund at 30th June, 1962, remained at £118,735.

## DEPARTMENT OF HEALTH.

This Department is divided into four branches, viz :—

- General Health Branch.
- Tuberculosis Branch.
- Maternal and Child Welfare Branch.
- Mental Hygiene Branch.

Total expenditure from revenue upon health services for the year ended 30th June, 1962, excluding that of the Mental Hygiene Branch and the contributions to the Hospitals and Charities Fund, which are discussed elsewhere herein, was £4,565,581.

This expenditure comprised the following charges :—

Departmental Votes—	£
Health (Salaries, General Expenses, &c.) .. .. .	4,299,348
Public Works (Maintenance, Rents, &c.) .. .. .	55,791
Treasury (Pay-roll Tax) .. .. .	17,945
Treasury (State Accident Insurance) .. .. .	11,299
Special Appropriations (Salary of Director of Tuberculosis, and Pensions) .. .. .	181,198
	4,565,581

Receipts (excluding those of the Mental Hygiene Branch) totalled £1,206,046, and the net cost of health services to revenue was £3,359,535, an increase of £368,791 compared with the previous year.

For the purposes of this report, departmental finances are dealt with under branch headings, all central administrative costs being included under General Health Branch.

The figures given have been prepared from departmental analyses which have been reconciled in total with the Treasurer's Accounts.

### General Health Branch.

The functions of this branch relate to the prevention, limitation, and suppression of disease, safety of buildings, food standards, &c.

Revenue of the past three years is shown in the following table :—

	1959-60.	1960-61.	1961-62.
	£	£	£
Registration and other Fees .. .. .	10,360	10,004	13,644
Other Receipts .. .. .	9,645	6,866	6,721
	20,005	16,870	20,365

Expenditure in the same period has been :—

(a) From Revenue—	£	£	£
Central Administration .. .. .	200,848	238,213	263,112
Cancer Institute .. .. .	560,000	630,000	643,000
Infectious Diseases .. .. .	173,070	149,732	142,543
Venereal Diseases .. .. .	27,764	25,129	26,133
Inspection of Buildings, Food Supervision, &c. .. .. .	193,200	223,110	243,947
Miscellaneous Grants .. .. .	137,925	146,000	156,300
Subsidies—Home Help Scheme, Clubs for Elderly People, &c. .. .. .	223,194	270,582	309,133
	1,516,001	1,682,766	1,784,168
(b) From Loan—			
Cancer Institute .. .. .	59,322	119,884	195,059
Other .. .. .	92,731	65,303	72,707
	152,053	185,187	267,766

### Tuberculosis Branch.

Receipts of this Branch over the past three years have been :—

	1959-60.	1960-61.	1961-62.
	£	£	£
Commonwealth recoup under Health Act 1958 .. .. .	1,114,127	1,111,560	1,146,750
Other receipts .. .. .	26,676	30,034	32,752
	1,140,803	1,141,594	1,179,502

Expenditure for the same period is compared thus :—

	£	£	£
<i>(a) From Revenue—</i>			
Operation of sanatoria, tuberculosis wards, bureaux, mass X-ray services, &c. .. .. .	1,391,128	1,346,985	1,456,946
<i>(b) From Loan—</i>			
State sanatoria and clinics, &c. .. .. .	26,464	27,388	46,306

Capital expenditure on the provision of buildings, furniture, and equipment for use by the Branch, which is recoverable from the Commonwealth, has been met from both loan and revenue moneys, and in each of the past three years has been :—

	1959-60.	1960-61.	1961-62.
	£	£	£
Loan .. .. .	20,688	19,606	38,503
Revenue .. .. .	20,539	930	29,992
	41,227	20,536	68,495

A progress payment of £51,175 on account of 1961-62 was received in June, 1962, and reimbursement of the balance is in course.

Progress payments to 30th June by the Commonwealth on account of 1961-62 maintenance expenditure amounted to £1,104,860. Reimbursement of the balance outstanding at 30th June, 1962, is in course.

### Maternal and Child Welfare Branch.

This Branch is engaged in activities for the welfare of mothers and children, including the operation of the school medical and dental services, and infant welfare nursing.

Revenue expenditure for the last three years was :—

	1959-60.	1960-61.	1961-62.
	£	£	£
School Medical and Dental Services, Salaries, &c. .. .. .	546,762	551,012	609,776
Subsidies .. .. .	542,023	573,992	714,691
	1,088,785	1,125,004	1,324,467
Revenue for the same period was .. .. .	5,558	5,547	6,179
Net cost .. .. .	1,083,227	1,119,457	1,318,288

The subsidies were mainly on account of infant welfare centres, kindergarten and pre-school centres, crèches, &c.

Expenditure from loan was :—

	£	£	£
Subsidies towards capital expenditure on pre-school centres ..	159,791	150,592	159,492
Other .. .. .	2,699	4,876	9,543*
	162,490	155,468	169,035

\* Includes £373 charged to Treasurer's Advance.

### Mental Hygiene Branch.

The cost of the services provided by this Branch was, in 1961-62, defrayed from both revenue and the Mental Hospitals Fund. Gross expenditure for non-capital purposes was £7,519,095, but as receipts amounted to £626,568, the net cost of Mental Hygiene services was £6,892,527. The gross expenditure comprised charges to—

Departmental Votes—	£
Health (Salaries and General Expenses) .. .. .	7,167,808
Public Works (Maintenance, Rents, &c.) .. .. .	312,532
Treasury (State Accident Insurance) .. .. .	37,191
Mental Hospitals Fund .. .. .	1,564
	7,519,095

Details of receipts credited to the Branch in each of the last three years are—

	1959-60.	1960-61.	1961-62.
	£	£	£
Maintenance of patients—principally Commonwealth payments on account of Repatriation patients .. .. .	275,504	285,766	288,109
Deduction from Salaries for Accommodation and Meals .. .. .	..	*220,508	*226,630
Commonwealth Pharmaceutical Benefits .. .. .	29,050	30,900	84,972
Sales of produce .. .. .	13,494	14,180	10,704
Other .. .. .	13,026	15,171	16,153
	331,074	566,525	626,568

Particulars of expenditure under classified heads for the last five financial years are—

Item.	1957-58.	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£	£
Salaries .. .. .	2,869,338	3,189,942	3,527,553	*3,971,949	*4,340,318
Overtime and penalty rates .. .. .	498,621	529,315	525,356	592,586	578,449
Provisions and extra articles .. .. .	734,906	816,771	817,083	891,312	934,035
Clothing, bedding, &c. .. .. .	224,623	209,787	160,249	193,443	215,508
Stores, &c. .. .. .	135,114	143,074	156,113	150,502	185,272
Fuel, light, and water .. .. .	249,585	329,575	351,062	364,902	351,899
Drugs and medicines .. .. .	141,165	190,347	190,545	224,231	270,956
Repairs, maintenance, &c. .. .. .	322,764	279,292	279,782	287,190	312,532
Boarded-out patients .. .. .	94,227	93,509	94,115	97,568	95,940
Other .. .. .	200,457	213,814	242,606	228,100	234,186
Total .. .. .	5,470,800	5,995,426	6,344,464	7,001,783	7,519,095

\* From and inclusive of 1960-61, the gross figure for salaries is given, and the deduction therefrom for accommodation and meals is shown as a receipt.

Expenditure from the Loan Fund during 1961-62 on buildings and equipment of State institutions amounted to £1,192,015. In addition, other moneys were provided from the sources and for the purposes shown hereunder:—

			£	£
<b>Mental Hospitals Fund—</b>				
University of Melbourne—Mental Health Research	..	..	7,000	
Other Institutions—Grants for Maintenance	..	..	108,312	
			<hr/>	115,312
<b>Loan Fund—</b>				
Other Institutions—Grants for Capital Works	..	..	..	32,630
				<hr/>
				<hr/> 147,942 <hr/>

## DEPARTMENT OF CROWN LANDS AND SURVEY.

This Department is responsible for the occupation of Crown Lands, and the administration of various schemes of land settlement and financial assistance to farmers. Other important functions include the eradication of vermin and noxious weeds and the control and co-ordination of survey and mapping throughout the State. The collections and expenditure of the Department are reviewed hereunder.

*Collections.*—Collections during the year amounted to £1,758,176 as compared with £1,637,908 in the previous year. Details are as set out hereunder:—

	1960-61. £	1961-62. £
Territorial Revenue—		
Fees for various licences and leases, &c. . . . .	622,511	639,713
Proceeds of sale of land formerly vested in Geelong Harbor Trust . . . . .	..	29,994
Proceeds of sale of Crown land to I.C.I. of Aust. & N.Z. as a site for an industrial undertaking . . . . .	..	98,319
Proceeds of sales of land—other . . . . .	170,851	196,060
	<hr/>	<hr/>
	793,362	964,086
Revenue from similar sources for credit to the Mallee Land Account . . . . .	61,707	41,044
Repayments of principal by Settlers under the Closer Settlement Acts . . . . .	167,701	225,976
Interest payments by Settlers on Loan Liabilities under the Closer Settlement Acts . . . . .	73,205	71,553
Repayments of principal—Other Advances . . . . .	7,461	4,573
Interest on Other Advances . . . . .	734	607
Licences to occupy water frontages—for credit to the Rivers and Streams Fund . . . . .	35,322	34,169
Recoups on account of—the services of survey personnel for the Housing Commission ; survey services and costs associated with the administration of the Insurance Fund ; and national mapping and surveying services for the Commonwealth Government . . . . .	75,240	114,736
Miscellaneous Revenue including rental Ballarat Guncotton Factory, admission to Buchan Caves, Sales of Government property and rentals of departmental houses . . . . .	67,518	76,042
Survey Fees, &c. . . . .	15,320	12,630
Premiums for credit to the Insurance Fund . . . . .	14,629	14,507
Moneys for specific purposes including funds made available by Wool and Wheat Research Committees for credit to Treasury Trust Funds . . . . .	5,865	8,287
Collections on account of North West Mallee Water Rates and Wire Netting Cash Sales . . . . .	39,688	13,188
Road Loading Charges—Improvement Purchase Leases . . . . .	3,018	3,738
Receipts on account of Assurance Fund . . . . .	783	880
Net transactions through Lands Suspense Account comprising mainly deductions from pay for Group Tax, Superannuation, Insurance, &c. . . . .	276,355	172,160
	<hr/>	<hr/>
	1,637,908	1,758,176

*Expenditure.*—Excluding expenditure from Trust Funds, departmental expenditure for the year amounted to £2,181,442, of which £1,452,882 was provided from Consolidated Revenue and £728,560 from Loan Fund.

Administrative costs and expenses and other functional expenditure of the Vermin and Noxious Weeds Branch were again financed from both Consolidated Revenue and Loan Fund—from Consolidated Revenue, £205,500, and from Loan Fund, £597,714. Also, loan moneys to the sum of £79,405 were applied in accordance with the provisions of Acts Nos. 6409 and 6704 to the purchase of equipment, tools, &c., for the Branch.



Other departmental items of loan expenditure of substantial size were :—

Nature of Item.	Amount.	Authority.
	£	
Road construction—" Big Desert " Area, leased to the Australian Mutual Provident Society .. .. .	25,000	Item 22, Act No. 6701 and Item 53, Act No. 6826
Cost of Survey Vehicles, Equipment, &c. .. .. .	20,000	Item 23, Act No. 6701 and Item 49, Act No. 6826
Road Works—in connexion with Improvement Purchase Leases ..	1,479	Item 11, Act No. 6169 and Item 52, Act No. 6826

Disbursements by the Department from Treasury Trust Funds included—£8,025 from moneys made available by the Commonwealth through its Wool and Wheat Research Committees for rabbit control and skeleton weed research respectively, and £6,110 in meeting claims and administrative expenses on account of the Closer Settlement Insurance Fund.

#### CLOSER SETTLEMENT.

The Revenue Account for the year under the *Closer Settlement Act* 1938 disclosed a deficit of £987,658 and the accumulated deficit on account of the settlement scheme, the subject of the provisions of that Act, was, as a result, increased to £53,777,242.

#### CLOSER SETTLEMENT INSURANCE FUND.

The Closer Settlement Insurance Fund took its present form in 1938, consequent upon certain statutory amendments. Contracts of insurance cover risks of fire, storm and tempest and must be made by Closer Settlement lessees in respect of buildings and improvements, farmers who have received advances for improvements, and purchasers under contracts of sale. Improvements on vacant land are also covered by the Fund.

The accounts of the Fund are kept on a cash basis and the following is an abstract of receipts and payments during the year :—

<i>Receipts.</i>		<i>Payments.</i>	
	£		£
Balance at 1st July, 1961 ..	291,548	Claims paid .. ..	3,162
Premiums received .. ..	14,507	Administration expenses ..	2,948
		Balance at 30th June, 1962 ..	299,945
	306,055		306,055

## RURAL FINANCE AND SETTLEMENT COMMISSION

### SETTLEMENT BRANCH

(formerly Soldier Settlement Commission).

As from the appointed day, 17th March, 1962, proclaimed in accordance with the provisions of the *Rural Finance and Settlement Commission Act 1961*, the Soldier Settlement Commission and the Rural Finance Corporation were abolished and were succeeded by the Rural Finance and Settlement Commission. In terms of the Act, the new Commission exercises its powers and performs its duties in two separate and distinct Branches of its establishment. One branch, the Settlement Branch, deals with soldier settlement and land settlement respectively under the *Soldier Settlement Act 1958* and the *Land Settlement Act 1959*, and the other, the Finance Branch, handles rural finance matters under the *Rural Finance Act 1958*.

The basic financial records of the Settlement Branch are part of the Treasury accounting system and its accounts are, therefore, explained and commented upon herein. The Finance Branch, on the other hand, acts independently of the Treasury in accounting matters and, accordingly, its accounts will be discussed in my Supplementary Report which is in the course of preparation for presentation to the House.

Section 17 of the *Soldier Settlement Act 1958* authorized the borrowing of £55,000,000 for the purposes of a land settlement scheme for eligible ex-servicemen and for advances to discharged servicemen to assist them in the purchase of individually selected farms (single units). Further, the *Land Settlement Act 1959* provided for the application from Loan Fund of amounts not exceeding, in the aggregate, £10,000,000 for a land settlement scheme which was to be open, in terms of the Act, to applications by all adult British subjects.

Settlement under the *Land Settlement Act 1959*, was still in course and, up to the close of the year 161 blocks had been occupied under the scheme. A further reduction in developmental work associated with soldier settlement was noticeable in the year and this phase of the Commission's activities is now in its final stages.

#### *Soldier Settlement Scheme.*

In the period from the inception of the Soldier Settlement Scheme in the year 1945-46 to 30th June, 1962, a sum of £64,736,008 has been allocated for soldier settlement. Of this sum, £57,537,305 has been made available from State Loan Fund and £7,198,703 by the Commonwealth in the nature of special assistance loans.

According to the books of the Commission, its loan liability on account of soldier settlement as at 30th June, 1962, was £34,425,164.

Principal assets of the Commission at 30th June were :—

	£
Estates purchased and developed and in respect of which settlers have not yet received interim leases .. .. .	4,662,955
Land and Improvements held by settlers under—	£
(a) Purchase Lease .. .. .	16,543,639
(b) Interim Lease.. .. .	5,819,197
	22,362,836
Advances to finance single unit farms .. .. .	6,344,536
,, ,, effect improvements and for purchase of stock, &c. .. .. .	733,507
Unpaid Balances under Contracts of Sale .. .. .	298,563

Other substantial assets included Buildings and Working Plant at cost less Depreciation, £57,512, and Stock, Plant and Materials not yet allocated, £27,845.

Repayments by settlers and other credits of a capital nature since the scheme commenced are summarized below :—

	£
Purchase Lessees, Principal Repaid .. .. .	3,300,353
Single Unit Farmers' Advances Repaid .. .. .	5,750,786
Interim Lessees' Advances Repaid .. .. .	5,035,608
Lessees' Credit Accounts .. .. .	630,392
Disposal of Unsuitable Land .. .. .	1,280,104
Disposal of Stock, Plant, Materials, &c. .. .. .	988,317
Commonwealth Share—Excess Costs .. .. .	3,450,311
Losses on Advances .. .. .	3,380
	20,439,251

From the repayments, the sum of £203,646 has been paid to the Commonwealth as part redemption of its special assistance loans. The balance of the total of the amounts listed above has been credited to Loan Fund.

As indicated in a previous report, the basis of the Commonwealth contribution towards the excess cost incurred in writing down settlers' liabilities has been determined in accordance with an arrangement made on 11th July, 1952. This arrangement was to apply to interim claims but there was an understanding that the Commonwealth would review the basis of its contribution on the submission of final claims. It is now stated, in this connexion, that the question of additional Commonwealth contributions is to be the subject of examination by the Commonwealth and State Treasuries.

To 30th June, 1962, Commonwealth contributions towards excess costs have amounted to £5,268,882, of which £3,450,311 has been credited to Loan Fund and £1,818,571 to Consolidated Revenue.

In respect of Soldier Settlement, the Commission's revenue account for 1961–62 shows :—

<i>Expenditure—</i>	£	£	£
Interest .. .. .	..	1,845,920	
<i>Less</i> Interest Capitalized .. .. .	71,048		
Interest transferred and borne by the State .. .. .	449,781		
		520,829	
		1,325,091	
Loan-raising Expenses .. .. .	..	22,245	
Administrative Costs .. .. .	..	164,887	
Shire Rates .. .. .	..	1,706	
Depreciation (other than developmental assets) .. .. .	..	1,237	
Rents and Interest remitted .. .. .	6,930		
<i>Less</i> Commonwealth share .. .. .	3,465		
		3,465	
Bad Debts .. .. .	..	726	
		1,519,357	
 <i>Income—</i>			
Interest earned .. .. .	..	616,141	
Rents, Fees and Sundries .. .. .	..	13,995	
Contribution by Commonwealth—account Shire Rates .. .. .	..	7,297	
		637,433	
Deficit for 1961–62 .. .. .	..	..	881,924

The above Statement excludes transactions in respect of livestock trading activities. By resolution of the Commission these activities were, as from the 1st July, 1961, embodied in the particular activities of the Settlement Branch associated with land settlement under the *Land Settlement Act 1959*. The necessary transfer of livestock on hand was effected by charging "Land Settlement" with £83,518 and crediting "Soldier Settlement" with a like amount.

In the period during which livestock trading activities were associated with soldier settlement, accumulated profits from those activities reached the sum of £1,274,924. Up to 30th June, 1962, collections on account of this sum amounting to £1,212,247 had been paid into Consolidated Revenue. The balance, £62,677, was at that date held in Trust Fund—Soldier Settlement Suspense Account pending transfer to Consolidated Revenue.

The total accumulated deficit to 30th June, 1962, before taking into account profits from sheep and cattle farming, amounted to £8,345,068.

This deficit is almost wholly caused by remissions of rent and interest, the difference between the concessional rate of interest at 2 per cent. charged to settlers as fixed by the Act and the current rates payable on Government loans, the costs and expenses of raising the loans, and the cost of administration of the scheme. The aggregate concessions thus granted towards the settlement of discharged servicemen by this State to the 30th June, 1962, have been calculated by the Commission to be £6,997,159.

In addition to land settlement, the Soldier Settlement Commission has, by agreement with the Commonwealth Director of War Service Land Settlement, undertaken the administration of re-establishment loans under the *Commonwealth Re-establishment and Employment Act* 1945, while from 1st July, 1946, the administration of agricultural allowances under the same Act was taken over from the Repatriation Commission. Expenditure incurred in respect of these functions is being reimbursed from time to time to the Commission by the Commonwealth.

#### *Land Settlement Scheme (Land Settlement Act 1959).*

In respect of land settlement under the *Land Settlement Act* 1959, loan expenditure to 30th June, 1962, including adjustments on account of assets taken over from soldier settlement, amounted to £5,427,256. The greater part of this expenditure was incurred in the development of farm lands, £4,234,118; the purchase of land, £554,643; and the taking over and purchase of buildings and working plant, £439,774.

In addition, an amount of £50,000 allocated from "Special Works Trust Account—Commonwealth Grant" was expended on general and farm development in the Heytesbury Settlement Area.

The Revenue Account for the period ended 30th June, 1962, excluding livestock transactions shows:—

<i>Expenditure—</i>							£
Interest and Loan-raising Expenses	..	..	..	..	..	..	229,388
Less Interest Capitalized	..	..	..	..	..	..	140,078
							<hr/> 89,310
Administrative Costs	..	..	..	..	..	..	76,050
Depreciation (other than developmental assets)	..	..	..	..	..	..	912
							<hr/> 166,272
<i>Income—</i>							
Interest earned, agistment, &c.	..	..	..	..	..	..	43,891
							<hr/>
Deficit at 30th June, 1962	..	..	..	..	..	..	122,381
							<hr/>

The accumulated deficit to 30th June, 1962, before taking into account profits from livestock trading, amounted to £348,821. This deficit is almost wholly caused by remissions of rent and interest, the difference between the concessional rate of interest at 4 per cent. charged to settlers as fixed by the Act and the current rates payable on Government loans, the costs and expenses of raising the loans, and the cost of administration of the scheme. The aggregate concessions thus granted towards the settlement of adult British subjects by this State to 30th June, 1962, exclusive of interest concessions, have been calculated by the Commission to be £225,372.

*Soldier Settlement Insurance Fund.*

The Soldier Settlement Insurance Fund was established by legislation to undertake the insurance against damage by fire, storm, and tempest to buildings and fencing on land either purchased or taken over for Soldier Settlement or in respect of which any advances are made. The work of administration of the Fund is performed by the Insurance Branch of the Department of Crown Lands and Survey concurrently with its administration of the Closer Settlement and Land Settlement Insurance Funds, the respective costs being borne by each fund.

The balance of the Fund at 30th June, 1962, was £553,257. As in the case of the other two Funds, there is no statutory authority for the investment of surplus funds.

Following is an abstract of receipts and payments of the Fund during the year.

<i>Receipts.</i>		£	<i>Payments.</i>		£
Balance at 1st July, 1961	..	492,246	Claims paid	.. ..	11,245
Premiums received	.. ..	85,684	Administration expenses	.. ..	13,428
			Balance at 30th June, 1962	.. ..	553,257
		<hr/>			<hr/>
		577,930			577,930
		<hr/>			<hr/>

*Land Settlement No. 2 Insurance Fund.*

In accordance with the requirements of the *Land Settlement Act 1959*, a separate Insurance Fund has been opened to undertake the insurance against damage by fire, storm and tempest to buildings and fencing on land either purchased or taken over for settlement purposes under the said Act.

A statement of receipts and payments during the year is as under :—

<i>Receipts.</i>		£	<i>Payments.</i>		£
Balance at 1st July, 1961	..	290	Claims Paid	.. ..	186
Premiums received	.. ..	4,550	Administration expenses	.. ..	599
			Balance at 30th June, 1962	.. ..	4,055*
		<hr/>			<hr/>
		4,840			4,840
		<hr/>			<hr/>

\* Includes advance of £700 from Public Account during 1960-61 to meet temporary deficiency.

### LOCAL GOVERNMENT.

This Department was constituted under the provisions of Act No. 6479 of 1958 for the better administration of the laws relating to local government in this State.

The comparative statement hereunder shows the expenditure from revenue in each of the past two years:—

	1960-61.	1961-62.
	£	£
Local Government—		
Salaries and Allowances .. .. .	47,903	67,595
Overtime and Penalty Rates .. .. .	1,459	1,499
Travelling (including Motor Vehicles) .. .. .	3,393	4,565
Fees and Expenses—Boards and Committees .. .. .	4,698	6,149
Other Administrative Expenses .. .. .	2,562	4,899
Town and Country Planning Board—		
Salaries and Allowances .. .. .	25,168	29,832
Other Administrative Expenses .. .. .	2,760	2,881
Pay-roll Tax .. .. .	1,745	2,302
	89,688	119,722

Collections for the year amounted to £4,316.

Payments from loan funds to municipalities and other public bodies amounting to £405,033 were made during 1961-62 for the purposes shown hereunder:—

	£
Drainage Works .. .. .	122,587
Small Drains .. .. .	68,039
Swimming Pools and Accessories .. .. .	119,677
Traffic Signals .. .. .	16,918
Sale-yards, Markets, &c. .. .. .	3,752
Public Halls and Amenities .. .. .	45,745
Beach Cleaning .. .. .	16,383
Other Capital Works .. .. .	11,932
	405,033

In addition to the payments from loan funds, grants for works, amounting in all to £40,000, were made to 26 municipalities from the Special Works Trust Account—Commonwealth Grant.

## MINES DEPARTMENT.

The principal functions of this Department are the administration of mining legislation and supervision of the mining industry including development of mining, safe working of mines, investigational drilling and operation of State gold batteries. The Department is also responsible for the inspection and safe working of boilers and the licensing of engine drivers, boiler attendants and fusion welders.

The net cost to Consolidated Revenue for the year under review was £353,792, which compares with £368,346 in 1960-61.

Details of departmental receipts for the two years are:—

	1960-61.	1961-62.
	£	£
Gold Buyers' Licences .. .. .	170	171
Mining Leases, Rents, &c. .. .. .	39,550	38,366
Costs <i>re</i> Mining Leases .. .. .	10	9
Assays .. .. .	431	465
Sundries .. .. .	167	406
Magazine Licences .. .. .	153	155
Boring and Crushing Fees .. .. .	17,174	24,814
Sale of Government Property .. .. .	3,142	6,275
Factory Fees—Boiler Attendants, &c. .. .. .	417	426
Fees—		
Boiler Inspections .. .. .	37,363	38,236
Fusion Welders .. .. .	1,138	1,214
	<u>99,715</u>	<u>110,537</u>

Payments from revenue in those years comprised:—

	£	£
<i>Administration—</i>		
Salaries .. .. .	232,861	240,788
Overtime and Penalty Rates .. .. .	1,221	1,299
Travelling and Subsistence .. .. .	8,587	7,901
Motor Vehicles—Purchase and Running Expenses .. .. .	13,976	13,959
Other Administrative Expenses .. .. .	24,691	26,587
	<u>281,336</u>	<u>290,534</u>
<i>Miscellaneous—</i>		
Maintenance, &c., State Batteries .. .. .	2,785	2,407
Boring for Water, Coal, and other Minerals, &c. .. .. .	129,950	130,977
Geological Survey .. .. .	4,996	4,998
Laboratory Expenses .. .. .	2,985	2,958
Covering Abandoned Shafts .. .. .	6,995	6,747
Surveys for Mineral Deposits .. .. .	19,014	20,708
Advances for Gold Mining .. .. .	20,000	5,000
Total Expenditure .. .. .	<u>468,061</u>	<u>464,329</u>

The preceding summary discloses that the increase in revenue was due largely to the increase in receipts from "Boring and Crushing Fees". The major part of the additional receipts under this head consisted of recoups of drilling operational costs. However, it should be pointed out that the departmental records indicated that approximately £26,000 was outstanding at 30th June, in respect of recoups of this nature.

Included in the amount of £20,708 for "Surveys for Mineral Deposits" was a payment of £1,400 to the University of Melbourne towards investigations in connexion with the development of the Nowa Nowa iron ore deposits.

## PUBLIC WORKS.

This Department is the principal designing and constructing authority for all Government Departments other than the Railways, Water Supply, and Forests. It is also responsible for maintaining, fitting and furnishing buildings and for the renting of additional accommodation. One section of the Department is in charge of harbor works and improvements not under the control of harbor trusts or municipalities. Considerable sums of money are expended on these works from revenue, loan, and other sources.

Expenditure from revenue under the principal divisions in each of the past two years is set out hereunder :—

	1960-61.	1961-62.
	£	£
Public Works Administration—		
Salaries .. .. .	1,143,509	1,236,836
Overtime and Penalty Rates .. .. .	63,990	56,954
Travelling and Subsistence .. .. .	102,343	89,138
Other Administrative Expenses .. .. .	130,251	164,491
Total Administration .. .. .	1,440,093	1,547,419
Works and Buildings—Maintenance, Repairs, &c. .. .. .	1,089,895	1,152,782
Rents and Allowances .. .. .	255,663	250,100
Other Services .. .. .	341,362	298,898
	3,127,013	3,249,199
Ports and Harbors Administration—		
Salaries .. .. .	141,481	153,754
Overtime and Penalty Rates .. .. .	32,145	35,152
Travelling and Subsistence .. .. .	12,922	14,450
Other Administrative Expenses .. .. .	11,655	3,425
Total Administration .. .. .	198,203	206,781
Wharves and Jetties—Maintenance, Repairs, &c. .. .. .	41,280	42,855
Contribution to Portland Harbor Trust .. .. .	324,000	302,000
Lighterage of explosives—expenses, &c., .. .. .	43,613	39,836
Other Services .. .. .	38,300	40,002
	645,396	631,474
Total Public Works Department .. .. .	3,772,409	3,880,673

Works financed from Loan Fund or from Trust or Special Funds and carried out under the supervision of the Department were subject to a charge of 11·076 per centum to cover the departmental expenses involved in the design, supervision and administration of the works. Recoups to Consolidated Revenue on the basis of these and other charges amounted to £1,362,941. The comparable figure for 1960-61 was £1,470,785 when the charge for design, supervision and administration was 12·5 per centum.

Expenditure from Loan Fund amounted to £14,788,886, from Treasurer's Advance pending loan £373, and from Trust and Special Funds £1,110,788. The major part of this expenditure was incurred in the construction of buildings, the carrying out of works and the performance of services for various Departments. The extent to which each Department was concerned is indicated in this report under the appropriate departmental heading.



Loan expenditure on works associated with the activities of the Public Works Department itself, is summarized hereunder :—

Buildings, Works, &c., for—	£
Public Offices .. .. .	364,183
Foreshore protection, wharves, and jetties .. .. .	123,119
Dredging, blasting, and navigational aid .. .. .	163,445
Vessels for dredging, and explosives, and marine plant .. .. .	23,175
Plant was acquired from loan funds for departmental purposes during the year at a cost of .. .. .	29,031

The sum of £1,110,788 provided, as indicated above, from Trust and Special Funds, included an allocation of £200,000 from “Special Works Trust Account—Commonwealth Grant.” This allocation was used to finance the following works, &c. :—

Nature of Works, &c.—	£	£
School Fencing .. .. .	4,962	
„ Building Works .. .. .	175,095	
		180,057
Charge thereon at 11·076 per centum for design, supervision and administration .. .. .		19,943
		<u>200,000</u>

*Public Works Stores Suspense Account.*—This Account was established under the provisions of Loan Act No. 5240 of 1947. An amount of £25,000 was provided under that Act and subsequent authorities increased the amount to £325,000. The allocation under these authorities to the 30th June, 1962, was £324,000. The said Act was repealed by the *Acts Enumeration and Revision Act 1958* and, consequently, this Account since 1st April, 1959, has operated without statutory authority. The moneys in the Account are used:—

- (a) for the purchase of stores, materials, fittings and equipment; and
- (b) for defraying the cost of manufacturing articles for stock,

pending allocation to the respective appropriations or funds for the various public works or services in which they are used. The amounts so charged are credited to the Account.

The following summary has been prepared on an accrual basis to show the amount available for the purchase of stores as at the close of the year :—

	£
Cash balance as at 1st July, 1961—held in Treasury .. .. .	179,718
Add—Issues pending recoup 1st July, 1961 .. .. .	29,660
	<u>209,378</u>
Less—Sundry creditors 1st July, 1961 .. .. .	36,418
	<u>172,960</u>
Amount available for purchase of stores as at 1st July, 1961 .. .. .	172,960
Add—Recoups on account of stores issues, &c., 1961–62 .. .. .	300,950
	<u>473,910</u>
Less—Payments on account of stores, &c., purchased in 1961–62 .. .. .	274,682
	<u>199,228</u>
Cash balance as at 30th June, 1962—held in Treasury .. .. .	199,228
Add—Issues pending recoup as at 30th June, 1962 .. .. .	39,840
	<u>239,068</u>
Less—Sundry creditors as at 30th June, 1962 .. .. .	30,308
	<u>208,760</u>
Amount available after adjustments for the purchase of stores .. .. .	208,760

Incorporating the amount arrived at in the preceding summary as being available for the purchase of stores, the statement hereunder indicates the amount of the apparent excess over the sum of £324,000 allocated from Loan Fund for the purposes of the Account :—

	£
Amount available for the purchase of stores as per preceding summary .. ..	208,760
Book value of stores .. .. .	144,375
Debit in departmental books on account of loss on disposal of consumable stores ..	19,101
	<hr/>
	372,236
<i>Deduct</i> —Amount allocated from Loan Fund for the purposes of the Account ..	324,000
	<hr/>
Apparent excess over funds provided for the Account .. .. .	48,236
	<hr/>

It is understood that the excess arose through the over-valuation of stores at the time when the existing stores accounting records were set up in the Department. Obviously, further financial adjustments are necessary to bring the Account into reconciliation with the Public Works Stores Suspense Account at the Treasury.

The question raised in earlier reports as to the most satisfactory method for accounting for any loss incurred on the disposal of consumable stores has yet to be determined.

In my previous report to the House, I mentioned that a loss of approximately £14,000 had been incurred through failure to account properly for the return of containers, and I suggested that a thorough departmental investigation should be commenced without further delay. This investigation was undertaken during the year under review and confirmed that, after taking into consideration a payment of £4,000 from one firm concerned, the amount as originally estimated, namely, £14,000, would be, approximately, the actual loss.

*Public Works Plant and Machinery Fund.*—This Fund was established under the provisions of Loan Act No. 5199 of 1946. As in the case of Loan Act No. 5240 mentioned previously, the said Loan Act No. 5199 was repealed by the *Acts Enumeration and Revision Act* 1958 and consequently since the 1st April, 1959, this Fund has operated without statutory authority. The charges made for the use of certain specified plant and machinery as authorized by Act No. 5199 are debited to projects on which such plant is used and credited to the Fund. The Fund is kept in two sections, viz., “Renewals and Replacements” and “Cost of Operating, Maintenance, &c.,” to each of which an appropriate allocation of the hire charges is made. At the close of the financial year the balance was £297,909, of which £274,349 related to the renewals and replacement section.

Discretionary power was provided under the Act for the investment of any balance and for the interest earned on investment to be credited to the Fund. So far, no part of the Fund has been invested.

The operations of the Fund have been the subject of departmental review in the light of experience gained since its inception in 1947. Finality in respect of this review has not yet been reached.

The question raised by me as to whether the purchase of departmental motor vehicles is a proper charge against the Fund has not yet been answered to my satisfaction.

*Commonwealth Aid—Havens, Wharves, Jetties, &c.*—Expenditure in relation to havens, wharves, and jetties is a Public Works Department responsibility and, by virtue of special provisions in the Commonwealth Aid Roads and Works Act of 1947 and the Commonwealth Aid Roads Acts of 1950, 1954, and 1959, certain funds have been made available for expenditure on this type of work. The projects are determined by the Minister.

During 1961-62, £214,440 was expended, making a total of £2,374,117 so applied since Commonwealth aid was first available from this source, viz., 1st July, 1947. The locations at which funds were expended during 1961-62 are:--

	£
Head Office Administration .. .. .	39,325
Altona .. .. .	855
Apollo Bay .. .. .	14,946
Barwon Heads .. .. .	1,966
Bemm River .. .. .	576
Black Rock .. .. .	366
Brighton .. .. .	849
Corinella .. .. .	64
Cowes .. .. .	9,386
Dromana .. .. .	882
Elwood .. .. .	9
Flinders .. .. .	7,804
Gellibrand .. .. .	90
Gippsland Lakes .. .. .	23,804
Hampton .. .. .	6,366
Inverloch .. .. .	47
Johnsonville .. .. .	1,222
Mentone .. .. .	147
Mordialloc .. .. .	2,680
Mornington .. .. .	5,159
Newhaven .. .. .	1,258
Paynesville .. .. .	1,658
Port Albert .. .. .	1,123
Port Campbell .. .. .	936
Port Fairy .. .. .	18,785
Port Phillip Bay .. .. .	165
Port Welshpool .. .. .	8,601
Queenscliff .. .. .	38,202
Queenscliff Buoy Depot .. .. .	3,684
Rye .. .. .	4,805
San Remo .. .. .	1,732
Seaford .. .. .	1,800
Sorrento .. .. .	4,187
Stony Point .. .. .	809
St. Kilda .. .. .	1,342
St. Leonards .. .. .	166
Warrnambool .. .. .	1,376
Various Locations (Removal of dangerous pile remnants and other minor works) ..	7,268
	214,440

## RAILWAY ACCOUNTS.

As from 12th December, 1961, the *Railways (Funds) Act 1961*, No. 6831, provided that interest and other charges on moneys borrowed for the purposes of the *Railways Act 1958*, shall not be included in the accounts of the Victorian Railways.

The said Act also provided for the creation of an account in the Trust Fund to be called the "Railway Equalization Account" and for the appropriation out of the Consolidated Revenue and the payment into the Equalization Account of any excess of railway income over railway operating expenses.

### REVENUE ACCOUNT.

Railway operations for the year as recorded in the Treasurer's Accounts are set out in Statement No. 6 of this report. Railway income exceeded railway operating expenses by £3,659 which was accounted for as follows:—

	£	£
Working expenses, &c. . . . .	40,521,240	
Renewals and Replacements Fund . . . . .	200,000	
Pensions and Superannuation contributions . . . . .	2,258,291	
	42,979,531	42,979,531
Transfer to Railway Equalization Account . . . . .	..	*3,659
		42,983,190
This was provided by—		
Railway Income . . . . .		42,725,624
General Revenue—		
For losses on Kerang-Koondrook line . . . . .	14,566	
For credit for country freight charge concessions . . . . .	143,000	
For concessions to pensioners . . . . .	100,000	
	257,566	257,566
		42,983,190

\* Available as required to meet Railway working expenses in future years.

According to the accounts in the Railway books, there was a deficit of £370,445. The Department's accounts are kept on an accrual basis. So, also, are the Treasury accounts for railway expenditure. However, Treasury accounts for income are mainly cash records. The net financial results for the year, as disclosed in the two accounting systems, are reconciled in the following statement:—

	£	£
Revenue outstanding (net) at:—		
30th June, 1961 . . . . .	1,977,848	
30th June, 1962 . . . . .	1,603,744	
	374,104	374,104
Reduction during year in Sundry Debtors . . . . .	..	370,445
Less Deficit as shown in Railway books . . . . .	..	370,445
		3,659
Surplus as shown in Treasury Accounts . . . . .	..	3,659

Collections on account of railway income, which are brought to account in the Treasury under Part II.—Railways, amounted to £42,983,190—an improvement of £439,190 on the estimate and an increase of £359,017 on the previous year.

The following dissection of earnings, taken from the Railway accounts, serves to show the trend under the principal heads in the past three years:—

	1959-60.	1960-61.	1961-62.
	£	£	£
Passengers . . . . .	12,117,357	12,133,167	12,479,530
Parcels, horses, carriages, &c. . . . .	1,110,953	1,156,386	1,139,230
Mails . . . . .	263,234	246,910	264,856
Miscellaneous . . . . .	45,942	40,723	38,434
Goods and live stock, &c. . . . .	22,875,947	26,581,855	25,733,328
Rents and general miscellaneous . . . . .	768,145	809,490	870,072
Dining car and refreshment rooms services . . . . .	1,514,426	1,517,027	1,528,118
Advertising . . . . .	93,383	105,925	99,986
Bookstalls . . . . .	400,301	395,472	403,582
Road motor services . . . . .	42,263	39,865	37,384
	39,231,951	43,026,820	42,594,520

Treasury recoups—£8,446 in 1959–60, £10,626 in 1960–61 and £14,566 in 1961–62 in accordance with the *Kerang and Koondrook Tramway Act* 1951, No. 5991—are not included in the above earnings.

Railway operating expenses comprising working expenses, superannuation contributions and pensions amounted to £42,979,531. This sum was in excess of the estimate by £245,564 and higher than the comparable expenditure for the previous year by £1,275,705. Two factors which contributed to this increase were—a rise in the basic wage in July, 1961, and the effect of the payment of service grants and gratuities over a full year.

During the year, ten diesel locomotives were purchased on terms at an estimated cost of £943,780 including interest £106,720. Under the relevant agreement, the liability to the contractor is being met over a period of three years by regular instalments including principal and interest. Four such payments were made in 1961–62 and these, together with the cost of certain spare parts, amounted to £165,501. The whole of this sum has been charged to “Working Expenses” with the result that no part thereof has been capitalized and included in the Balance Sheet.

The following comparative statement shows charges other than debt charges on general revenue due to railway operations during the past three years:—

	1959–60.	1960–61.	1961–62.
	£	£	£
Pensioners' Fares Concessions .. .. .	100,000	100,000	100,000
Freight Subsidies .. .. .	143,000	143,000	143,000
Recoups, Kerang–Koondrook Railway .. .. .	8,446	10,626	14,566
Operating deficit .. .. .	600,143	..	..
Charge on General Revenue .. .. .	851,589	253,626	257,566

The item “Pensioners' Fares Concessions—£100,000” is the amount of the payment to the Railways under the authority of the Annual Appropriation Act. The amount of these concessions has been calculated by the Department to be £173,641.

*Depreciation and Accrued Leave.*—As stated in previous reports, the Railway accounts do not in two respects disclose the full financial results. Depreciation and accrued leave have not been fully provided for in the revenue accounts. Depreciation was assessed at £2,905,372 for the year, but the amount charged in the accounts was £309,179, i.e., part of the sum credited to the Renewals and Replacements Fund, leaving £2,596,193 unprovided for in the charge against revenue. The accumulated sum which has not been provided from revenue is £19,025,573. However, £1,915,038 has been received from sales of materials, &c., and the shortage in the fund has been more than overcome by loan allocations, £55,113,171, for replacement (rehabilitation) works. Accrued leave was reduced by 6,705 days in 1961–62, and the estimated liability decreased from £1,738,903 as at 30th June, 1961, to £1,692,144 as at 30th June, 1962. There is no provision in the form of a reserve fund to meet the liability. Working expenses of the year in which the payments are made bear the cost of the annual leave accrued in previous years.

*Railway Renewals and Replacements Fund.*—Section 115 of the *Railways Act* 1958 requires that there shall be paid annually into the fund a minimum sum of £200,000 and any other amounts provided by Parliament, in addition to the net proceeds from the sale of materials.

A summary of the 1961–62 transactions through the fund is as under:—

	£
Special Appropriation—Act No. 6355 .. .. .	200,000
Depreciation on rail motors and road motors, &c. .. .. .	109,179
Sundry sales and abolitions, &c. .. .. .	271,900
	<hr/>
	581,079
Less renewals and replacements during the year .. .. .	581,079
	<hr/>
Balance at 30th June, 1962 .. .. .	Nil

## LOAN EXPENDITURE.

Grouped under the main headings used in its appropriation, a statement of this expenditure for the past five years is given hereunder:—

	1957-58.	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£	£
Additions and Improvements ..	2,232,908	1,742,779	1,897,756	2,610,010	4,188,783
Rolling-stock, Equipment, &c. ..	360,291	329,456	388,622	206,795	219,695
Construction of new lines ..	62,843	178,375	138,861	172,895	224,054
Replacement (Rehabilitation) Works ..	4,393,323	4,981,723	5,389,166	4,573,910	3,004,922
Restoration of Roads—City of St. Kilda ..	..	199,900	..	..	..
	7,049,365	7,432,233	7,814,405	7,563,610	7,637,454

## BALANCE-SHEET.

An abridged statement of the balances in the Railway accounts as at 30th June, 1961 and 1962 is as under:—

	1961.	1962.
	£	£
Rolling-stock, Plant, &c., at cost less depreciation provided ..	152,364,397	165,657,755
Stores and Materials less provision for losses, £22,142 at 30th June, 1962 ..	3,771,890	4,249,600
Partly-manufactured Articles .. .. .	329,932	193,031
Refreshment Services, Stock and Equipment less provision for losses ..	265,077	250,311
Discounts and Expenses on Loans .. .. .	2,235,384	2,317,365
Deferred Renewals, Replacements, and Maintenance Works ..	525,000	525,000
Funds at Treasury—		
Railway Accident and Fire Insurance Fund .. .. .	100,000	100,000
Railway Charges in Suspense Account .. .. .	1,456,164	1,460,768
Railways Stores Suspense Account .. .. .	1,118,698	470,848
Railways Repayment Fund .. .. .	7,793	11,288
Railway Equalization Account .. .. .	920,347	924,005
Advances to Agent-General .. .. .	110,608	84,865
Trust Securities .. .. .	1,915,561	1,876,983
Cash at stations and in transit .. .. .	257,291	198,561
Cash Advances .. .. .	173,183	326,847
Revenue Debtors .. .. .	1,991,079	1,672,132
Sundry Debtors .. .. .	682,699	706,464
Appropriation to Railway Equalization Account .. .. .	920,347	924,005
Accumulated loss .. .. .	65,651,730	66,022,176
	234,797,180	247,972,004
Loan Liability .. .. .	125,606,406	131,975,566
Funds for—		
Uniform Railway Gauge Works .. .. .	10,460,265	14,428,809
Level Crossings Fund—Act No. 6229 .. .. .	1,265,940	1,609,010
Other Special Purposes .. .. .	5,951,565	5,951,565
Special Works—Commonwealth Grant .. .. .	..	400,000
National Debt Sinking Fund Reserve .. .. .	16,367,535	17,653,152
Uniform Railway Gauge Sinking Fund Reserve .. .. .	25,009	56,465
Railway Accident and Fire Insurance Reserve .. .. .	100,000	100,000
Railway Equalization Reserve .. .. .	920,347	924,005
Advances from the Public Account .. .. .	944,228	1,753,265
Sundry Creditors .. .. .	2,682,606	2,681,971
Trust Securities .. .. .	1,923,354	1,888,271
Consolidated Revenue, &c. .. .. .	68,549,925	68,549,925
	234,797,180	247,972,004

N.B.—The total loan liability was reduced by the equity in the National Debt Sinking Fund.

*Railway Charges in Suspense Account.*—At 30th June, 1962, there was a credit balance of £1,460,768. Details are :—

Credits—						£
Salaries and Wages accrued .. .. .	..	..	..	..	..	671,278
Taxation Deductions, &c. .. .. .	..	..	..	..	..	266,385
Sundry Creditors for various services .. .. .	..	..	..	..	..	328,385
Revenue refunds and rebates due .. .. .	..	..	..	..	..	457,377
Amounts received in advance for works .. .. .	..	..	..	..	..	232,859
						<hr/>
						1,956,284
Debits—						£
Expenditure on works for other bodies, &c. .. .. .	..	..	..	..	..	487,519
Sundry Debtors for sales and services .. .. .	..	..	..	..	..	14,109
						<hr/>
						501,628
						<hr/>
						1,454,656
<i>Add</i> —Amount transferred from Income .. .. .	..	..	..	..	..	6,112
						<hr/>
						1,460,768

*Cash Advances.*—£326,847—The Treasurer advances moneys required for payment of salaries, &c., and to meet other authorized expenditure. The Department also pays accounts with moneys collected from fares, &c., and makes adjustments by procedures which do not comply with the requirements of the Audit Act and the Public Accounts and Stores Regulations 1958. Arbitrary adjustments are made by withholding cash from the Treasury, and at 30th June, 1962, an amount of £6,112 was so withheld. As indicated in the above summary this amount was offset by a credit of a like sum in the Railway Charges in Suspense Account. In effect the amount withheld represents part of a liability of £332,959 to the Treasury.

*Railway Stores Suspense Account.*—Section 111, *Railways Act* 1958. This account was established by statute in 1896. It is designed to provide financial control over the purchase and issue of stores and the stock on hand. To 30th June, 1959, Parliament had allocated £5,065,221 for the purposes of the account. However, a repayment of £565,221 to the Loan Fund in October, 1959, reduced the actual allocation to £4,500,000, which, as at 30th June, 1962, was represented by the following items :—

Stock on hand .. .. .	..	..	..	..	..	£	£
Less Creditors for stores purchased .. .. .	..	..	..	..	..	415,340	4,271,742
Provision for losses .. .. .	..	..	..	..	..	22,142	
						<hr/>	437,482
						<hr/>	<hr/>
Railways equity in the stock .. .. .	..	..	..	..	..		3,834,260
Stores sold and proceeds not collected .. .. .	..	..	..	..	..		111,575
Advances to the Agent-General, London .. .. .	..	..	..	..	..		83,317
						<hr/>	4,029,152
Balance held at Treasury .. .. .	..	..	..	..	..		470,848
						<hr/>	<hr/>
							4,500,000

*Stock on Hand.*—£4,271,742.—This amount represents stock financed from the Suspense Account pending issues for works or purposes the expenditure on which is chargeable to Parliamentary appropriations.

In addition, there is a considerable quantity of stores which is not included in the stock figures in the balance sheet. The cost of these stores is borne by funds provided for the works on which they are to be used.

*Provision for Losses.*—£22,142,—Within the framework of the authorized account for the purchase and issue of railway stores, the Department has created a reserve by the allocation of receipts properly payable to other funds. The reserve, known as the “Stores Stock Equalization Account”, is used, *inter alia*, for writing off losses, writing down the recorded values of stores and for absorbing variations arising from the costing of articles manufactured in the departmental workshops.

Details of many of the transactions are not readily ascertainable as the entries in respect thereto are net figures. However, it has been possible to extract the following information from the account:—

	1961—62	£	£
Losses or reduction of values of stores .. .. .		26,845	
Costing adjustments—			
Losses .. .. .		47,711	
Profits .. .. .			56,808
Sales .. .. .			26,759
Other credits .. .. .			13,131
Credit balance 30th June, 1962 .. .. .		22,142	
		<hr/>	<hr/>
		96,698	96,698

*Partly manufactured Articles.*—£193,031.—The balance at 30th June, 1962, includes some profits and losses on manufacture in the year under review which had not been transferred to the Stores Stock Equalization Account as at 30th June, 1962.

*Discount and Expenses on Loans.*—The amount at which these capitalized costs of loan flotations appear among the debit balances, £2,317,365, includes an increase during the year of £81,981. This is part of the loan liability but it is not represented by assets.

*Railway Accident and Fire Insurance Fund.*—The fund was originally established in 1891 as a Railway Accident Fund with provision for a reserve limited to £100,000. Amendments to the legislation instituted the Accident and Fire Insurance Fund and enlarged the range to be covered by the fund but did not increase the amount to be held in reserve.

The fund was preserved at the statutory limit of £100,000 by appropriation from revenue of £504,208 to meet the following expenditure in 1961–62. The expenditure in 1959–60 and 1960–61 is also shown:—

	1959–60.	1960–61.	1961–62.
	£	£	£
Damages recovered by non-employees at law .. .. .	5,235	6,942	7,437
Damages paid to non-employees without legal action .. .. .	7,078	3,483	11,923
Compensation for injuries to employees .. .. .	379,607	363,454	348,560
Compensation for goods lost or damaged .. .. .	87,507	87,485	98,463
Compensation for losses by fires caused by railway operations .. .. .	208	567	..
Losses by fire to railway property .. .. .	9,108	21,332	37,825
	<hr/>	<hr/>	<hr/>
	488,743	483,263	504,208

*Debtors.*—The amounts outstanding at 30th June, 1960, 1961, and 1962 are shown:—

	1960.	1961.	1962.
	£	£	£
Revenue services rendered .. .. .	1,530,833	1,991,079	1,672,132
Works .. .. .	257,727	343,332	487,519
Sales of general stores .. .. .	129,406	184,527	111,575
Sundry sales and services .. .. .	61,296	32,870	19,898
Sales of land .. .. .	177,532	121,970	87,472
	<hr/>	<hr/>	<hr/>
	2,156,794	2,673,778	2,378,596



*Creditors.*—A classification under broad headings at 30th June, 1960, 1961, and 1962 is shown :—

	1960. £	1961. £	1962. £
Locomotives purchased on terms .. .. .	58,224	..	..
Stores purchased for railways .. .. .	706,241	598,714	415,340
Stores purchased for refreshment services .. .. .	29,348	33,297	37,627
Salaries and wages accrued .. .. .	359,174	600,237	671,278
Income Tax Commissioner, &c. .. .. .	278,403	327,296	272,113
Accounts for various services .. .. .	296,906	357,553	328,429
Revenue rebates and refunds .. .. .	404,140	315,801	457,377
Payments in advance for works .. .. .	199,184	179,186	232,859
Payments in advance for revenue services, &c. .. .. .	266,517	270,522	266,949
	<hr/>	<hr/>	<hr/>
	2,598,137	2,682,606	2,681,972

*Level Crossings Fund.*—Moneys in the fund are applied towards, *inter alia*, “generally, reducing danger at level crossings”. The relevant legislation—section 115 of Act No. 6229—does not exempt the Commissioners “from any liability to pay for such works in so far as moneys are not applied thereto from the said fund”.

The amount expended by the Commissioners, including £343,070 in the year 1961–62, was £1,609,010 to 30th June, 1962. This latter amount is in the balance sheet as part of the total expenditure on capital works. If the money had not been available from this fund, part of the expenditure would have been charged to railway working expenses and the value of capital works would have been increased only to the extent of the cost of improvements or additional assets acquired.

*Uniform Gauge Railway.*—Act No. 6459 of 9th December, 1958, authorized and ratified the execution by the State of Victoria of an Agreement, dated 12th September, 1958, between the Commonwealth and the States of New South Wales and Victoria, in relation to the construction of a uniform gauge railway between Albury and Melbourne. The work actually commenced in 1957. The original estimated cost was £10,726,000, but a revised estimate of £11,909,418 was approved during 1960–61. However, this latter estimate has since been reviewed and a new estimate submitted to the Commonwealth.

Under the Agreement, the Commonwealth provides the funds to meet the expenditure and the State of Victoria is to bear three-twentieths of the cost of the standardization work. The State’s share of the cost as aforesaid is to be repaid with interest from revenue during a period of 50 years. The Agreement requires that the State keep full accounts and records in connexion with the work; that such accounts and records be subject to audit by the Auditor-General for the State; and that, in connexion with such audit, the State Auditor-General furnish a report to the Auditor-General for the Commonwealth at least once every year.

My report to the Commonwealth Auditor-General on the expenditure, £4,826,728, in the year 1961–62, was forwarded to him on 3rd August, 1962. The total expenditure to 30th June, 1962, £15,472,884 is included in the Railways balance-sheet in the figure £165,657,755—Expenditure on railway works.

*City of Melbourne Underground Railway.*—Act No. 6652 of the 15th June, 1960, authorized the construction of a railway to be called the City of Melbourne Underground Railway. For the purpose of preliminary expenditure on this project, Parliament authorized in the *Railway Loan Application Acts* 1960 and 1961 a sum of £50,000. Under this authority, sums amounting to £9,134 were expended in 1961–62 on preliminary planning including test boring for site investigation.

*Electric Street Railways.*—The lines from Sandringham to Black Rock and from Head-street, Brighton, to Brighton Beach were closed to traffic in 1956–57; and the service on the Head-street–St. Kilda Station section ceased in 1958–59.

An amount of £144,189 on account of these closed lines is included in the figures for capital expenditure shown in the balance-sheet as at 30th June, 1962, and remains to be written off. This amount includes portion of a sum of £199,900 paid to the City of St. Kilda on 3rd March, 1959, in consideration of the Commissioners being wholly relieved of the liability for the reconstruction of roads after the dismantling of the railway in the municipality of St. Kilda.

*Special Works Trust Account.*—Commonwealth Grant.—The Treasurer allocated from this Trust Account £400,000 for railway works. This amount was expended in the latter part of the year on way and works.

## State Coal Mine—Wonthaggi.

Under the provisions of the Coal Mines Act, the State Coal Mine is vested in the Railways Commissioners. The following statement summarizes the operations during the last four years as shown in the books of the Mine.

	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£
Expenditure—				
Working Expenses .. .. .	580,451	547,699	545,287	480,806
Contributions to Pension Funds .. .. .	29,315	26,341	43,900	46,977
Contribution to Accident Fund .. .. .	249	216	198	144
Pay-roll Tax .. .. .	12,200	11,343	11,461	9,831
Sinking Fund .. .. .	2,671	..	..	..
Interest on Loans .. .. .	94	..	..	..
Depreciation .. .. .	24,975	24,975	25,111	25,162
	649,955	610,574	625,957	562,920
Revenue .. .. .	410,896	372,845	347,405	259,124
Loss for year .. .. .	239,059	237,729	278,552	303,796

A comparison of revenue for the last four years is :—

	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£
Sale of Coal .. .. .	339,059	297,438	269,075	179,856
Electric Light and Power .. .. .	57,365	62,895	64,583	65,062
Miscellaneous .. .. .	14,472	12,512	13,747	14,206
	410,896	372,845	347,405	259,124

Operations in 1961-62 resulted in a loss of £303,796, compared with the loss of £278,552 in 1960-61.

The deficit on a cash basis in the Treasury was £316,426. The difference of £12,630 between the Treasury and the Mine's books at 30th June, represents unpaid accounts, coal on hand, &c.

As mentioned in earlier reports, the price for coal taken by the Railway Department for its own use or sale is fixed by the Commissioners on a formula based on results obtained from tests with New South Wales (Maitland) coal.

Disposals of coal in the period 1958 to 1962 are shown hereunder :—

	1958-59.	1959-60.	1960-61.	1961-62.
	tons	tons	tons	tons
Railway Department .. .. .	32,177	25,836	20,736	14,335
Electricity Commission .. .. .	34,352	32,405	29,523	19,319
Employees .. .. .	4,113	3,157	2,762	2,353
Public .. .. .	4,740	5,088	5,191	4,707
Used in Mine's Works .. .. .	13,421	13,783	14,097	13,155
	88,803	80,269	72,309	53,869

## BALANCE-SHEET.

A statement of the State Coal Mine balances at 30th June, 1961, and 1962, is as under :—

	1961.	1962.
	£	£
Works, Machinery, and Plant at cost, less depreciation .. ..	315,669	313,805
Stores and Materials .. ..	29,950	25,934
Coal Stocks .. ..	4,946	3,617
Discounts and Expenses on Loans .. ..	641	641
Funds at Treasury—		
Depreciation Fund .. ..	65,064	66,448
Trust Fund—Charges in Suspense .. ..	6,829	6,455
Cash .. ..	4,641	8,961
Deposits on Contracts .. ..	1,959	1,875
Sundry Debtors .. ..	16,438	28,025
Accumulated Loss .. ..	4,022,083	4,325,880
	<u>4,468,220</u>	<u>4,781,641</u>
National Recovery Loan (non-interest bearing) .. ..	24,500	24,500
Advances from Public Account .. ..	27,032	24,678
Sundry Creditors .. ..	25,731	22,918
Depreciation Fund Interest Reserve .. ..	99,666	101,829
Sinking Fund .. ..	354,000	354,000
Advances from Consolidated Revenue .. ..	3,937,291	4,253,716
	<u>4,468,220</u>	<u>4,781,641</u>

## STATE RIVERS AND WATER SUPPLY COMMISSION.

*Country Water Supply.*

The State Rivers and Water Supply Commission, in its function of administering the Water Act is responsible for the construction and maintenance of country water supply works. It is engaged not only in country water supply within the constituted districts; it has other duties which are unremunerative, such as investigations and research, and supervision of works for other bodies and persons. In addition, it is a constructing authority for the carrying out of works for the River Murray Commission.

*Revenue.*

A summary of the revenue from rates and charges for the supply of water for the period 1957-62, final figures being used except for the last year of the series, is furnished hereunder :—

	Amounts Collectable.			Amounts Credited.	Arrears as at 30th June.
	Water Sales and Miscellaneous.	Assessments of Rates and Charges.	Total Collectable Sum Including Arrears.		
	£	£	£	£	£
1957-58 .. .. .	1,008,042	1,817,971	3,266,571	2,638,424	628,147
1958-59 .. .. .	782,937	1,845,243	3,256,327	2,733,606*	522,721
1959-60 .. .. .	938,906	1,921,926	3,383,553	2,803,879	579,674
1960-61 .. .. .	849,030	2,015,168	3,443,872	2,955,933	487,939
1961-62 .. .. .	1,173,868	2,304,217	3,966,025	3,363,825	602,200

\* Included in this sum, is an amount of £59,174 written off certain irrigation rates levied in 1957-58 and 1958-59, in consequence of a court action.

The increase in the sum collectable was due, in the main, to increased sales of water in all districts and higher charges in the several irrigation districts shown hereunder :—

District.	1960-61.	1961-62.	Increase
	Per acre foot.	Per acre foot.	Per acre foot.
	s. d.	s. d.	s. d.
Goulburn Murray .. .. .	15 0	17 0	2 0
Macalister .. .. .	23 0	25 0	2 0
Merbein .. .. .	60 0	70 0	10 0
Red Cliffs .. .. .	60 0	70 0	10 0
Robinvale .. .. .	70 0	80 0	10 0

Of the total collectable sum, 84.8 per cent. was received during the year, as compared with 85.9 per cent. in the previous year. In this connexion it should be noted that amounts due for water sales do not bear interest until a date some months after the close of the year and, accordingly, consumers tend to defer payment of such amounts until the expiration of the interest-free period. In the circumstances, a better indication of the degree to which collection is effected is obtained by a comparison of the sum of the collections on account of current rates and charges with the total amount assessed under those heads. On this basis, the percentage of collection was 94.6 per cent. in 1961-62 as compared with 94.1 per cent. in 1960-61.

A dissection of the collectable sum and the amount thereof owing at the 30th June, 1962, is given in the statement hereunder :—

	Total Collectable Sum.	Arrears 30.6.62
	£	£
Irrigation Districts .. .. .	2,102,880	348,927
Waterworks Districts .. .. .	521,114	41,938
Urban Districts .. .. .	836,727	148,969
Flood Protection Districts .. .. .	45,740	2,777
Drainage Districts .. .. .	23,188	2,936
Coliban Districts .. .. .	243,038	45,481
Sundries .. .. .	193,338	11,172 (Approx.)

Other receipts on account of Consolidated Revenue are obtained by way of oncost and direct recoup from loan and other funds provided for expenditure on works and for other purposes.

These recoups were obtained as follows :—

	1959-60 £	1960-61. £	1961-62. £
From Oncost—			
At 10 per cent. on loan expenditure of £4,174,768 in 1959-60 and £3,917,431 in 1960-61; and at 8½ per cent. on loan expenditure of £3,967,387 in 1961-62 .. .. .	417,477	391,743	330,616
At various rates (1 to 6 per cent.) on loan expenditure of £343,561 in 1959-60; £458,470 in 1960-61 and £659,196 in 1961-62 .. .. .	13,370	10,893	26,630
On other funds .. .. .	21,898	16,010	18,233
From Repayments on account of works temporarily financed from Consolidated Revenue .. .. .	112,543	119,568	117,754
From Salary recoups—River Murray Commission and other funds .. .. .	354,784	384,386	425,992
	<u>920,072</u>	<u>922,600</u>	<u>919,225</u>

It will be noted that, in respect of loan expenditure generally, there was a reduction in the rate of oncost from 10 per centum in 1960-61 to 8½ per centum in 1961-62 resulting in a considerable reduction in the receipts from this source.

*Cash Summary.*—Details of the cost to the State in connexion with Country Water Supply are set out in Statement No. 7 appended to this report. A summary prepared on a cash basis for the period 1957-62 is given in the table hereunder :—

	Receipts, including Recoups.	Expenditure.			Cash Deficit.	Loan Expenditure.
		General.	Debt Charges.	Total.		
	£	£	£	£	£	£
1957-58 .. .. .	3,844,317	3,443,187	4,264,713	7,707,900	3,863,583	6,764,997
1958-59 .. .. .	3,929,540	3,606,884	4,640,190	8,247,074	4,317,534	7,790,813
1959-60 .. .. .	4,127,683	3,887,812	5,063,370	8,951,182	4,823,499	7,166,562
1960-61 .. .. .	4,283,539	4,014,607	5,483,647	9,498,254	5,214,715	8,094,984
1961-62 .. .. .	4,865,633	4,251,515	6,053,361	10,304,876	5,439,243	7,955,704

As the above summary indicates, there was an increase in expenditure of £806,622 including an increase of £569,714 in debt charges offset by an increase in revenue of £582,094. Thus the net increase in the cash deficit as between 1961-62 and 1960-61 was £224,528.

## EXPENDITURE.

*Works.*—Included in the loan expenditure for the year, shown in the foregoing statement, is a sum of £4,972,828 in respect of works undertaken by the Commission. The principal items were :—

<i>Nature of Works.</i>		£
Eppalock Reservoir ..	Construction of new Reservoir .. .. .	1,424,713
Goulburn Irrigation System	Substantial enlargement and remodelling of main channels and other distributory works	830,211
Mornington Peninsula System	Enlargement and extension of main supply works, pipe-lines and reticulation installations	650,490
Other Irrigation Districts ..	Construction of water supply channels and structures and drainage works	570,607
Surveys, Investigations and Designs	Various .. .. .	268,286
Murray Valley Area ..	Drainage works .. .. .	262,624
Works Generally ..	Erection of workshops, storerooms and administrative and other buildings	243,860
Coliban System ..	Concrete lining of channels and reticulation installation	162,296
Waterworks Districts Generally	Construction of channels, structures, urban storages and other works throughout other waterworks districts	145,411
Other Storages ..	Minor works on other storage and headworks, including Central Highlands Project	118,618

The item “ Works Generally ” includes further expenditure amounting to £188,813 on the erection, &c., of the Commission’s new central administrative office building at Armadale bringing the total expenditure on this project to £702,343 as at the close of the year.

*Acquisition of Salt Affected Land.*—Act No. 6604 of the 15th December, 1959, amended the *Water Act* 1958 by vesting in the Commission, subject to certain conditions, power to acquire salt affected land in the Macalister Irrigation District or in the vicinity thereof and provided for the application of loan moneys for the purpose of any such acquisition and for any additional amounts payable by way of compensation. The first acquisition of the kind envisaged in the provisions cited was made during the year and involved expenditure from Loan Fund amounting to £10,070. This sum was comprised of—the price of acquisition, £7,675 ; compensation for loss of production, £1,800 ; sundry expenses, £25 ; and Commission oncost at 6 per cent., £570.

*Depreciation—Works—Water Supply Works Depreciation Fund and Account.*—Pursuant to the provisions of Section 83 of the *Water Act* 1958 as amended, the Commission is required to raise, by means of annual rates and charges, moneys to provide for the replacement of any machinery, plant, or perishable structures comprising the works of the constituted districts with the exception of irrigation districts.

The sums raised in the annual rates and charges for depreciation must be paid into Consolidated Revenue or, to the extent the Treasurer directs, to the Water Supply Works Depreciation Fund. Also, the sums raised (with interest credited thereon) must be shown in the Commission’s books to the credit of the Water Supply Works Depreciation Account.

The amount raised for credit to the Water Supply Works Depreciation Account in 1961–62 was £172,190, which included £998 on account of Eildon sewerage. On the other hand in recent years, no payment has been made to the Fund nor has any part of the Fund been invested. It was observed that, during the year, expenditure from the Fund included a payment of £2,542 to the Cohuna Waterworks Trust, representing the amount calculated to have been provided in the Account in respect of assets transferred to the Trust from the Commission. As at 30th June, 1962, the balance of the Fund was £39,570, and the balance of the Account, £965,838.

*Irrigation Districts Maintenance Equalization and Renewals Account.*—As at the 1st July, 1959, this Account was established in the Treasury pursuant to the provisions of Act No. 6582 to make available moneys to defray the cost of maintenance and renewal works in irrigation districts. The equity of irrigation districts in the Water Supply Works Depreciation Fund was transferred to this Account as at the 1st July, 1959.

The provision for renewals in each irrigation charge is tantamount to the continuation of provision for depreciation. The charge also contains provision for accruing maintenance. The Account is credited with the equivalent of the cash surplus, if any, as shown by the accounts of each irrigation district at the end of the last preceding financial year. Under the Act, I am responsible for determining any such cash surplus. For the purpose of the necessary transfers to the Account, provision exists in the Act for the moneys to be appropriated from either the Consolidated Revenue or the Loan Fund or partly from both.

In respect of the year 1960–61, I have furnished the Treasurer with my certificate in relation to those districts which had cash surpluses in that year amounting in all to £16,154 9s. 7d. This sum was, in accordance with the Act, transferred in 1961–62 from Consolidated Revenue to the credit of the Account.

*River Murray Commission.*—The agreement made under the provisions of the River Murray Waters Act (No. 2596) provides for the construction of works on the River Murray and for the appointment of the River Murray Commission to give effect to the agreement. The State Rivers and Water Supply Commission which is a constructing authority under the terms of the Act, incurred expenditure on these works amounting to £67,219.

In 1961–62, under the authority of Water Supply Loan Application Acts Nos. 6820 and 6708, Victoria contributed £80,000 for the construction of works, bringing the State's total contribution for construction as at 30th June, 1962, to £5,421,195. Also, £80,050 was contributed for maintenance and administrative expenses during 1961–62.

The books and accounts of the River Murray Commission are subject to audit by the Commonwealth Auditor-General.

*Waterworks Trusts.*—Supervision of Waterworks Trusts is vested in the State Rivers and Water Supply Commission. The accounts of the Trusts are prepared on a calendar year basis, and are required by Section 169 of the *Water Act* 1958 to be audited by my officers.

Funds for capital works by the Trusts have been provided principally by advances made available by the State. Works have also been financed from the Trusts' own resources and, in recent years, from debenture loans raised under the provisions of the Act. Interest in excess of 3 per cent. on debenture loans is recouped to Trusts by the State. Expenditure under this heading for the year was £13,507.

In 1961–62, advances to various Trusts by the State amounted to £1,472,398. Further, in respect of Cohuna and Charlton Trusts, capital liabilities of £19,976 and £12,000 respectively were transferred to those Trusts from State Rivers and Water Supply Commission Districts. Repayments by Trusts on account of advances amounted to £42,981, and certain Trusts were relieved of liability to the extent of £296,226. This sum, by direction of the Governor in Council, is to be borne by the State. The net increase during the year in the Trusts' indebtedness for State loans was £1,165,168.

By Government decision, country town water supply authorities were, subject to certain conditions, to be subsidized to an extent that would make possible limitation of their respective rates to a maximum of 3s. 6d. in the £1 of net annual valuation or its equivalent. Under this authority, eleven Waterworks Trusts were so assisted in 1961–62 and the total amount involved was £2,320.

I should state that I raised with the State Rivers and Water Supply Commission and the Treasury the question as to whether the relevant item in the Appropriation Act should not be amended to express clearly the basis on which these subsidies were being made. In this connexion, it is noted that, in the Estimates for 1962–63, the item is expressed in a manner different from that of the previous year.

*River Improvement Trusts.*—To 30th June, 1962, twenty River Improvement (or Drainage) Trusts had been constituted under the River Improvement Act.

The Act authorizes the Trusts to borrow money to finance works construction, and to raise revenue to meet maintenance and administration costs on similar conditions to those operating for Waterworks Trusts. Interest in excess of 3 per centum on debenture loans raised by Trusts is recouped by the State. In this regard, the amount provided by the State in 1961-62 was £1,990.

Advances by the State in 1961-62 totalled £194,872. Repayments in respect of advances amounted to £446, and the Trusts were relieved of liability to the extent of £156,893 which the Governor in Council directed to be borne by the State, so that the net decrease in the Trusts' indebtedness for State loans was £37,533.

In addition, grants amounting to £30,000 were made to certain Trusts from the "Special Works Trust Account—Commonwealth Grant".

*Rivers and Streams Fund.*—This Fund was established pursuant to the provisions of the *River Improvement Act 1958*.

Payments into the Fund totalled £46,169 and expenditure amounted to £47,331. The balance at the close of the year was £110,598.

*State Rivers Agency Trust Account.*—This Account was established by the Treasurer under the authority of Section 8 of the *Public Account Act 1958* to record contributions by other bodies towards the costs of works carried out by the Commission. In the year, contributions amounted to £89,757 and expenditure, including refunds of contributions, amounted to £103,062. The balance in the Account at the close of the year was £51,889.

*Stores.*—According to Commission records, the book values of plant, tools and general stores at the 30th June, 1962, were :—

	Plant.	Tools and Stores.
	£	£
At Construction Works .. .. .	106,371	216,835
Stores Suspense Accounts (Depots) .. .. .	119,382	567,560
At Central Plant Workshops (Suspense Accounts) .. .. .	10,333	119,200
At Central Plant Workshops pending transfer or disposal .. .. .	31,446	64,577

NOTE.—The above figures do not include the value of "Hire" Plant and Machinery.

Financial adjustments on account of net deficiencies, losses on realization, unserviceable goods and depreciation were made to the accounts of the respective projects or districts concerned and to the accounts within the Water Supply Stores Suspense Account.

Reference was made in my previous report to a specific loss on the sale of certain stores. As yet, the method of accounting for losses of this nature in the Treasury and Commission financial records has not been determined.

*Stores Suspense Account.*—Up to and inclusive of 30th June, 1962, loan moneys amounting to £1,206,000 have been made available for the purpose of financing this Account.

In the Treasurer's Trust Fund statement, as at 30th June, 1962, the balance at credit of the Water Supply Stores Suspense Account is shown as £713,755. This amount is represented in the Commission's books by :—

	£	£
Balance available for purchases of stores, &c. .. .. .		375,529
<i>Plus</i> Credit Balances of Plant Operating Accounts—		
"Hire Plant" Accounts .. .. .	258,924	
Interest and Redemption Reserve Account .. .. .	110,349	
	<hr/>	
	369,273	
<i>Less</i> Plant Operating Reserve Account .. .. .	31,047	338,226
Balance—Water Supply Stores Suspense Account .. .. .		<hr/> <hr/> 713,755



The balances of the Plant Operating Accounts have reached the substantial figures shown as a result of credits from plant-hire charges made against works expenditure authorities.

Particular aspects of this Account, to which reference was made in my report for 1957-58, are the subject of inquiry by the Public Accounts Committee.

As at the 30th June, 1961, the aggregate of the balances at credit of the several "Hire Plant" Accounts was £292,571, as compared with £258,924 as at the close of the year under review. This reduction was largely the result of:—

- (i) substantial debits to the several accounts for repairs and maintenance; and
- (ii) a decrease in the credits to such accounts following on a reduction, as from the 1st January, 1962, in the "repairs and maintenance" component of the relevant hire charge.

The debit balance of £31,047 on the Plant Operating Reserve is the net result of the transactions recorded in the Reserve during the year, which are summarized hereunder:—

	£	£
Credit balance at 1st July, 1961 .. .. .	..	2,816
<i>Plus</i> —Insurance provision in Hire Rate .. .. .	13,519	
Net excess of provisions on Repairs and Maintenance in " Hire Plant " sold .. .. .	10,170	23,689
	<hr/>	<hr/>
		26,505
<i>Less</i> —Part cost of operating Central Plant Workshops .. .. .	11,749	
*Motor Vehicles Insurance paid on Hire Plant .. .. .	28,356	
Net loss on sale of spare parts .. .. .	16,419	
Miscellaneous adjustments to accounts and sundry expenditure .. .. .	1,028	
	<hr/>	<hr/>
		57,552
Debit balance at 30th June, 1962 .. .. .	..	31,047
		<hr/>

\* Includes £9,400 applicable to the previous year.

During the year, spare parts, the book value of which was £20,020, were sold for £3,601. The resultant net loss of £16,419 is reflected in the above statement.

The current adjustment was made by internal journal entry. This action emphasizes the opinion expressed in previous reports that, unless the accounts within the Stores Suspense Account relating to the operation of plant and those recording the purchase and issue of stores are separated in the Treasurer's Accounts, substantial financial adjustments are possible without Treasury knowledge.

In previous reports, reference has been made to the credit balance of the Interest and Redemption Reserve Account. At 1st July, 1961, the title of the Account was altered to the "Interest Redemption and Administrative Account". The balance of this Account has accumulated as a result of the imposition of penalty rates referred to by the Commission as holding charges, to cover idle time and from excess provisions in plant-hire charges for interest and redemption. Since the time of the change in its title, the proportion of salaries of officers directly concerned with the operation, maintenance and supervision of the plant and machinery has been debited to the Account.

A summary of the transactions for the year under review is given hereunder:—

	£	£
Credit Balances at 1st July, 1961 .. .. .	..	110,841
<i>Plus</i> —Interest and Redemption raised in Hire Charges .. .. .	44,122	
One-half of Holding Charge levied in Hire Charges .. .. .	24,214	
	<hr/>	<hr/>
		68,336
		<hr/>
		179,177
<i>Less</i> —Payment of Interest and Redemption on Capital Liability .. .. .	52,788	
Recoup of salaries of Mechanical and Plant Section .. .. .	16,040	
	<hr/>	<hr/>
		68,828
Credit Balance at 30th June, 1962 .. .. .	..	110,349
		<hr/>

I have previously raised the question of the legality of imposing a holding charge for any item of plant lying idle in a district. As yet, this question has not been determined.

*Plant and Machinery.*—Expenditure from loan funds during the year for the purchase of movable plant and machinery to be engaged on the construction and maintenance of the works of the Commission totalled £58,798. The capital liability at 30th June, 1962, in respect of this plant and machinery was £1,604,062.

Under the provisions of the Water Act, the cost of this plant and machinery is not charged directly to any district, but, when used on construction and maintenance works, a charge for depreciation is made and the amount is paid to the Water Supply Plant and Machinery Depreciation Fund. At 30th June, 1962, the balance in the Fund for the replacement of hire plant and machinery was £1,211,670.

Measurement of the adequacy of the Fund for the purposes for which it was established requires a detailed knowledge of the cost of the hire plant, its estimated useful life, and its residual value. This information is not available from the Commission's existing records.

*Country Sewerage.*—In addition to its function of administering the Water Act, the Commission exercises general supervision over sewerage authorities.

Funds for capital works by the Authorities have been provided by advances made available by the State. Works have also been financed by the Authorities from private loans raised under the provisions of the Sewerage Districts Act. Interest in excess of 3 per cent. on such loans is recouped to Authorities by the State. Expenditure under this heading for the year was £215,092.

Advances by the State in 1961–62 totalled £245,898. Repayments in respect of advances amounted to £5,803 and the Authorities were relieved of liability to the extent of £245,898 which the Governor in Council directed to be borne by the State so that the net decrease in the Authorities' indebtedness for State loans was £5,803.

In addition, the State advanced £132,128 to the Latrobe Valley Water and Sewerage Board for works for the supply of water and the treatment or disposal of waste.

*Eildon Sewerage District.*—During the year, the Commission continued to exercise and discharge the powers and duties of the Eildon Sewerage Authority. Expenditure on the sewerage works amounted to £249,905 of which £103,800 only was allocated as the capital liability of the sewerage district.

Rates and miscellaneous charges levied in 1961–62 totalled £7,192 of which £6,120 or 85·1 per cent. was paid during the year. Costs chargeable to the district amounted to £8,158 plus depreciation £998.

## TRUST AND SPECIAL ACCOUNTS.

Itemized Trust Funds and Special Accounts are included in the Treasurer's Finance Statement. The balances of all funds and accounts are held by way of investment or on general account and the operations of many are regulated by statute. The transactions recorded annually are numerous and, in total, of considerable magnitude, debits to all funds and accounts aggregating in 1961-62, £174,742,551 and credits, £177,300,178.

Statement No. 4 of this report summarizes the State's liability in respect of trust moneys and securities lodged with the Treasurer.

Several new funds and accounts were established during the year under the heads shown and for the purposes indicated hereunder.

Account.	Purpose for which Established.	1961-62.		Balance 30th June, 1962.
		Debits.	Credits.	
		£	£	£
Caulfield High School Public Fund Trust Account	To account for moneys paid to the Treasury by the Trustees of a Public Fund which was established to provide for the construction and maintenance of the Caulfield High School.	..	22,000	22,000
Commonwealth-State Sirex Trust Account	To record the receipt and disbursement of funds provided from the "National Sirex Fund" for the purposes of the eradication and control, &c., of the Sirex Wasp in Victoria. For further reference see page 47.	26,558	32,751	6,193
Emergency Relief Account	Established by the Treasurer for the purpose of granting assistance to persons who suffer losses as a result of floods, bush fires, cyclones, tornadoes, &c. The opening credit to this Account of £10,000 was provided from Consolidated Revenue under the authority of the Appropriation Act for 1961-62—Division 49, Sub-division 3, Item 30—Emergency Relief Account for Floods, Fires, &c.—Payment.	880	10,000	9,120
Goulburn Valley Orchard Census Account	To record the contributions from the Reserve Bank and various organizations interested in fresh fruit production and the disbursements therefrom for the purpose of conducting annually, on the basis of aerial photography, a census of Goulburn Valley and Murray Valley irrigation orchards	1,659	2,570	911
Monash University Residential Colleges Maintenance (Commonwealth Subsidy) Account	To account for moneys from the Commonwealth under the States Grants (Universities) Act 1960 for the provision of tutorial assistance and for meeting administrative costs of Monash University residential colleges. (Note :— The grant is made subject to a similar amount being provided from State sources).	2,000	2,000	..
Potato Research Trust Account	To record the receipt and disbursement of moneys transferred from the Potato Marketing Board Liquidator's Account for the purpose of capital works at the Agriculture Department's Potato Research Station at Toolangi. The transfer was authorized by an Order in Council under the Marketing of Primary Products Act 1958. For further reference see page 97.	..	10,787	10,787
Skeleton Weed Research Account	To account for funds amounting to £2,500 per annum to be allocated by the Wheat Industry Research Committee over a period of at least three years for the purpose of research into the problem of skeleton weed in Victoria.	1,167	1,650	483

Account.	Purpose for which Established.	1961-62.		Balance 30th June, 1962.
		Debits.	Credits.	
		£	£	£
Special Works Trust Account—Commonwealth Grant	To record the transactions in relation to an amount provided from Treasurer's Advance pending Supplementary Estimates for expenditure on additional works with the object of creating employment. The amount so provided is equivalent to the sum received from the Commonwealth as an additional assistance grant in 1961-62 and paid to Consolidated Revenue. For further reference see pages 4 and 12.	1,800,000	1,800,000	..
State Coal Mines Deposit Account	To account for deposits lodged by consumers of electric energy at Wonthaggi and the refunds of such deposits.	181	556	375
Tobacco Growers Relief Account	To record a grant from the Commonwealth for the relief of financially distressed tobacco growers. The grant is being administered by the Rural Finance and Settlement Commission.	68,810	70,090	1,280
Victorian Bush Fires Relief Account	To record the transactions in respect of funds raised by a public appeal and supplemented by contributions from the State and Commonwealth Governments for the relief of victims of the bush fires which occurred in Victoria early in 1962.	78,517	85,000	6,483

For convenience in explaining the funds and accounts within the Trust Fund, the relevant figures for 1961-62 are set out under broad classifications in the table below:—

	Balance Forward. General Account. <i>Investments.</i>	1961-62.		Balance 30th June, 1962. General Account. <i>Investments.</i>
		Debits.	Credits.	
	£	£	£	£
Compensation and Insurance .. .. .	12,410,221	11,226,734	12,408,203	13,591,690
	1,046,641	..	500,000	1,546,641
Superannuation and Pension .. .. .	381,797	1,707,415	1,792,579	466,961
	11,393,318	5,275	907,600	12,295,643
Depreciation .. .. .	1,210,396	1,369,358	1,287,000	1,128,038
	747,650	10,000	200,000	937,650
Deposit .. .. .	324,368	125,522	158,836	357,682
	221,276	850	..	220,426
Railways .. .. .	3,520,032	56,265,378	55,629,286	2,883,940
Commonwealth .. .. .	2,028,100	39,001,264	39,096,806	2,123,642
Commonwealth—State .. .. .	323,214	84,547	93,583	332,250
Other—Regulated by Statute .. .. .	6,630,532	54,669,212	55,032,593	6,993,913
	349,610	300	100	349,410
Other—Not Regulated by Statute .. .. .	2,192,049	10,246,502	10,129,408	2,074,955
	47,724	200	100	47,624
	29,020,709	174,695,932	175,628,294	29,953,071
	13,806,219	16,625	1,607,800	15,397,394
Securities Lodged with Treasurer.. .. .	7,457,527	29,994	64,084	7,491,617
	29,020,709	174,695,932	175,628,294	29,953,071
	21,263,746	46,619	1,671,884	22,889,011

### Compensation and Insurance.

Certain major funds and accounts included in this group are discussed in this report under appropriate departmental headings at the pages shown hereunder:—

Fund or Account.					Page Reference No.
Closer Settlement Insurance Fund	..	..	..	..	57
Soldier Settlement Insurance Fund	..	..	..	..	61
Railway Accident and Fire Insurance Fund	..	..	..	..	72
State Accident Insurance Fund ..	..	..	..	..	99
State Motor Car Insurance Fund	..	..	..	..	101

Other principal items in the group are commented upon below:—

*Government Buildings Fire Insurance Fund.*—Provision for the cost of restoring buildings destroyed or damaged by fire is made under two schemes, viz., the Government Buildings Fire Insurance Fund, and the Government Buildings Fire Insurance Pool. These schemes do not apply to properties owned by the Railways Commissioners for which separate provision is made under the Railway Accident and Fire Insurance Fund.

The Government Buildings Fire Insurance Fund was set up under the Special Funds Act, No. 2297 of 1910, by the transfer of £15,000 from the Assurance Fund. That Act provides also for a yearly charge against revenue of £2,000, and for the crediting of the Fund with the interest on the balance of the Fund in excess of £15,000. Initially, this was considered to be sufficient provision for costs resulting from the restoration of buildings damaged by fire, but, in 1942–43, it was deemed necessary to increase the Fund to £100,000. In recent years, additional contributions totalling £647,000 have been provided from Consolidated Revenue.

The following statement shows expenditure from the Fund and the balances at credit thereof from 1957–58 to 1961–62:—

Year.	Expenditure.	Balance at 30th June.		
		Investments.	Cash.	Total.
	£	£	£	£
1957–58.. .. .	4,119	35,000	327,264	362,264
1958–59.. .. .	6,061	35,000	324,340	359,340
1959–60.. .. .	48,934	35,000	278,543	313,543
1960–61.. .. .	78,773	35,000	453,215	488,215
1961–62.. .. .	69,756	35,000	387,208	422,208

In terms of the Act establishing the Fund, the present cash balance in excess of £15,000 should be invested, but, on past experience, a maximum of £15,000 available cash is insufficient for current requirements. However, prudent management of a fund of this nature requires that cash balances be invested to the maximum extent possible in order to obtain additional income to meet claims and to assist in maintaining the capital of the Fund.

Application of the Fund is restricted to buildings, no provision being made in regard to stores, equipment or the contents of buildings. As stated in previous reports, a revision of the 1910 Act is desirable.

*Estate Agents Guarantee Fund.*—This Fund was established under the provisions of the *Estate Agents Act* 1956, now consolidated under the *Estate Agents Act* 1958, to meet claims for losses incurred due to the non-compliance with certain provisions of the Act by any holder of an estate agent's licence, current at the date on which the cause of action originated, or the employee or sub-agent of such licence holder.

Funds are provided from fees charged for estate agents' and sub-agents' licences and the legislation requires the payment to Consolidated Revenue of any balance in excess of £25,000 at credit of the Fund at the close of the financial year.

Receipts for the year, including £1,256 recouped from certain estate agents, totalled £45,967 and claims paid amounted to £12,028. The surplus of £33,939 on the year's operations was transferred to revenue leaving the statutory maximum in the Fund, namely, £25,000.

*Motor Car Hospital Payments Fund.*—The revenue of this Fund is derived from an amount of 1s. 9d. deducted from each premium paid under the third party insurance provisions of the *Motor Car Act 1958*. An annual distribution is made to public hospitals in respect of motor accident cases where costs of treatment exceed the amounts received on behalf of the patients concerned.

Receipts and payments from the Fund since its inception are:—

Year.	Receipts.	Payments.	Balance.
	£	£	£
1940-57 .. .. .	596,186	523,240	72,946
1957-58 .. .. .	65,903	60,767	78,082
1958-59 .. .. .	68,279	78,050	68,311
1959-60 .. .. .	75,449	68,279	75,481
1960-61 .. .. .	77,984	75,448	78,017
1961-62 .. .. .	81,086	77,984	81,119

### Superannuation and Pension.

The major funds included in this group are the Police Superannuation Fund, Police Pensions Fund, Parliamentary Contributory Retirement Fund, and the Port Phillip Pilot Sick and Superannuation Fund. The Superannuation Fund and the Married Women Teachers' Pensions Fund do not form part of the Public Account and reference to these funds will be found in the supplementary report on the accounts of certain statutory bodies which I am required by law to audit.

*Police Superannuation Fund.*—This Fund is the source from which pensions are payable in respect of members of the Police Force who were appointed before 25th November, 1902.

Contributions by the State and all penalties and damages awarded to members of the Force are credited to the Fund, together with a statutory annual contribution of £23,000 from the Licensing Fund. The State's contribution is fixed at £2,000 annually, plus any further amount directed by Parliament to be applied to the liquidation of pensions authorized. No additional contribution was provided in 1961-62. Penalties and damages awarded amounted to £42,834, the sum of £376 was received from fines imposed upon members of the Force, and interest on the sum invested amounted to £15,316.

Pension payments from the Fund totalled £24,338 which was £1,703 less than the figure for the previous year.

There is a continuing diminution in the annual commitments of the Fund, and, as a result, the balance at credit of the Fund is progressively increasing. For this reason, consideration might be given to the necessity for legislative action to have part of the receipts of this fund diverted to some other fund, e.g., Police Pensions Fund.

The unexpended balance of the Fund at 30th June, 1962, was £415,390, including investments, £306,125—(Face value, £310,000).

*Police Pensions Fund.*—Pensions and gratuities in respect of members of the Force who were appointed after 25th November, 1902, are payable out of this Fund.

Contributions by the State, interest on investments, and deductions from the pay of members of the Force are credited to the Fund. The State's contribution is fixed at £50,000 annually, together with such additional amount as the Government Statist certifies will ensure that the assets of the Fund are sufficient to meet all current and future liabilities. This contribution amounted to £869,650 in 1961-62.

Transactions on the Fund for the current year, together with those for 1960-61 are :—

	1960-61.	1961-62.
	£	£
<i>Receipts.</i>		
Deductions from pay .. .. .	216,665	229,257
Deductions repaid by ex-officers on reinstatement .. .. .	1,044	1,160
Contributions from Consolidated Revenue .. .. .	869,650	869,650
Interest on investments .. .. .	452,037	498,892
Underwriting Commission .. .. .	3,000	..
Balance in hand—1st July, .. .. .	10,090,225	10,976,228
	11,632,621	12,575,187
<i>Disbursements.</i>		
Pensions .. .. .	614,765	661,450
Gratuities .. .. .	18,715	14,877
Deductions refunded .. .. .	22,913	19,460
	656,393	695,787
Balance 30th June, .. .. .	10,976,228	11,879,400
Represented by—		
Investments .. .. .	*10,690,145	*11,570,745
Cash .. .. .	286,083	308,655
	10,976,228	11,879,400

\* Face Value of Investments 1960-61 £10,694,550; 1961-62 £11,575,150

At 30th June, 1962, investments comprised Commonwealth Government Inscribed Stock, £8,843,250, and securities of the Melbourne and Metropolitan Board of Works, £900,000, Melbourne and Metropolitan Tramways Board, £155,000, State Electricity Commission, £1,226,900, Gas and Fuel Corporation, £405,000, and the Melbourne Harbor Trust, £45,000.

*Parliamentary Contributory Retirement Fund.*—*The Constitution Act Amendment Act 1958* authorizes the establishment of this Fund from which certain payments are made to persons ceasing to be members of the Parliament of Victoria and to the widows or personal representatives of deceased members or ex-members who were in receipt of a pension. Contributions by members are made by way of deductions from salary, and, as the necessity arises, contributions are made from Consolidated Revenue.

A statement of transactions on the Fund for the years 1960-61 and 1961-62 is :—

	1960-61.	1961-62.
	£	£
<i>Receipts—</i>		
Members' Contributions .. .. .	15,456	14,568
Contributions from Consolidated Revenue .. .. .	29,087	35,459
	44,543	50,027
<i>Expenditure—</i>		
Payment of Pensions .. .. .	44,543	50,027

*Port Phillip Pilot Sick and Superannuation Fund.*—To provide retiring and sick pay benefits to sea pilots of the port of Port Phillip, the *Marine Act* 1958 provides that, before the monthly division of the Pilots' Salary Fund is made between the pilots eligible to share therein, there is payable to the Port Phillip Pilot Sick and Superannuation Fund 6 per cent. of the amount at credit of the said Salary Fund. The Governor in Council is empowered to increase or decrease this percentage by not more than 2 per cent. Provision is made for moneys in the Fund to be invested.

The following summary sets out the transactions in the Fund during 1961–62 :—

	£	£	£
Balance 1st July, 1961—			
Investments .. .. .	388,768		
General Account .. .. .	6,350		
	<hr/>	395,118	
Receipts—			
Deductions from Earnings .. .. .		27,432	
Interest on Investments .. .. .		18,111	
		<hr/>	440,661
Payments—			
Pensions .. .. .		20,977	
Actuarial Valuation .. .. .		150	
Gratuities .. .. .		4,690	
		<hr/>	25,817
Balance 30th June, 1962—			
Investments .. .. .		410,492	
General Account .. .. .		4,352	
		<hr/>	414,844
			<hr/>
			440,661
			<hr/>

Investments comprise inscribed stock of the Commonwealth Government, £156,800, the State Electricity Commission, £117,500, the Melbourne and Metropolitan Board of Works, £27,300, the Melbourne Harbor Trust, £20,000, and a Registered First Mortgage over the Pilot Vessel "Akuna", £88,892.

### Depreciation.

Comments on the following funds under this classification are furnished at the pages shown :—

Fund.	Page Reference No.
Forests Plant and Machinery Fund .. .. .	49
Printing Machinery Depreciation Fund .. .. .	51
Public Works Plant and Machinery Fund .. .. .	66
Railway Renewals and Replacements Fund .. .. .	69
Water Supply Plant and Machinery Depreciation Fund .. .. .	82
Water Supply Works Depreciation Fund .. .. .	78
Irrigation Districts Maintenance Equalization and Renewals Account .. .. .	78

The Maffra Sugar Factory Depreciation Fund, with a balance of £9,650, consisting entirely of investments, is also included in this group.

It has been pointed out in previous reports that the balance of this fund is available for transfer to Consolidated Revenue. The cash portion of the balance at 30th June, namely £51,901, including £10,000, proceeds of securities which matured in 1961–62, was so transferred. Further, the Treasurer has directed that the remaining part of the balance shall be transferred progressively to Consolidated Revenue as the securities held are realized.



**Deposit.**

Items under this heading comprise securities lodged by Insurance and Trustee Companies, £80,000; Contractors and Timber Cutters deposits, £133,173; Municipalities Loan Repayment Account, £334,441, which includes investments totalling £140,105; Municipalities Sinking Fund, £321; Sundry Investments—Interest Account, £29,798, and State Coal Mines Deposit Account, £375.

**Railways.**

The following major items in this group are discussed at the pages shown:—

	Page Reference No.
Railway Charges in Suspense Account .. .. .	71
Railway Stores Suspense Account .. .. .	71
Railway Equalization Account .. .. .	68

**Commonwealth.**

The Treasurer is empowered by Act No. 6345 to credit suitable accounts in the Trust Fund with special grants made pursuant to any Commonwealth Act and to authorize expenditure therefrom for the purposes prescribed in such Commonwealth Act.

The following funds are discussed under the departments and public authorities associated with their administration.

Fund.	Page Reference No.
Commonwealth Aid Roads Nos. 1 and 3 Accounts .. .. .	103
"    "    "    No. 2 Account .. .. .	66
Uniform Railway Gauge Trust Fund .. .. .	73
Rural Rehabilitation Fund—See under Rural Finance and Settlement Commission—Finance Branch in Supplementary Report.	

Other funds in this group are:—

*Commonwealth Pharmaceutical Benefits Trust Account.*—Under the provisions of the *National Health Act 1953*, the Commonwealth Government makes advances from time to time for the reimbursement to public hospitals of the cost of pharmaceutical benefits supplied free of charge to all patients. The basis of reimbursement under the Act is determined by the Commonwealth Minister of Health.

The following statement sets out the transactions of the Account during the years 1960-61 and 1961-62:—

—	1960-61.	1961-62.
	£	£
Balance 1st July .. .. .	53,651	69,617
Received from Commonwealth during the year .. .. .	1,310,000	1,350,000
	1,363,651	1,419,617
Reimbursements to Public Hospitals .. .. .	1,294,034	1,416,526
Balance 30th June .. .. .	69,617	3,091

*Hospital Benefits Fund.*—In accordance with the terms of the Hospital Benefits Agreement ratified by the *Hospital Benefits Act 1958*, the Commonwealth has paid to the State an amount of 8s. per day for each qualified patient maintained in a public or non-public ward of a public hospital and a further 4s. per day in respect of certain pensioner patients who are not privately insured for hospital benefits. The State has been required to ensure that the charges per day payable by qualified patients have been reduced by the relevant Commonwealth Hospital Benefit Rate.

Operations on the Fund were :—

	£	£
Balance at 1st July, 1961 .. .. .	85,298	
Received from Commonwealth during the year .. .. .	1,702,059	
	<hr/>	1,787,357
Expenditure during the year—		
Hospital Benefits allowed .. .. .		1,673,194
		<hr/>
Leaving a balance of .. .. .		114,163
		<hr/>

*Home Builders' Account.*—Pursuant to the terms of the Commonwealth and State Housing Agreement 1956 as amended by the Housing Agreement 1961, part of the moneys provided by the Commonwealth to the State for housing is credited to a special account in the Public Account called the “Home Builders' Account”. The funds in this Account are administered by the Registry of Co-operative Housing Societies and, as required, advances are made to the registry from the Account.

The total advances to the Account by the Commonwealth for the six years since the inception of the Agreement to the 30th June, 1962, amounted to £17,358,100. The interest rate charged by the Commonwealth for advances was 4 per cent. except for advances made during the period 22nd February, 1961, to 7th February, 1962, in respect of which the rate of interest charged was  $4\frac{3}{8}$  per cent.

From time to time, advances are made from Public Account under the authority of the Public Account Act No. 6345, pending receipts of funds from the Commonwealth, and the Home Builders' Account is charged interest on these advances at the rate allowed by the contracting banks on the Public Account. In calculating interest charged against the Account no allowance was made for the sums held to its credit in the Public Account. All advances from the Public Account under this Act were repaid in the year.

Repayments by the co-operative housing societies are an additional source of funds for the Home Builders' Account and form a “revolving fund” within the Account. To 30th June, 1962, these repayments totalled £4,521,340.

The moneys in the Home Builders' Account, other than those required for payment of principal and interest to the Commonwealth and the State, are available for the financing of home building by means of loans to building societies (including co-operative housing societies) and other institutions as may be approved, at the request of the State, by the responsible Commonwealth Minister. The total of the advances to the 30th June, 1962, was £19,790,253. All of this sum was made available to co-operative housing societies—£14,739,899 at an interest rate of  $4\frac{1}{4}$  per cent. and, £5,050,354 at an interest rate of  $4\frac{5}{8}$  per cent.

Interest charged to the societies for the year exceeded interest paid from the Home Builders' Account to the Commonwealth and the State by £41,809. The accumulated interest surplus for the six years to 30th June, 1962, was £144,501.

A summary of transactions relative to the Home Builders' Account, is given hereunder :—

<i>Source of Funds—</i>		£
Balance 1st July, 1961 .. .. .		68,164
Advanced by Commonwealth Government .. .. .		4,058,100
Interest and Repayments of Principal .. .. .		1,392,706
		<hr/>
Total Funds Available .. .. .		5,518,970
		<hr/>
<i>Disbursement of Funds—</i>		
Advances to Registry from Home Builders' Account .. .. .		4,800,000
Interest and Redemption—Commonwealth Advances .. .. .		675,289
Interest on Advances from Public Account .. .. .		2,748
		<hr/>
Total Disbursements .. .. .		5,478,037
Balance 30th June, 1962 .. .. .		40,933
		<hr/>
		5,518,970
		<hr/>

**Commonwealth—State.**

The principal item under this classification is the Commonwealth—State Local Public Works Account with a balance of £309,851. From 1st July, 1935, to 30th June, 1945, a total of £548,000 was provided by the Commonwealth and State Governments, on a £1 for £1 basis, for the relief of unemployment in Victoria by the recoup to public authorities of interest payments and sinking fund charges on loans raised for public works commenced after 1st July, 1935. Expenditure for these purposes to 30th June, 1948, totalled £238,149.

Since that date there have been no further transactions on the Fund and there would now appear to be no necessity for its retention.

**Other—Regulated by Statute.**

The balances of funds under this heading aggregated £7,343,323. Transactions are governed by the relevant legislation.

For references to the undermentioned funds in this group, see the pages shown :—

Fund.	Page Reference No.
Country Roads Board Fund .. .. .	103
Dried Fruits Fund .. .. .	114
Forestry Fund .. .. .	46
Forest Stores Suspense Account .. .. .	48
Licensing Fund .. .. .	18
Milk Board Fund .. .. .	114
Municipalities Assistance Fund .. .. .	95
Public Works Stores Suspense Account .. .. .	65
Tourist Fund .. .. .	112
Transport Regulation Fund .. .. .	108
Water Supply Stores Suspense Account .. .. .	80
Workers Compensation Board Fund .. .. .	110

Comments on several other funds classified as above are furnished hereunder :—

*Aborigines Welfare Fund*—The *Aborigines Act* 1958 authorizes the Aborigines Board, with the consent of the Minister, to apportion, distribute and apply moneys appropriated by Parliament and any other funds or property under its control for the relief or benefit of aborigines or for the purpose of assisting aborigines to become assimilated into the general life of the community.

Transactions during 1961–62 in relation to this Fund were :—

	£	£
Balance, 1st July, 1961 .. .. .	..	12,496
Receipts—		
Loan Fund Contribution .. .. .	40,000	
Revenue Contribution .. .. .	50,000	
Revenue from Operations (Canteen and Produce Sales, &c.) .. .. .	3,079	
Child Endowment, &c. .. .. .	1,938	
Donations .. .. .	406	
Maintenance Payments .. .. .	953	
Rent .. .. .	1,398	
Miscellaneous Revenue .. .. .	1,472	
	—————	99,246
		111,742
Payments—		
Assistance to Aborigines .. .. .	76,574	
Administration, &c. Costs .. .. .	22,014	
	—————	98,588
Balance, 30th June, 1962 .. .. .	..	13,154
		111,742

*Adult Education Fund.*—This Fund is administered by the Council of Adult Education which was established to advise the Minister on matters of general policy relating to adult education and to plan and supervise the administration and development of adult education in Victoria. The Council may also organize and conduct such lectures, classes, courses, vacation schools and other activities as it thinks necessary or desirable in connexion with the promotion and encouragement of adult education and, subject to the approval of the Minister, make payments or advances to local advisory committees.

In addition to an annual statutory contribution of £25,000 from revenue and any other sums appropriated by Parliament for the purpose, all fees and charges received by the Council in connexion with its activities are paid into the Fund.

The following statement summarizes the Council's financial operations for the past two years :—

	1960-61.	1961-62.
	£	£
<i>Source of Funds—</i>		
Balance from previous year .. .. .	295	81
Special Appropriation—Act No. 6240 .. .. .	25,000	25,000
Departmental Vote—Education .. .. .	43,023	38,000
Class Fees, proceeds of Community Arts Service, &c. .. .. .	35,187	49,317
Adult Education Centre, Russell-street—Proceeds of Productions, &c. .. .. .	6,352	167
	109,857	112,565
<i>Disbursement of Funds—</i>		
Salaries (Administration) .. .. .	37,977	40,298
Classes, Discussion Groups, Community Arts Service, &c. .. .. .	53,765	63,806
Adult Education Centre, Russell-street—		
Maintenance and Operating Costs .. .. .	12,714	7,348
Equipment and Improvements .. .. .	5,320	884
	109,776	112,336
<i>Leaving a Balance of</i> .. .. .	81	229
	109,857	112,565

The theatre in Russell-street was operated solely on a rental basis in 1961-62, and the proceeds of all rents charged were paid into Consolidated Revenue. This was the major factor contributing to the substantial reduction in receipts under the head of "Adult Education Centre, Russell-street—Proceeds of Productions &c."

Increased activity in connexion with the community arts service was the main reason for the increase in both revenue and expenditure in respect of this service.

*Hospitals and Charities Fund.*—This Fund is under the control of the Hospitals and Charities Commission. Among other duties the Commission is required to supervise the administration and management of subsidized institutions and benevolent societies.

The Hospitals and Charities Act prescribes the procedure to be followed in regard to the determination of grants to be made to institutions and societies from the Hospitals and Charities Fund.

Subject to administrative and other costs, a total of £15,396,082 was available in the Hospitals and Charities Fund for distribution. This amount was provided by:—

	£
Special Appropriation, Act No. 6274 .. .. .	800,000
Special Appropriation, Act No. 6353—Totalizator Receipts .. .. .	1,386,911
Special Appropriation, Act No. 6390—Tattersall Receipts .. .. .	3,027,638
Grants—Division 65 .. .. .	9,000,000
	<hr/>
Balance forward from 1960-61 .. .. .	14,214,549
	<hr/>
	1,181,533
	<hr/>
Expenditure for the year .. .. .	15,396,082
	<hr/>
Leaving a balance of .. .. .	14,149,989
	<hr/>
	1,246,093
	<hr/>

A summary of payments from the Fund is given below:—

	1959-60.	1960-61.	1961-62.
	£	£	£
Maintenance—			
Hospitals .. .. .	11,228,093	11,254,492	12,204,506
Benevolent Homes & Hospitals for the Aged .. .. .	668,975	796,777	916,256
Children's Homes .. .. .	116,178	128,165	129,064
Foundling Homes and Refuges .. .. .	60,180	71,139	69,813
Philanthropic Associations .. .. .	47,705	50,909	55,537
Ladies' Benevolent Societies .. .. .	4,700	5,300	5,680
Medical Dispensaries .. .. .	16,864	17,598	18,316
Ambulance Services .. .. .	172,540	193,133	213,985
Hostels for the Aged .. .. .	45,545	40,881	37,838
Other Institutions .. .. .	109,344	119,347	125,682
Public Risk Insurance .. .. .	4,260	14,935	12,208
	<hr/>	<hr/>	<hr/>
	12,474,384	12,692,676	13,788,885
	<hr/>	<hr/>	<hr/>
Other—			
Transfer of Patients to Country Hospitals .. .. .	1	4	6
Costs Associated with Totalizator Receipts .. .. .	5,548	6,538	9,402
Training of Officers .. .. .	8,493	8,602	9,795
Recruitment and Training of Nurses .. .. .	8,076	4,755	16,981
Preliminary Schools for Nurses .. .. .	140,049	111,063	130,077
Post-graduate Training of Nurses .. .. .	10,100	13,167	11,308
Administration Costs .. .. .	150,570	158,646	180,151
Hospital Magazine .. .. .	2,018	1,106	3,384
	<hr/>	<hr/>	<hr/>
	12,799,239	12,996,557	14,149,989
	<hr/>	<hr/>	<hr/>

The Private Hospital Benefits Scheme ceased to be administered by the Hospitals and Charities Commission in 1960-61. The officers of the Commission engaged on duties associated with the Scheme were assigned to other duties. In these circumstances, their salaries were no longer recouped by the Commonwealth and became a direct charge to Commission funds. This factor and the increase in the allowance equivalent to that under Public Service (Public Service Board) Regulation 74 following on the increase in the basic wage in July, 1961, were the major causes for the increase in administration costs indicated above.

The increase in the cost of "Recruitment and Training of Nurses" was due mainly to an increase in the bursary rate from £50 to £78 a year as from March, 1962.

In addition to the assistance provided to hospitals and other institutions shown in the table, grants have been made to many of these bodies under various Public Works Loan Application Acts for the erection of public hospitals, the purchase of land and buildings, and other items. The amount expended from this source during the year under review was £5,170,331. Further, an amount of £360,000 was expended from the Special Works Trust Account—Commonwealth Grant for various hospital works. Details of payments to individual hospitals, &c., are shown in the Treasurer's Finance Statement, pages 187 and 188.

*Level Crossings Fund.*—Under the *Country Roads Act* 1958, the Fund is credited with one-third of the moneys received by way of additional registration fees under Section 8 of the *Motor Car Act* 1958, and moneys provided for the purpose under any other Act. These moneys are available for the purposes of the elimination of level crossings and for associated works.

The credits to the Fund in 1961–62 consisted of the balance brought forward, £19,736, and receipts from additional registration fees, £291,463. Also received during the year were recoups amounting to £167,646 on account of expenditure charged to the Fund in the previous year. These recoups were applied in reduction of the expenditure charged to the Fund in 1961–62 on works approved by the Treasurer. Expenditure so charged was incurred as follows:—

	£	£
By the Railway Department .. .. .	..	343,070
By the Country Roads Board .. .. .	135,775	
Less recoups as stated above .. .. .	167,646	
	—————	Cr. 31,871
Net expenditure charged to Fund 1961–62 .. .. .	..	311,199

The sum of the disbursements shown above absorbed the whole of the amount available in the Fund for expenditure. Therefore, as at the close of the year, there was a “ Nil ” balance.

*Mallee Land Account.*—In accordance with the provisions of the Financial Agreement Act No. 3554, the Treasurer is empowered to use Mallee Land Account receipts to assist contributions from revenue to the National Debt Sinking Fund. The Account was last called upon for this purpose in 1945–46. At 30th June, 1962, the accumulated balance of the Account was £958,459.

*Mental Hospitals Fund.*—The *Tattersall Consultations Act* 1958 provides, in respect of each financial year, for the payment from Consolidated Revenue into the Hospitals and Charities Fund and the Mental Hospitals Fund, in such proportions as the Treasurer determines, of an amount equivalent to the duty paid by the promoter. During 1961–62, duty paid amounted to £3,174,638 of which £147,000 was allocated and paid to the Mental Hospitals Fund and the balance to the Hospitals and Charities Fund.

The Mental Hospitals Fund may be applied as the Treasurer determines towards the establishment and maintenance of mental hospitals and private mental homes within the meaning of the Mental Hygiene Act and institutions within the meaning of the Mental Deficiency Act. The Fund is also available for expenditure in connexion with the administration of these Acts.

Responsibility for expenditure is divided, the Public Works Department being responsible for constructional works, repairs, and purchase of equipment, furnishings and fittings, &c., and the Mental Hygiene Authority for expenditure in relation to the operating costs of institutions and grants to private institutions.

The following statement sets out the transactions for the year and the gross amounts from the inception of the Fund until the 30th June, 1962:—

<i>Receipts.</i>	<i>During the Year.</i>	<i>Total.</i>
	£	£
Balance 1st July, 1961 .. .. .	259,650	..
Special Appropriations — <i>Tattersall Consultations Act 1958</i> .. .. .	147,000	3,044,673
	406,650	3,044,673
<i>Payments.</i>	<i>During the Year.</i>	<i>Total.</i>
	£	£
Capital Works .. .. .	..	311,000
Maintenance Works .. .. .	..	150,000
General Expenditure (State Institutions) .. .. .	1,564	1,394,244
Maintenance Grants (Other Institutions) .. .. .	108,312	541,572
Mental Health Research (University of Melbourne) .. .. .	7,000	46,000
Capital Grants (Other Institutions) .. .. .	..	312,083
	116,876	2,754,899
Balance 30th June, 1962 .. .. .	289,774	289,774

*Municipalities Assistance Fund.*—Reference has already been made on page 62 under the Local Government section of this report to subsidies to municipalities and other public bodies, from loan moneys, amounting to £405,033. Funds are also applied towards the assistance of municipalities through the Municipalities Assistance Fund.

The authority for this Fund is to be found in the *Local Government Act 1958*. The Fund has two functions—to provide subsidies towards the cost of approved works of municipalities and other public bodies, and to relieve certain municipalities of their former obligation to contribute towards the operating costs of the Country Fire Authority and to the Casual Fire Fighters Compensation Fund, whenever at 30th April in any year the balance of such compensation fund, less commitments, falls below £1,000.

One-half of the fees paid for motor car drivers' licences, less the costs of collection, provides the normal funds required to carry out the purposes of the Act. Where the amount standing to the credit of the Fund is at any time insufficient to meet the sums and contributions authorized to be paid out of the Fund, moneys may be issued and applied from the Consolidated Revenue to meet such insufficiency.

A summary of operations in the Fund is:—

	1960-61.		1961-62.	
	£	£	£	£
Balance 1st July .. .. .	..	223,793	..	226,707
Contribution—Public Works Loan Application Acts Nos. 6602 and 6701 .. .. .	..	150,000	..	200,000
Receipts from fees—Motor Car Drivers' Licences .. .. .	256,673		259,890	
Less Costs of Collection .. .. .	49,363		38,497	
		207,310		221,393
		581,103		648,100
<b>Expenditure—</b>				
Amount contributed to Country Fire Authority .. .. .		201,079		220,512
Amount contributed to Casual Fire Fighters Compensation Fund .. .. .		Nil		1,642
Subsidies to various Municipalities for works .. .. .		153,317		113,477
		354,396		335,631
Balance, 30th June .. .. .		226,707		312,469
		581,103		648,100

*National Parks Fund.*—Pursuant to the *National Parks Act 1958* the National Parks Authority controls certain areas proclaimed to be national parks.

Moneys appropriated by Parliament for the purposes of the Authority, together with gifts, bequests or other moneys received by the Authority are paid into the National Parks Fund and are available to meet costs incurred by the Authority in the exercise of its functions, and, to the extent approved by the Minister, costs of administration.

A summary of the operations of the National Parks Fund for the year ended 30th June, 1962, is given hereunder:—

	£	£
Balance, 1st July, 1961 .. .. .		7,664
Receipts—		
From Consolidated Revenue .. .. .	19,330	
Loan Fund .. .. .	62,000	
Tourist Fund .. .. .	400	
Repayment of Advances, other contributions, &c. .. .. .	2,443	
	<hr/>	84,173
		<hr/>
		91,837
Payments—		
Subsidies to Committees of Management of National Parks and Advances for Works to the Public Works Department, Forests Commission, and Country Roads Board .. .. .	65,731	
Administration Costs .. .. .	18,502	
	<hr/>	84,233
		<hr/>
Balance 30th June, 1962 .. .. .		7,604

In addition to the balance of £7,604 at credit of the Fund, unexpended advances to the Public Works Department, the Forests Commission, and the Country Roads Board for works amounted to £17,334 as at 30th June, 1962.

#### Other—Not Regulated by Statute.

*Decentralization Fund.*—The major portion of the year's expenditure of £40,849 consisted of freight subsidies.

Credits to the Fund have been:—

	£
To 30th June, 1961 .. .. .	1,620,498
During the year—	
From Consolidated Revenue .. .. .	40,000
	<hr/>
	1,660,498

The Fund has been utilized as follows:—

	£
Expenditure to 30th June, 1961 .. .. .	1,465,300
During the year—	
Power and Light Subsidies .. .. .	4,070
Freight Subsidies .. .. .	31,874
Loans to Decentralized Industries .. .. .	357
Removal of Plant, Machinery, Furniture, &c. .. .. .	944
Bus Subsidies .. .. .	458
Road and Drainage Works .. .. .	2,734
Miscellaneous .. .. .	412
	<hr/>
	1,506,149
The balance at 30th June, 1962, was .. .. .	154,349
	<hr/>
	1,660,498



A classification of advances by way of loan from the Decentralization Fund is given hereunder :—

	Advanced to 30th June, 1962.	Repaid. &c.	Outstanding 30th June, 1962.	Arrears.	
				Interest.	Principal.
	£	£	£	£	£
Fishermen's Co-operative Societies .. .. .	100,920	5,500	95,420	..	..
Brickworks .. .. .	* 22,049	5,286	16,763	3,779	7,690
Textile Industries .. .. .	66,606	35,045	31,561	1,698	1,700
Moyne Portland Cement Ltd. .. .. .	202,034	45,924	156,110	..	..
Other Industries .. .. .	157,448	85,836	71,612	4,141	8,358
	549,057	177,591	371,466	9,618	17,748

\* Includes interest capitalized, £549.

Concessions in regard to the repayment of loans and the payment of interest have been allowed in the majority of these cases, e.g., advances to Fishermen's Co-operative Societies are, in the main, interest free and repayment of principal has been deferred.

*Commonwealth-State Flood Protection and Restoration Account.*—The Commonwealth and State Governments agreed to provide funds on a £1 for £1 basis to a maximum of £1,000,000 for the reimbursement of expenditure incurred by Government departments and municipal and other authorities on emergency flood protection works during the flooding of the River Murray Basin in 1956, and for the restoration of roads and bridges in that area.

To 30th June, 1961, State contributions, which were made from Loan Fund, amounted to £500,000 and Commonwealth contributions to £490,123. During 1960–61, the balance, as at 1st July, 1960, £1,253, of the sum contributed by the Commonwealth was returned to that Government. The net expenditure, £936, during that year was charged against the unexpended portion of the amount of the State's contributions.

There were no transactions in 1961–62 and it would appear that the purposes for which the Account was established have been fulfilled. Accordingly, it would seem that the amount, £10,194, remaining at the credit of the Account should now be returned to Loan Fund Credit Account.

*Potato Marketing Board—Liquidator's Account.*—The Governor in Council having revoked the proclamation declaring potatoes to be a commodity for the purpose of the Marketing of Primary Products Act, the affairs of the Potato Marketing Board were placed in the hands of a liquidator. With the approval of the Treasurer, this Account was established to receive proceeds of disposal of the Board's assets and to meet any claims allowed by the liquidator.

The liquidation has now been completed and the Governor in Council, pursuant to the provisions of the Marketing of Primary Products Act, has directed that the cash portion, £10,787, of the balance at credit of the Account at 30th June, be applied for the purpose of capital works at the Agriculture Department's Potato Research Station at Toolangi. To facilitate compliance with this direction, the cash balance was transferred, as at the close of the year, to a new fund, the "Potato Research Trust Account."

The Governor in Council further ordered that the investment (£23,200) at credit of the "Liquidator's Account" be so held until the date of maturity of such investment, i.e., 15th October, 1963. The proceeds of the investment, when received together with interest thereon, are to be applied, in the interest of the potato growing industry in Victoria, in such manner as the Minister of Agriculture directs.

Reference to other accounts in this group may be found at the pages shown below :—

Account.	Page Reference No.
Bennison Roding Trust Account .. .. .	47
Country Roads Board Special Works Account .. .. .	106
State Rivers and Water Supply Commission Agency Trust Account .. .. .	80
Tourist Bureaux Trust Account .. .. .	113

**Securities Lodged with Treasurer.**

The major items included in this category relate to shares of the Gas and Fuel Corporation of Victoria purchased by the State under the provisions of the *Gas and Fuel Corporation Act* 1958, £7,369,416, and to a Geelong Harbor Trust debenture securing the outstanding balance of an advance, £117,407.

### STATE ACCIDENT INSURANCE OFFICE.

Operation of this Office for the year showed a net profit of £526,776. The audit of the accounts has been completed to 30th June, 1962.

A comparative statement of Income and Expenditure for the past five years is furnished hereunder :—

—	1957-58.	1958-59.	1959-60.	1960-61.	1961-62.
	£	£	£	£	£
Income—					
Premiums earned .. .. .	2,390,011	2,593,580	2,778,195	2,762,531	2,759,501
Interest .. .. .	61,520	74,526	119,336	146,141	174,107
Rents (Net) .. .. .	1,881	1,785	2,573	1,663	2,528
Surplus—Sale of property ..	224	140	..	..	432
	2,453,636	2,670,031	2,900,104	2,910,335	2,936,568
Expenditure—					
Claims .. .. .	1,917,650	2,004,526	2,250,675	2,128,675	2,217,412
Management .. .. .	104,348	121,340	201,860	147,019	144,936
Agents' Commission and Expenses	50,952	45,578	40,311	40,661	47,444
Loss—Sale of property .. ..	..	..	53	179	..
	2,072,950	2,171,444	2,492,899	2,316,534	2,409,792
Net profit .. .. .	380,686	498,587	407,205	593,801	526,776
	%	%	%	%	%
Loss ratio to earned premium income ..	80·2	77·3	81	77·1	80·4

It is necessary to observe that the figures in my report for the previous year were published prior to the completion of audit. The audit subsequently disclosed certain errors in these figures. The corrected position for 1960-61 is now presented above.

Earned premiums were calculated on the "time" basis using the monthly method which has been in operation since 1954-55.

The following is an abridged statement of the Assets and Liabilities:—

30.6.61.						30.6.62.
£		<i>Assets.</i>				£      £
		<i>Current—</i>				
5,819,982		Cash at Treasury .. .. .				6,156,237
281,616		Sundry Debtors, <i>Less</i> Bad Debts Provision .. .. .				278,374
						————— 6,434,611
		<i>Fixed—</i>				
46,874		Furniture, Office Machines, and Cars— <i>Less</i> Depreciation .. .. .				61,942
		<i>Investments—</i>				
116,053		Property—Offices .. .. .				116,514
893,137		Inscribed Stock .. .. .				1,393,137
						————— 1,509,651
7,157,662						————— 8,006,204
		<i>Liabilities and Funds.</i>				
		<i>Current—</i>				
894,664		Unearned Premiums .. .. .				1,040,213
4,016,704		Claims Outstanding .. .. .				4,405,320
32,528		Sundry Creditors .. .. .				12,773
						————— 5,458,306
		<i>Deferred—</i>				
682,346		Bonus Equalization Reserve .. .. .				715,002
16,420		Building Depreciation and Maintenance Provision .. .. .				17,896
						————— 732,898
		<i>Funds—</i>				
1,500,000		General Reserve .. .. .				1,800,000
15,000		Building Improvement Reserve .. .. .				15,000
						————— 1,815,000
7,157,662						————— 8,006,204

The above statement incorporates the appropriation to Reserves of the respective balances at credit of the Profit and Loss Account as at 30th June, 1961, and 30th June, 1962.

Outstanding claims have been assessed by the “case” method, all claims being individually examined by experienced claims officers with all known factors and circumstances taken into account. For the purpose of arriving at the figure under this head at balancing date, the aggregate obtained by the aforementioned method of assessment has been supplemented by additional amounts to provide for certain contingent liabilities.

A number of individual files relating to claims listed as outstanding has been examined by my officers in order to test the actual existence of these outstanding claims; to verify that there had been no serious omissions; and to ascertain that a consistent approach had been adopted in making the relevant assessments. As a result of their examination, my officers are of the opinion that the figure of £4,405,320 is a sound estimate of outstanding claims at 30th June, 1962.

### STATE MOTOR CAR INSURANCE OFFICE.

This Office was established in 1941 to enable owners of motor cars to enter into contracts of insurance—Compulsory “Third Party” and insurance generally in relation to motor cars—with the State.

The operations for the year resulted in a loss of £35,644 compared with a profit of £10,034 in 1960–61. The statements herein are submitted subject to completion of the audit for the year ended 30th June, 1962.

A comparative summary of the sectional and overall income and expenditure of the Office in the past two years is furnished hereunder:—

	1960-61.			1961-62.		
	Third-Party.	Comprehensive.	Total.	Third-Party.	Comprehensive.	Total.
	£	£	£	£	£	£
Net Premiums earned .. ..	1,632,751	716,536	2,349,287	1,821,098	935,817	2,756,915
Stamp Duty recouped .. ..	..	42,734	42,734	..	48,323	48,323
	1,632,751	759,270	2,392,021	1,821,098	984,140	2,805,238
Claims .. ..	1,673,605	576,697	2,250,302	2,110,486	581,802	2,692,288
Management .. ..	103,436	70,187	173,623	114,186	82,108	196,294
Licence Fee .. ..	..	33,138	33,138	..	41,260	41,260
	1,777,041	680,022	2,457,063	2,224,672	705,170	2,929,842
Operating—						
Profit .. ..	..	79,248	..	..	278,970	..
Loss .. ..	144,290	..	65,042	403,574	..	124,604
Interest—Fund at Treasury .. ..	..	..	75,070	..	..	88,980
Sale of Property .. ..	..	..	+6	..	..	-20
	..	..	75,076	..	..	88,960
Net Profit .. ..	..	..	10,034	..	..	..
Net Loss .. ..	..	..	..	..	..	35,644
Loss Ratio to earned premium income	% 102·5	% 80·5	..	% 115·9	% 62·2	..

It should be pointed out that the figures in my report for the previous year were published prior to the completion of audit. The audit subsequently disclosed an error in the amount charged to claims. The necessary adjustments have been made and the correct figures for 1960–61 are presented above.

Earned premiums were calculated on the “time” basis, using the monthly method of apportionment. Premium rates for Comprehensive insurance, increased as from 1st January, 1961, were operative for a full year in 1961–62. Premium rates for “Third Party”, as previously stated, came into operation on 1st October, 1955.

The following is an abridged statement of the Assets and Liabilities :—

30.6.61	<i>Assets.</i>						30.6.62
£							£
	<i>Current—</i>						
4,419,800	Cash at Treasury	..	..	..	..	..	5,177,967
314,144	Sundry Debtors—Premiums Due, etc.	..	..	..	..	..	315,977
<hr/>							<hr/>
4,733,944							5,493,944
	<i>Fixed—</i>						
7,902	Furniture and Office Machines less Depreciation	..	..	..	..	..	9,427
	<i>Profit and Loss Account—</i>						
573,102	Accumulated Loss	..	..	..	..	..	608,746
<hr/>							<hr/>
5,314,948							6,112,117
<hr/>							<hr/>
	<i>Liabilities and Provisions.</i>						
	<i>Current—</i>						
1,244,045	Unearned Premiums	..	..	..	..	..	1,402,108
4,045,481	Claims Outstanding	..	..	..	..	..	4,690,855
25,422	Sundry Creditors	..	..	..	..	..	19,154
<hr/>							<hr/>
5,314,948							6,112,117
<hr/>							<hr/>

The total of outstanding claims was determined by the "case" method, under which all claims are individually examined and the liability assessed as accurately as possible by experienced claims officers.

## COUNTRY ROADS BOARD.

The construction and maintenance of State highways, main roads, forest roads, and tourists' roads are carried out by or under the supervision of the Board. In addition, the Board provides a substantial sum each year to assist municipalities in meeting the cost of maintaining unclassified roads.

The main funds administered by the Board are discussed hereunder :—

*Country Roads Board Fund.*—The principal revenue sources of the fund are—

- (i) *Fees and Fines under the Motor Car Act.*—Receipts for the year under this heading amounted to £10,709,831 and the cost of collection was shown to be £843,446. These figures compare respectively with the 1960–61 totals of £10,271,514 and £693,800.
- (ii) *Road Charges—Commercial Goods Vehicles Act 1958.*—Receipts for the year from these charges, credited to the Roads Maintenance Account within the fund, amounted to £2,262,417.

Apart from the moneys at credit of the Roads Maintenance Account referred to above, receipts of the Country Roads Board Fund are available to meet expenses of administration, debt charges and the costs of roadworks generally.

*Loan Fund.*—Under the authority of Section 31 of the *Country Roads Act 1958*, the Treasurer, in 1961–62, allocated from Loan Fund a sum of £683,000 for the purpose of permanent works as defined in the said Act. This sum was expended as follows :—

	£
On State highways and main roads .. .. .	650,000
As the third of six annual instalments towards the cost of widening and strengthening the Anglesea and Ocean tourist roads to facilitate the development of brown coal resources at Anglesea .. .. .	33,000
	683,000

*Commonwealth Aid Roads Acts.*—Victoria's share of the sum of £44,000,000 allocated in 1961–62 to the States pursuant to the provisions of Section 4 of the *Commonwealth Aid Roads Act 1959* was £8,869,768.

An amount of £1,209,513 was also received in the year, being the sum determined as Victoria's quota of the additional assistance aggregating £6,000,000 granted to the States under Section 6 of the Act.

The additional assistance as aforementioned was made available to the States under certain conditions. Insofar as Victoria was concerned, conformity with these conditions in 1961–62, meant that :—

- (i) the sum of the amounts allocated by it for expenditure on roads from its own resources in the year had to exceed the sum so allocated by it in the base year (1958–59) namely £10,618,645 ; and
- (ii) in the event of the excess calculated as in (i) above being less than the statutory quota, £1,209,513, the difference was to be repaid to the Commonwealth.

Section 6 of the Act also requires that I certify the correctness of the information furnished by the State to the Commonwealth in verification of its fulfilment of the above conditions. This information has yet to be prepared and submitted for my certification.

It will be noted that the sum of the amounts received by Victoria, in 1961-62, was £10,079,281. Of this sum, £9,877,696 was made available to the Country Roads Board to meet expenditure on the construction, reconstruction, repair, and maintenance of roads in the State, with the proviso that part thereof, amounting to £4,031,713, was to be reserved for works upon roads in rural areas or for the purchase of road-making plant for use in those areas.

*Special Works Trust Account—Commonwealth Grant.*—An allocation of £500,000 was made by the Treasurer from this Account to the Country Roads Board for the purpose of carrying out additional works to create employment. The whole of the allocation was expended during the year on State Highways.

### *Available Funds and Expenditure.*

The statements following set out in summary form the funds referred to and the principal items upon which those funds were expended. In the preparation of the figures shown there have been excluded certain cross entries appearing in the Treasurer's Statement. These are mainly recoups of expenditure and are not true additions to the funds available to the Board.

#### PRINCIPAL FUNDS AVAILABLE.

1960-61.		1961-62.
£		£      £
	<i>Country Roads Board Fund</i>	
643,678	Balance from previous year .. .. .	2,900
9,578,273	Net Taxes (including £665 fines other than Motor Car Acts) ..	9,867,050
788,663	Municipal Contributions .. .. .	777,667
2,254,421	Road Charges—Commercial Goods Vehicles Act .. .. .	2,262,417
49,663	General Receipts .. .. .	75,039
<hr/>		<hr/>
13,314,698		12,985,073
	<i>Loan Moneys—</i>	
250,000	Act No. 6229—State Highways and Main Roads .. .. .	650,000
33,000	Tourist Roads .. .. .	33,000
<hr/>		<hr/>
283,000		683,000
	<i>Commonwealth Aid Roads Acts</i>	
5,310,406	For Roadworks Generally .. .. .	5,845,983
3,673,370	For Rural Roads .. .. .	4,031,713
<hr/>		<hr/>
8,983,776		9,877,696
..	<i>Special Works Trust Account—Commonwealth Grant ..</i>	500,000
	<i>Commonwealth-State Flood Restoration Account</i>	
966	Restoration of Roads and Bridges .. .. .	—
<hr/>		<hr/>
22,582,440		24,045,769

#### EXPENDITURE.

1960-61.		1961-62.
£		£
	Principal items of expenditure by the Board may be classified as follows :—	
19,089,259	Construction and Maintenance of Roads, &c. .. .. .	21,076,048
812,195	Payment of Interest (including exchange) .. .. .	849,689
42,414	Sinking Fund Contributions and Loan Conversion Expenses .. .. .	44,255
33,635	Repayment to Loan Fund .. .. .	33,582
187,872	Transfer to Tourist Fund .. .. .	191,554
708,141	Plant Purchase (net).. .. .	174,694
1,706,024	General Expenditure including Administration, Stores and Materials, &c. ..	1,671,025
<hr/>		<hr/>
22,579,540		24,040,847
2,900	Unexpended Balance at 30th June .. .. .	4,922



## FUNDS CHARGED WITH EXPENDITURE UPON ROADWORKS.

Expenditure by the Board upon the various classes of roads, and the distribution of that expenditure over the funds at its disposal are :—

—	Total.	Country Roads Board Fund.	Commonwealth Aid Roads Acts.		Loan Fund.	Special Works Trust Account Commonwealth Grant.
			Roads Generally.	Rural Roads.		
	£	£	£	£	£	£
State Highways ..	6,836,437	2,660,080	3,162,138	..	514,219	500,000
Main Roads .. ..	7,426,611	5,777,612	1,513,218	..	135,781	..
By-pass Roads .. ..	682,635	682,635	..	..	..	..
Forest Roads .. ..	295,102	295,102	..	..	..	..
Tourists' Roads .. ..	572,755	539,755	..	..	33,000	..
Unclassified Roads .. ..	5,193,213	..	1,161,500	4,031,713	..	..
Murray River Bridges and Punts .. ..	69,295	69,295	..	..	..	..
	21,076,048	10,024,479	5,836,856	4,031,713	683,000	500,000

## RELIEF TO MUNICIPALITIES.

Municipalities which have benefited from permanent works upon main or developmental roads or from maintenance works upon main roads are required to pay to the Board an annual contribution in respect of the funds expended. In certain circumstances, the required contribution may be reduced or waived, and for 1961-62 these concessions amounted to £799,207. Details are—

(a) *Permanent Works.*

Of the proportion charged to municipalities for permanent works on main roads, £62,554, relief was granted to the extent of £28,191 as provided in Act No. 6229. The legislation requires the amount of such relief to be paid to the Treasurer out of the Country Roads Board Fund. It is considered that until such time as such legislation is amended appropriately, this amount should be paid to the credit of Consolidated Revenue as required by the Audit Act.

In respect of the interest on developmental roads assessed at £14,759, the whole was remitted. The total of these amounts did not exceed the statutory limit of £250,000.

(b) *Maintenance.*

Of the sum of £1,505,382, apportioned to municipalities, being one-third of the cost of maintenance of main roads in respect of the year 1960-61, the Governor in Council remitted £756,257 as excessive maintenance not due to local traffic. The net amount due was paid to the Board prior to 30th June, 1962.

## TOURIST FUND.

For particulars of the operation of this Fund see page 112.

The *Tourist Act* 1958 as amended by the *Tourist (Amendment) Act* 1960, No. 6682, requires that an amount equal to 2 per centum of the amount of fees and fines under the Motor Car Act credited to the Country Roads Board Fund shall be paid from the Country Roads Board Fund to the Tourist Fund each year. The principal Act further provides that the amount of such payment shall in every year be certified by the Auditor-General and that the certificate of the Auditor-General shall be final and conclusive for all purposes.

I should state that, in accordance with the requirements cited above, I have duly issued my certificate in respect of the transfer for 1961-62 which amounted to £191,554 as compared with £187,872 in 1960-61.

#### WORKS CARRIED OUT FOR COMMONWEALTH AND STATE AUTHORITIES.

Act No. 6229 authorizes the Board, with the consent of the Governor in Council, to undertake at the request and at the expense of the Commonwealth of Australia, the State of Victoria or any municipality or public authority any works for which the Board is suitably equipped. Amounts expended on such works during the year are set out in the statement below, expenditure in the previous year being shown for the purposes of comparison :—

1960-61.		1961-62.
£		£
16,190	Commonwealth Works—Aerodromes and other construction works .. .. .	74,507
29,665	Department of Crown Lands and Survey—Roads .. .. .	26,732
183,449	State Electricity Commission—Roads—Hernes Oak Deviation .. .. .	5,516
91,608	Rural Finance and Settlement Commission—Roads .. .. .	187,103
26,651	State Rivers and Water Supply Commission—Roads and Bridgeworks .. .. .	29,410
30,427	Housing Commission—Roads .. .. .	40,296
88,689	Latrobe Valley Water and Sewerage Board—Gould Deviation .. .. .	36,034
17,121	Other Works .. .. .	27,920
<u>483,800</u>		<u>427,518</u>

All of the above-mentioned bodies made advances to the Board towards the cost of these works and the Board was enabled to defray the cost of the works without encroachment upon its own funds.

At 30th June, 1962, an amount of £3,880 was held in Treasury Trust Fund—Country Roads Board Special Works Account—representing unexpended balances of advances made by Government Departments and State authorities for works to be carried out by the Board.

#### LOAN OPERATIONS.

Loan expenditure amounting to £683,000 during the year increased the Board's loan liability which, at 30th June, was as set out in the following statement :—

	Main Roads.	Developmental Roads.	Total.
	£	£	£
Net loan liability at 30th June, 1961 .. .. .	10,141,038	4,082,862	14,223,900
Add—Discount and Expenses .. .. .	5,636	1,295	6,931
Expenditure—Act No. 6229 .. .. .	683,000	..	683,000
	10,829,674	4,084,157	14,913,831
Less—Repayments .. .. .	33,582	..	33,582
	10,796,092	4,084,157	14,880,249
Deduct—Increase in equity in National Debt Sinking Fund .. .. .	114,464	98,745	213,209
Net loan liability at 30th June, 1962 .. .. .	10,681,628	3,985,412	14,667,040

## KING-STREET BRIDGE.

The *King-street Bridge Act 1957* (No. 6156) authorized the construction by the Board of a bridge, including ancillary works, across the River Yarra at King-street. The legislation provided for payments, in the first place, to be met from the Loan Fund and for the cost, to be borne as to 65 per centum by the Government and as to the balance 30 per centum and 5 per centum by the Cities of Melbourne and South Melbourne respectively. Repayments by the municipalities concerned are required to be by instalments, together with interest at 5 per centum in respect of the capital indebtedness outstanding and are to be each of such sum that the whole liability will be discharged within the 31 years next after 30th June, 1962. To 30th June, 1962 contributions by these Councils amounted to £34,554.

Expenditure in 1961-62, amounting to £280,317, brought the total at 30th June to £4,323,444 which may be summarized as under:—

	£
Contract Payments (Utah Australia Ltd.) .. .. .	2,770,795
Land Resumption and Demolition .. .. .	546,124
Service Alterations .. .. .	407,650
Miscellaneous .. .. .	598,875
	4,323,444

## COAL CANAL BRIDGE.

The Board has been authorized as from the 10th May, 1960, pursuant to the provisions of the *Coal Canal Bridge Act 1960*, No. 6613, to:—

- (a) construct and in due course remove a temporary bridge over the Railway Coal Canal at West Melbourne adjacent to the existing bridge; and
- (b) demolish the existing bridge and in its place erect a new bridge to be known as the Coal Canal Bridge.

The cost of these works is to be borne as follows:—

	%
Government of Victoria .. .. .	50
City of Melbourne .. .. .	30
Victorian Railway Commissioners .. .. .	10
Melbourne Harbor Trust .. .. .	10

Works associated with this project have been carried out by both the Board and the Melbourne City Council. To the 30th June, 1962, expenditure by the Board amounted to £85,197, and by the Melbourne City Council to £51,257, a total of £136,454.

All expenditure on this project is financed from the State's Loan Fund under the authority of Loan Application Acts Nos. 6701 and 6826 pending allocation as between the bodies concerned in the respective proportions stated above.

## MUNICIPALITIES FORESTS ROADS IMPROVEMENT FUND.

This Fund was established during 1954-55, with an appropriation from Revenue of £50,000, to provide assistance to municipalities for the improvement and protection of roads adjacent to forest areas in order to facilitate the extraction of forest produce. Subsequently, additional credits to the Fund amounting to £50,000 were provided from loan moneys under the authority of Public Works Loan Application Acts Nos. 6701 and 6826.

Recoups to municipalities for the purposes stated are made from the Fund in accordance with allocations approved by the Minister for Public Works after consideration of joint recommendations of the Forests Commission and the Country Roads Board. Such recoups amounted to £11,738 during the year and when added to those made in previous years brought the total charge to the Fund to £77,094 up to and inclusive of the 30th June, 1962. The amount at credit to the Fund unexpended at that date was £22,096.

### TRANSPORT REGULATION BOARD.

Functions of the Board are to improve and co-ordinate transport and, for these purposes, it has, pursuant to the provisions of the *Transport Regulation Act 1958*, and Part 1 of the *Commercial Goods Vehicles Act 1958*, jurisdiction over all commercial goods and passenger vehicles operating within the State. Fees (other than road charges) and fines under these Acts and fees under the Motor Car Acts for the registration of certain omnibuses are paid into the Transport Regulation Fund. Costs of administration and other authorized charges are met therefrom. The balance in the Fund at 30th June, 1962, was £570,707.

In previous reports, the legality of the practice of crediting the Fund with the proceeds of permit fees was questioned by me. However, during the year, legal sanction of this practice was signified in Section 4 of the *Commercial Goods Vehicles (Tow Trucks) Act 1961* which was proclaimed to operate as from the 1st January, 1962. Also, this Act accorded the Board discretionary powers in relation to the issue of commercial goods vehicle licences in respect of tow trucks. Further, it provided for the promulgation of regulations with respect to the design, construction and equipment of such trucks and the qualifications, testing and certification of the drivers thereof.

The receipts and payments of the Fund together with corresponding figures for the previous year are summarized hereunder :—

1960-61		1961-62.
£	<i>Receipts.</i>	£      £
458,663	Balance of Transport Regulation Fund at 1st July .. .. .	..      539,806
289,467	Licences and Additional Fees on Licences .. .. .	296,694
346,331	Permits .. .. .	348,521
5,821	Motor Omnibus Registration Fees .. .. .	5,742
60,954	Fines .. .. .	59,014
16,661	Miscellaneous .. .. .	11,642
		721,613
1,177,897		1,261,419
	<i>Payments.</i>	£
	<i>Head Office—</i>	
268,993	Salaries and Overtime (including Pay-roll Tax) .. .. .	277,960
65,063	Other Expenses .. .. .	62,467
		340,427
	<i>Country Offices—</i>	
82,048	Salaries and Overtime (including Pay-roll Tax) .. .. .	85,365
17,494	Other Expenses .. .. .	15,024
		100,389
	<i>Inspection Staff—</i>	
116,649	Salaries and Overtime (including Pay-roll Tax) .. .. .	128,168
11,563	Police Services .. .. .	8,616
12,052	Other Expenses .. .. .	13,992
		150,776
	<i>Purchase and Maintenance of Motor Cars—</i>	
11,604	Purchase of Motor Cars .. .. .	6,985
17,509	Maintenance and Insurance .. .. .	16,935
		23,920
	<i>Works—</i>	
556	Offices—Head Office and Regional Residences .. .. .	810
2,508	Contributions towards erection of Comfort Stations and Bus Shelters .. .. .	3,947
16	Inspection Depot—Port Melbourne .. .. .	..
..	Advance payment <i>re</i> Land—Carlton .. .. .	50,000
		54,757
32,036	Amounts distributed to Municipalities .. .. .	30,446
638,091		700,715
539,806	Balance of Transport Regulation Fund at 30th June .. .. .	560,704

Revenue for the year rose by £2,379, due mainly to an increase in receipts from licences and permit fees.

The decline in miscellaneous receipts was a consequential effect of the change-over in currency of drivers' certificates from one year to three years as from the 1st January, 1960. This effect reached its peak in 1960-61, but the receipts in 1961-62 reflect the normal annual revenue from this source.

*Road Charges.*—Part II. of the *Commercial Goods Vehicles Act 1958* requires the owners of commercial goods vehicles to pay to the Board specified road charges by way of compensation for wear and tear caused by such vehicles to public highways and directs that the moneys received are to be paid into the Country Roads Board Fund to the credit of the Roads Maintenance Account. The amount so paid in 1961–62 was £2,262,417 as compared with £2,254,421 in the previous year.

*Motor Boat Fees.*—*The Motor Boating Act 1961*, No. 6832, which came into operation on the 1st February, 1962, provides for the registration of motor boats by the Board and for the payment of prescribed registration fees.

This Act also provides that these fees are to be credited to the Tourist Fund and that the costs of collection are to be recouped from the said Fund.

The registration fees collected by the Board during 1961–62, less refunds, amounted to £44,436. The costs of collection were recouped to the extent of £1,071.

### WORKERS COMPENSATION BOARD.

In accordance with the provisions of the *Workers Compensation Act 1958*, the revenue of the Board consists of contributions by Insurers, the Victorian Railways Commissioners and employers who operate approved schemes of compensation. All receipts of the Board are paid into a Trust Fund kept at the Treasury styled the "Workers Compensation Board Fund" from which are met the costs and expenses of the Board. The Fund is also available for the payment of moneys due under awards against uninsured employers. The Insurance Commissioner is entitled to recover any such amounts. Certain expenses incurred by the Commissioner in recovering these amounts are met from Consolidated Revenue.

Particulars of Income and Expenditure for the years 1960-61 and 1961-62 are as follow :—

		1960-61.		1961-62.
		£		£
<i>Income—</i>				
Contributions from Insurers and others	.. .. .	57,138	..	57,756
		<hr/>		<hr/>
<i>Expenditure—</i>				
Salaries	.. .. .	32,763	..	30,005
Rent	.. .. .	7,812	..	7,812
General	.. .. .	11,258	..	10,013
Claims on uninsured employers paid from the Fund (net)	..	6,665	..	9,141
		<hr/>		<hr/>
		58,498	..	56,971
		<hr/>		<hr/>
Excess Income over Expenditure for the year	.. .. .	..	..	785
Excess Expenditure over Income for the year	.. .. .	1,360	..	..
		<hr/>		<hr/>

The balance of the Fund at the Treasury at 30th June, 1962, was £3,439.

All amounts of compensation granted under awards of the Board in cases of death or to minors (other than weekly payments) are payable into the custody of the Board to be invested, applied, or otherwise dealt with, in the Board's discretion, for the benefit of the persons entitled thereto. Generally, moneys in the custody of the Board are invested in a Common Fund and interest on the investments is equitably apportioned over all the constituent accounts. However, when requested, the Board will make a specific investment.

Receipts and Payments of the Common Fund for the years 1960-61 and 1961-62 are summarized below:—

		1960-61.		1961-62.
		£		£
Receipts	.. .. .	1,470,857	..	1,671,870
Payments	.. .. .	1,173,528	..	1,207,493
		<hr/>		<hr/>
Excess of receipts over payments	.. .. .	297,329	..	464,377
Balance at beginning of year	.. .. .	3,913,090	..	4,210,419
		<hr/>		<hr/>
Balance at close of year	.. .. .	4,210,419	..	4,674,796
		<hr/>		<hr/>

Investments, &c., controlled by the Board at 30th June, 1962, are shown hereunder :—

Common Fund—	£	£
Cash State Savings Bank of Victoria .. .. .	.. ..	386,558
Commonwealth Securities (face value) .. .. .	1,938,250	
<i>Less</i> Discount .. .. .	125	
	<hr/>	1,938,125
State Electricity Commission Debentures .. .. .	.. ..	1,250,000
Melbourne and Metropolitan Board of Works Debentures .. .. .	.. ..	900,000
Geelong Waterworks and Sewerage Trust Debentures .. .. .	.. ..	200,000
Temporary Advances .. .. .	.. ..	113
		<hr/>
		4,674,796
		<hr/>
Specific Investments—		
Commonwealth Securities .. .. .	.. ..	14,470
State Electricity Commission Debentures .. .. .	.. ..	2,400
Melbourne and Metropolitan Board of Works Debentures .. .. .	.. ..	3,500
Geelong Waterworks and Sewerage Trust Debentures .. .. .	.. ..	2,000
		<hr/>
		22,370
		<hr/>

The figures contained in the above summary are submitted subject to completion of the audit.

### TOURIST DEVELOPMENT AUTHORITY.

Under the *Tourist Act* 1958, as amended, the Tourist Development Authority is a body corporate responsible, primarily, for recommending to the Minister :—

- (i) measures for the publicizing and development of the tourist industry in Victoria ; and
- (ii) the making of payments out of the Tourist Fund for the improvement of tourist facilities.

For such purposes the Minister may authorize payments from the Fund on such terms and conditions as he thinks fit.

The Authority is also empowered to promote, assist and co-ordinate the activities of persons and organizations interested in the development of the tourist industry and to investigate such matters relating to the industry as are referred to it by the Minister.

In addition, the Authority is responsible for the administration of eight Victorian Government Tourist Bureaux. Three of these are outside Victoria, located respectively, at Adelaide, Sydney, and Brisbane.

The annual credits to the Tourist Fund include—a statutory levy on the Country Roads Board Fund calculated at 2 per centum of the amount credited to that Fund pursuant to the provisions of paragraph (d) of sub-section (1) of Section 38 of the *Country Roads Act* 1958 ; a specific appropriation from Consolidated Revenue under the authority of a Premier's Department Vote ; a contribution, also from Consolidated Revenue, as a charge to Railway Working Expenses ; and allocations from Loan Fund under the authority of certain Public Works Loan Application Acts.

An additional source of receipts for credit to the Tourist Fund has been provided under the *Motor Boating Act* 1961 which, by proclamation, has operated as from the 1st February, 1962. Pursuant to this Act, motor boats, with certain exceptions, are required to be registered with the Transport Regulation Board. The registration fees prescribed in the Schedule to the Act, although collectable by the Transport Regulation Board, are, as indicated above, payable to the credit of the Tourist Fund. However, the costs and expenses incurred by the Transport Regulation Board in the collection of these fees are chargeable to the Tourist Fund. The net credit so ascertained, is to be applied by the Tourist Development Authority in the provision of facilities for motor boating in Victorian waters. No expenditure for this purpose was incurred in the year under review and, therefore, the net amount collected in that period was, as part of the balance of the Tourist Fund, carried forward for expenditure in future years.

Credits to and disbursements from the Fund in each of the past two years are summarized below :—

<i>Credits.</i>		1960-61.	1961-62.
		£	£      £
140,962	Balance forward .. .. .		134,385
187,872	Contribution from Country Roads Board Fund .. .. .		191,554
35,000	Contribution under Public Works Loan Application Acts Nos. 6169 and 6826 .. .. .		70,000
1,155	Contributions by Municipalities—Share of cost of works, &c... .. .		15
981	Interest on loans to certain Bodies .. .. .		2,799
1,499	Loan repayments by certain Bodies .. .. .		3,043
..	Motor Boat Registration Fees (Net) .. .. .	44,436	
..	Less Costs and Expenses of Collection, &c. .. .. .	1,071	
..	Miscellaneous .. .. .		43,365
..	Tourist Bureaux operations—		215
49,514	Revenue from Commissions, &c. .. .. .	60,367	
99,500	From Consolidated Revenue—Share of cost of operations—		
96,810	Premier's Vote .. .. .	105,000	
	Railway Working Expenses .. .. .	95,000	
		260,367	
			571,358
613,293			705,743



## Disbursements.

1960-61.		£	£	£	1961-62.		£
	Expenditure on works authorized by the Tourist Resorts Committee prior to proclamation of the Tourist Act, and including administration charges of the Public Works Department ..	1,433					315
	Developmental and maintenance works authorized under the Act ..	121,795					158,399
	Publicity—net (excluding Tourist Bureaux Advertising, &c.) ..	26,908					25,869
	Loans to certain Bodies .. .. .	51,940					54,500
	Costs and administrative expenses—						
	Head Office .. .. .	29,494		24,716			
	Tourist Bureaux .. .. .	247,338		*275,209			
							299,925
	Disbursements for year .. .. .	478,908					539,008
	Balance at the close of the year .. .. .	134,385					†166,735
		613,293					705,743

\* Includes expenditure amounting to £16,973 on renovations and furniture—Adelaide Tourist Bureau.

† Includes £43,365 for disbursement on facilities for motor boating in Victorian waters.

Apart from the moneys credited to the Fund, cash collections by the Authority on account of railway bookings are, wherever practicable, paid into the Treasury by the Authority to the credit of railway income. Sums received for non-rail bookings are credited in the Treasury to the Tourist Bureaux Trust Account pending appropriate disbursement or allocation. The following statement summarizes the cash collections by the Authority at various locations during the year and shows the accounts in the Treasury to which these collections have been credited.

	Account Credited.					
	Railway Income.	Tourist Bureaux Trust Account.	Tourist Fund.	Revenue—No. 9—Miscellaneous.	Treasury Trust—Unclaimed Moneys.	Total Collections.
	£	£	£	£	£	£
Collections by—						
Head Office .. .. .		51,578	122,978		128	174,684
Tourist Bureaux—						
Melbourne .. .. .	729,148	470,464		177		1,199,789
Sydney .. .. .	29,241	39,904				69,145
Adelaide .. .. .	32,351	41,112				73,463
Brisbane .. .. .	7,400	14,772				22,172
Ballarat .. .. .	12,379	35,466				47,845
Bendigo .. .. .	13,251	48,173				61,424
Geelong .. .. .	15,500	60,292				75,792
Mildura .. .. .	5,763	6,530				12,293
	845,033	768,291	122,978	177	128	1,736,607

The value of rail travel for which tickets were issued by the Authority on the presentation of travel vouchers is not included in the above figures. In such instances, accounts are rendered by the Railways Department on the debtors concerned.

## MARKETING BOARDS.

## ASSOCIATED WITH PUBLIC ACCOUNT.

Particulars of those marketing Boards the financial operations of which pass through the Public Account are as follows:—

*Victorian Dried Fruits Board.*—The Board is responsible for the control of the marketing, in Victoria, of dried fruits produced in the State, the registration of packing houses, and the establishment and maintenance of standards in the industry.

The Board's operations are financed from the Dried Fruits Fund, and its accounts are based on a calendar year. The revenue of the Fund is derived almost entirely from statutory contributions made annually by packing-houses.

The following summary sets out the transactions of the Board for the years 1960 and 1961.

1960.			1961.	
£	£		£	£
13,785		Contributions .. .. .	18,118	
138		Other Income .. .. .	138	
<hr/>	13,923		<hr/>	18,256
		Payments—		
2,139		Allowances, Board Members .. .. .	2,246	
4,311		Salaries, Office Staff .. .. .	2,638	
5,492		Inspection and Grading .. .. .	6,032	
2,683		General Expenses .. .. .	3,397	
<hr/>	14,625		<hr/>	14,313
Deficit	702	Surplus for Year .. .. .		3,943
	<hr/>			<hr/>

The rise of £4,333 in income from "Contributions" was due to an increase in 1961 in the rate of contribution from 6s. to 6s. 6d. per ton accompanied by an increase in the tonnage of dried fruits processed.

At 30th June, 1962, the balance at credit to the Fund amounted to £18,162 and comprised cash £13,882 and investments £4,280.

*Milk Board.*—Trading operations for 1961–62 resulted in a revenue surplus of £30,819, an increase of £12,768 over the comparable figure for 1960–61. This increase was due mainly to additional revenue arising from an increase of .08d. per gallon in the Board's margin, operative from 1st September, 1962.

A summarized statement of the Board's operations for the year together with comparative figures for the previous year is set out hereunder. The figures shown are subject to audit.

1960–61.		<i>Revenue.</i>		1961–62.	
£				£	£
131,793	Milk Trading Revenue .. .. .			150,247	
11,318	Milk Shop Licence Fees .. .. .			13,234	
1,179	Milk Shop Licence Transfer Fees .. .. .			1,336	
<hr/>				<hr/>	
144,290					164,817
		<i>Expenditure.</i>			
40,706	Salaries .. .. .			43,650	
853	Pay-roll Tax .. .. .			900	
4,641	Rental of Premises .. .. .			3,685	
4,406	Travelling Expenses .. .. .			5,315	
4,205	General Expenses .. .. .			5,142	
67,827	Publicity Account—Appropriation .. .. .			70,319	
2,500	Improving Quality of Milk—Paid to Department of Agriculture .. .. .			2,500	
40	Building Maintenance .. .. .			546	
336	Interest .. .. .			878	
725	Depreciation .. .. .			1,063	
<hr/>				<hr/>	
126,239					133,998
<hr/>				<hr/>	
18,051	Surplus for the Year .. .. .				30,819
	<hr/>				<hr/>

The item "Publicity Account—Appropriation" represents an amount, £70,319, provided from revenue to meet publicity costs incurred in promoting the consumption of milk. Additional funds for this purpose, £7,777, were contributed by milk depots and carriers.

Expenditure on the campaign to promote the consumption of milk, amounting to £67,861, was met from the Publicity Account and the unexpended balance of the Account at 30th June, 1962 was £23,572.

The Board's balances as at 30th June, 1961 and 30th June, 1962, were:—

30.6.61.		30.6.62.
£		£      £
995,896	Sundry Creditors—Trade .. .. .	1,102,566
15,271	Sundry Creditors—Other .. .. .	21,935
8,471	Milk Shop Licences Paid in Advance (Net.) .. .. .	7,373
1,019,638		1,131,874
	Accumulated Funds—	
	Accumulation Fund—	
374,154	Balance Brought Forward .. .. .	392,206
18,051	Revenue Surplus for the Year .. .. .	30,819
392,205		423,025
13,337	Publicity Account .. .. .	23,572
405,542		446,597
1,425,180		1,578,471
354,879	Milk Board Fund—Balance at Treasury .. .. .	377,129
4,862	Milk Board Fund—Cash in Hand .. .. .	..
1,011,077	Sundry Debtors—Trade .. .. .	1,121,929
475	Sundry Debtors—Other .. .. .	659
1,569	Office Equipment and Furniture Less Depreciation .. .. .	2,634
..	Publishing Stocks (Publicity Account) .. .. .	668
..	Publishing Plant (Publicity Account) .. .. .	1,586
3,600	Pasteurization Plant Less Depreciation (Publicity Account) .. .. .	3,240
2,018	Motor Vehicles Less Depreciation .. .. .	2,464
46,700	Land and Buildings at Cost .. .. .	68,162
1,425,180		1,578,471

Trade debtors and creditors for the most part represented trading operations for the month of June, 1962. One contested debt of £5,819, is now receiving the attention of the Crown Solicitor.

The *Milk Board (Powers) Act 1960* extended the powers of the Milk Board to enable it, as a corporate body, to deal in land or any real or personal property. Under the authority of this Act a property was purchased at Hawthorn in 1960–61, for the sum of £46,700, to provide office accommodation for the Board. Expenditure in 1961–62 for alterations and additions to this property amounted to £21,462.

## GUARANTEES.

In certain instances, authorities for guarantees have been provided by specific legislation such as that relating to Co-operative Housing Societies. But, on other occasions, the State has been committed in respect of guaranteed bank overdrafts by the Executive without the specific authority of Parliament.

Particulars are given below of guarantees not authorized by statute and current at 30th June, 1962, showing the contingent liability of the State under each guarantee at that date.

	Guarantee.	Contingent Liability.
	£	£
Ballarat Agricultural and Pastoral Society .. .. .	3,500	3,500
Ballaarat City Council .. .. .	15,000	15,000
Bendigo City Council .. .. .	10,000	10,000
Exhibition Trustees .. .. .	180,000	153,000
Olympic Park Committee of Management .. .. .	140,000	95,000
Royal Agricultural Society of Victoria .. .. .	430,000	362,487
Wonthaggi Cotton Mills Pty. Ltd. .. .. .	30,000	30,000
A. V. Page Pty. Ltd., Wonthaggi .. .. .	27,000	27,000
College of Pharmacy .. .. .	60,000	60,000

The guarantee in respect of the Exhibition Trustees has been increased during the year from £30,000 to £180,000 to enable bank overdraft accommodation to be obtained for the purpose of financing improvements and additions to the Exhibition Building.

Guarantees in respect of the Olympic Park Committee of Management and the College of Pharmacy have been increased by £40,000 and £10,000 respectively, to assist in the provision of funds necessary for planned developmental works.

The reasons for the other guarantees mentioned above were given in the reports for previous years.

Set out below are the details of each of those guarantees, authorized by statute, where there was a contingent liability at 30th June, 1962.

	Guarantee.	Contingent Liability.
	£	£
Co-operative Housing Societies .. .. .	74,328,000	67,895,869
Co-operative Societies .. .. .	446,490	227,351
Home Finance Trust .. .. .	6,394,900	5,640,084

The repayment of loans made by approved bodies to registered Co-operative Housing Societies has been guaranteed by the Treasurer under the provisions of the *Co-operative Housing Societies Act* 1958 which now provides a limit of £80,000,000 to the liability which may be incurred by the State under this heading. At 30th June, 1962, 633 guarantees were current in respect of loans made or to be made.

The Treasurer has also entered into agreements with societies to indemnify them against losses they may incur by making advances in excess of 80 per cent., but not exceeding 95 per cent., of the total value of the land and the buildings to be erected thereon or the amount of £2,850, whichever is the lesser. At 30th June, there were 2,188 indemnities in force, the contingent liability upon which was £415,041.

The *Co-operation Act* 1958 as amended by Act No. 6749 provides a limit of £2,000,000 to the liability which the State may incur under guarantees given in respect of societies registered under this Act. To 30th June, guarantees to the extent of £446,490 had been given in relation to the loans of 54 societies, and the contingent liability under the guarantees amounted to £227,351.

The activities of the societies registered under this Act and the Co-operative Housing Societies Act are subject to the supervision of the Registrar. Their accounts are not audited by me, but, under the controlling legislation, are required to be audited, at least annually, by a person registered as a company auditor. They may also be inspected by the Registrar or some other person authorized to act on his behalf.

It is provided in the *Home Finance Act 1958* that the Treasurer may, with the approval of the Governor in Council, execute guarantees in favour of the Commissioners of the State Savings Bank or other approved bodies or corporations which, on security of a first mortgage of a dwelling-house, lend moneys beyond a specified maximum limit, or which deposit moneys with the Home Finance Trust to enable that body to make loans on similar security.

To 30th June, the Treasurer had executed 630 guarantees amounting to £419,900 in respect of loans beyond the specified maximum, and 43 guarantees totalling £5,975,000 in respect of amounts to be deposited with the Trust. The contingent liability, at 30th June, under these 673 guarantees was £5,640,084.

The accounts of the Trust are subject to audit by this office, and are discussed in further detail in my Supplementary Report.

*Building Societies Act 1958*.—This Act as amended by the *Building Societies (Amendment) Act 1961*, No. 6765, authorizes the Treasurer to guarantee the repayment by building societies of advances to them by banks, not exceeding in respect of any one society, a sum of £100,000. Up to and inclusive of 30th June, 1962, no such guarantees had been given.

### THE STATE'S DEBTORS.

Debts coming within this section are of two classes—arrears of revenue and advances to public bodies and others.

*Arrears of Revenue*.—The statement hereunder gives the position as to the amounts owing at the end of each of the last three financial years in respect of the major State activities.

	1960.	1961.	1962.
	£	£	£
Railways and State Coal Mine .. .. .	1,594,525	1,993,783	1,634,902
Taxation—			
Income .. .. .	1,934	811	1,655
Unemployment Relief .. .. .	754	298	473
Land .. .. .	659,514	909,856	1,622,032
Entertainments .. .. .	5,491	14,517	8,932
Probate Duty .. .. .	289,403	441,342	391,301
Water Supply .. .. .	579,674	487,939	602,200
Lands Department .. .. .	26,833	51,116	55,257
Soldier Settlement Commission .. .. .	203,302	212,398	185,154
Forests Commission .. .. .	*157,674	*229,123	247,038
Government Printer (excluding amounts due from State Departments) .. .. .	34,022	32,057	37,258
Other Departments .. .. .	67,916	31,999	75,904
Trading Activities—			
Victoria Dock Cool Stores .. .. .	78,420	66,813	116,591
Ligherage and Storage of Explosives .. .. .	1,415	1,109	270
Erica Sawmill .. .. .	15,064	13,108	13,022
Miscellaneous .. .. .	24,217	55,099	49,262
	3,740,158	4,541,368	5,041,251

\* Includes Timber Seasoning Works, Newport.

The arrears of Probate Duty do not include the amount of £402,064 which represents assessments issued during June, but not due and payable until after 30th June.

The increased arrears in respect of Land Tax were due mainly to the non-collection in the financial year of a number of special assessments which became payable just prior to 30th June. Collections during July reduced the arrears by approximately £819,874.

Amounts due to the Social Welfare Department have not been included in the statement of arrears as the debtors are, in most instances, persons without the means to pay, or whose whereabouts are unknown, and substantial collections in respect of these arrears are unlikely.

*Advances to Public Bodies, &c.*—The State makes advances from loan and revenue sources to public bodies and other organizations, and debts due to the State in respect of these advances are discussed under this heading. Amounts made available to major undertakings such as the State Electricity Commission, Housing Commission, Rural Finance and Settlement Commission—Finance Branch, &c., are not included here, but are discussed in the sections of the report relating to those activities.

Advances additional to those from loan or revenue moneys have been provided from the Decentralization Fund, £548,508; and from the Tourist Fund, £113,990. To 30th June, 1962, repayments on account of these advances amounted to £178,590 and £6,092 respectively. Further references are made under appropriate headings in this report.

Set out below is a summary of advances made during the last three years by means of special items in Loan Application Acts or from Treasurer's Advance.

	1959-60.	1960-61.	1961-62.
	£	£	£
Corporations and other Bodies .. .. .	1,366,660	1,872,432	1,452,448
Settlers .. .. .	2,061	2,571	929
Various .. .. .	65,800	57,800	36,750
<b>Total .. .. .</b>	<b>1,434,521</b>	<b>1,932,803</b>	<b>1,490,127</b>

Advances made during these years were related mainly to projects associated with water supply and sewerage in country districts.

In some cases, repayment of advances has not been in accordance with the agreed conditions and, at 30th June, instalments of redemption and interest charges due and unpaid amounted to £95,892. Following is a concise statement of the balances of advances and amounts overdue, together with brief comments in respect of the larger items:—

	Balance of Advances at 30th June, 1962.			Overdue at 30th June, 1962.				
	Loan.	Revenue.	Total.	Redemption.			Interest.	Total.
				Loan.	Revenue.	Total.		
	£	£	£	£	£	£	£	£
Co-operative Companies ..	1,669	..	1,669	..	..	..	..	..
Municipalities ..	1,380,541	..	1,380,541	7,922	..	7,922	29,611	37,533
Corporations and other bodies ..	11,506,476	600,000	12,106,476	5,048	..	5,048	27,231	32,279
Unemployment Relief Advances	107,080	..	107,080	15,736	..	15,736	..	15,736
Advances to Settlers ..	13,937	37	13,974	7,907	16	7,923	1,042	8,965
Various .. .. .	738,537	2,754	741,291	1,125	254	1,379	..	1,379
<b>Total .. .. .</b>	<b>13,748,240</b>	<b>602,791</b>	<b>14,351,031</b>	<b>37,738</b>	<b>270</b>	<b>38,008</b>	<b>57,884</b>	<b>95,892</b>

Included in the total of £95,892 overdue, are amounts of £1,042 in respect of advances to settlers and £29,611 on account of interest on the respective liabilities of certain municipalities in connexion with the construction of the King-street Bridge. These amounts are not shown in the Treasurer's Statement of Sundry Debtors to Revenue.

#### MUNICIPALITIES.

*King-street Bridge.*—The cost of construction of this bridge is being borne as to 65 per cent. by the State, 30 per cent. by the City of Melbourne and 5 per cent. by the City of South Melbourne. The cost is met initially by the State from the Loan Fund, and the proportionate shares of the municipalities are being repaid to the State, with interest at 5 per cent. per annum, over a period not exceeding 35 years from 30th June, 1958.

Expenditure from the Loan Fund to 30th June, 1962, totalled £4,323,444 of which roundly £1,500,000 is to be borne by the municipalities. Repayments to 30th June, amounted to £34,554.

## CORPORATIONS AND OTHER BODIES.

*Local Governing Bodies.*—To assist in the development of the water supply works controlled by certain municipalities, the State has made advances of £4,218,966 from loan and £4,000 from revenue. Repayments and amounts written off or transferred have left a balance to be repaid, at 30th June, of £2,515,541. Instalments of redemption and interest charges overdue at the same date totalled £87.

*Sewerage Authorities.*—Advances of £1,789,975 have been made from loan for capital works of country sewerage authorities, but £984,461 of this amount has been transferred to the Capital Expenditure borne by the State Account. Repayments amount to £141,913, and the balance of liability at 30th June was £663,601.

*Mildura Trusts.*—Loan advances to the First Mildura Irrigation Trust and the Mildura Urban Water Trust amount to £1,712,511 of which there has been repaid £63,418. Liability to the extent of £1,170,677 has been transferred to the State and £18,416 has been written off, leaving the balance of advances at 30th June, £460,000.

*Waterworks Trusts.*—Of advances of £10,456,295 from loan and £33,625 from revenue, £7,005,583 was still to be repaid at 30th June.

At the same date 80 trusts between them owed £31,155 for redemption and interest charges. (For further reference to these trusts see under State Rivers and Water Supply Commission).

*River Improvement Trusts.*—Provision has been made in the *River Improvement Act* 1958 for advances to be made to river improvement authorities for expenditure on approved works. At 30th June, total advances from loan funds, including £2,547 transferred from a Waterworks Trust, amounted to £1,403,448, but liability to the extent of £1,276,425 has been borne by the State. Further reference is made to these trusts under State Rivers and Water Supply Commission.

## UNEMPLOYMENT RELIEF ADVANCES.

Advances made to various bodies for purposes associated with the relief of unemployment totalled £2,478,032, of which £839,386 has since been treated as a grant and £27,824 has been written off. The balance of advances at 30th June, was £107,080 including £15,736 overdue instalments of redemption.

**SURCHARGES.**

In conformity with the provisions of Section 47 (1) (a) (v) of the *Audit Act* 1958, I furnish hereunder particulars of all surcharges unsatisfied as at 30th June, 1962.

Date.	Department, &c.	Amount.	Particulars.
<i>1. Treasurer's Accounts.</i>			
28.11.1961	Education .. ..	£   s.   d. 23   1   7	Deficiency in the Official Account of State School No. 2954. Jumbunna.
14.2.1962	Education .. ..	28   16   4	Deficiencies in the Official Account (£13 9s. 4d.) and the Works and Buildings Account (£15 7s.) of State School No. 891. Dixie.
<i>2. Other.</i>			
5.3.1959	Housing Commission ..	210   0   0	Deficiency in a rental officer's collections; restitution made to the extent of £169 4s. 6d. The person concerned cannot now be located.
29.11.1961	Melbourne University Union	147   11   0	Deficiency in the accounts of the Book Exchange. Restitution to the extent of £100 made by monthly instalments of £10.

**UNSATISFIED AUDIT QUERIES, ETC.****TREASURER'S ACQUITTANCE.**

Sub-sections (1) and (2) of Section 34 of the *Audit Act* 1958 require me to acquit the Treasurer, in the form of the Eleventh Schedule to the Act, for the amount of those public moneys which has been ascertained by me to have been duly and properly expended. Sub-section (3) of the said section excludes from the acquittance expenditure which is "the subject of query or observation or of show cause action or of disallowance or surcharge".

In accordance with the provisions of this Section the Treasurer has not been acquitted for expenditure to the extent of £4,139 in 1958-59, £23 in 1959-60, £1,636 in 1960-61, and £7,764 in 1961-62.

Advances to Departments, &c., not adjusted at 30th June, 1962, in respect of which the Treasurer had not been acquitted amounted to £568,356.

**Defalcations and Irregularities, 1961-62.**

Particulars as required by Section 47 of the *Audit Act* 1958 of cases in which default has been made in delivering or sending accounts or accounting for public or other moneys or stores, and of relevant proceedings taken.

(Amounts are shown to the nearer £1.)

**Premiers Department.—Tourist Development Authority.**

*Melbourne Tourist Bureau.*—An officer was found to be £30 short in his cash. Restitution was made.

A female employee was considered to have been responsible for a deficiency of £1. As she had left Victoria, no action for recovery was taken.

*Essendon Airport.*—A booking clerk omitted to account for £2. When the clerk concerned was advised of the omission the amount was paid in.



*Chief Secretary.*

*Aborigines Welfare.*—An audit of the accounts of the Aborigines Welfare Station at Lake Tyers disclosed a deficiency of £289. Individual responsibility for the shortage could not be determined.

*Police Department.*

*Heidelberg.*—A constable was charged with the embezzlement of £113. He was convicted on four counts totalling £60 and was sentenced to be imprisoned for two years.

*Loch.*—A constable was charged with the embezzlement of £97 and was committed for trial.

*Glenroy.*—The Police Station was entered, and cash amounting to £48, together with two pistols and other items was stolen.

*Social Welfare.*

An employee at the Allambie Hostel was charged with the theft of pay cash amounting to £31 and was committed for trial.

A cheque for £11 drawn on an official account was substituted for a like amount of cash which was not accounted for. Individual responsibility for the irregularity could not be determined.

*State Accident Insurance Office.*

An audit check of cash on hand (collections) disclosed a deficiency of £9. The amount was made good.

*Law Department.*

*Courts of Petty Sessions—Morwell and Traralgon.*—An audit examination of the accounts of these courts disclosed a cash deficiency of £40. Restitution was made and the officer responsible was dismissed.

*Treasurer.*

*Housing Commission.—Jordanville.*—Armed robbery of a rental officer resulted in a cash deficiency of £177. The loss was recovered under the terms of an insurance policy.

*Moama Street Rental Office.*—A rental officer was considered to have been responsible for a deficiency of £26. Restitution was made and the officer concerned was permitted to resign.

*Forests Commission.*

Separate deficiencies of £2 and £24 were disclosed by a routine check of the Mess Account and the Private Telephone Call Account at Tamboritha Base Camp. The amounts were made good by the employees concerned. The services of one employee were terminated.

*State Rivers and Water Supply Commission.*

*Dandenong.*—The strongroom and safe were forced by means of gelignite. Cash, cheques and stamps amounting to £394 were stolen.

*Railways Department.*

Twenty-eight officers and employees were found guilty of offences in respect of loss or theft of money or other property. With the exception of three instances involving sums of £157, £97 and £52, the cash and other deficiencies were comparatively small. Eleven of the charges were heard by the Courts and seventeen were dealt with by the Railways Board of Discipline.

*State Electricity Commission.*

*Briquette Depot, Bell.*—The office was entered during a weekend and £77 in cash was stolen.

*Victorian Inland Meat Authority.*

An audit check of cash on hand disclosed a shortage of £5. The officer responsible was permitted by the Authority to submit his resignation.

In addition, losses or thefts of stores or materials reported in the year were as follows :—

Department or Authority.	Location.	Items Lost or Stolen.	Value.	Remarks.
			£	
Agriculture .. ..	Burnley .. ..	Petrol .. ..	7	} Referred to Police for inquiry
" .. ..	Dookie .. ..	Tools, &c. .. ..	32	
" .. ..	Tocumwal .. ..	Sundries .. ..	5	
Forests .. ..	Lal Lal .. ..	Tools, &c. .. ..	17	
Gas and Fuel Corporation	West Melbourne ..	Phosphor bronze and white metal	255	
" " "	North Melbourne ..	Appliance stock ..	687	
Mental Hygiene ..	Kew .. ..	Brushes, paint &c. ..	73	
Public Works ..	Port Melbourne ..	Two electric motors..	No value	
" .. ..	Preston .. ..	Winch, steel cable, &c.	130	
" .. ..	Richmond .. ..	Motor mower, &c. ..	48	
" .. ..	Warrnambool Break-water	Lifebuoys, rope, &c.	52	
" .. ..	Various sites ..	Tools, survey equipment &c.	483	
Police .. ..	Glenroy .. ..	Pistols ammunition &c.	Not given	} Written off
Social Welfare ..	Beechworth .. ..	Clothing .. ..	12	
State Rivers and Water Supply Commission	Bacchus Marsh ..	Survey equipment ..	185	} Suspected thefts referred to Police for inquiry Losses written off by Commission
" .. ..	Camperdown .. ..	Lanterns .. ..	14	
" .. ..	Cobram .. ..	Tools, &c. .. ..	12	
" .. ..	Frankston .. ..	" .. ..	68	
" .. ..	Goulburn .. ..	" .. ..	62	
" .. ..	Hopetoun .. ..	" .. ..	2	
" .. ..	Kerang .. ..	Cement, sundries ..	34	
" .. ..	Kooweerup .. ..	Delvac .. ..	4	
" .. ..	Maffra .. ..	Sundries .. ..	26	
" .. ..	Pyramid .. ..	" .. ..	11	
" .. ..	Red Cliffs .. ..	Tools, &c. .. ..	3	
" .. ..	Rochester .. ..	Tractor tool kit ..	7	
" .. ..	Tatura .. ..	Tools, &c. .. ..	109	
" .. ..	Testing Laboratory ..	Battery charger ..	6	

## ACKNOWLEDGMENT.

I desire to express my appreciation of the manner in which members of the staff of the Audit Office have applied themselves during the year to the performance of their respective duties. Many of their tasks have been particularly onerous including, as they have, audits of accounts covering periods each exceeding one year. As I have stated previously, an entirely satisfactory position in relation to the statutory work of the Office will not be achieved until a higher proportion of qualified and experienced staff is available.

Also I desire to acknowledge with thanks the helpful co-operation which officers of the Treasury and other Departments have extended to me during the year in the course of the discharge of my audit responsibilities.

R. W. GILLARD,  
Auditor-General.

Melbourne, 15th October, 1962.

STATEMENT No. 1.

RECEIPTS AND EXPENDITURE FOR THE YEAR 1961-62.

A statement of the Receipts and Expenditure of the Consolidated Revenue, Loan Moneys and Advances on account of Loan Moneys\* for the financial year 1961-62.

		Receipts.			Expenditure.		
		£	s.	d.	£	s.	d.
<i>Balances brought forward—</i>							
Surplus for 1960-61	..	169,830	13	5	193,275,967	14	0
Loan Fund	..	925,510	12	7	3,022,308	19	11
		<hr/>			<hr/>		
				1,095,341	6	0	196,298,276
							13
							11
<i>Less Loan Expenditure charged to Treasurer's Advance</i>							
at 30.6.61	..	..	..	..	53,206,348	2	11
	..	..	..	..	210,514	18	3
		<hr/>			<hr/>		
				802,878	6	3	53,416,863
							1
				196,308,813	3	6	2
<i>Revenue for the year</i>	..	..	..	..	249,715,139	15	1
<i>Proceeds of Loans raised for Works</i>							
&c. ..	..	50,075,000	0	0	..	..	..
	..	..	..	..	..	..	..
	..	243,944	5	7	..	..	..
<i>Less Floatation Expenses</i>	..	..	..	..	..	..	..
					10,536	9	7†
					3,327	15	10
<i>Loan Repayments</i>	..	..	..	..	..	..	..
					13,864	5	5
		<hr/>			<hr/>		
				249,898,834	13	11	249,898,834
							13
							11

\* Does not include £14,000,445 advances from Commonwealth Government for Housing, including £4,058,100 for the Home Builders' Account.

† Subject to the passing of the Supplementary Estimates for the year.

## STATEMENT No. 2.

Comparison, on a monetary and proportional basis, of expenditure from Consolidated Revenue and Loan in 1961-62 with that in the previous year.

Note.—1961-62 shown in heavy type ; 1960-61 shown in light type.

Nature of Expenditure.	Revenue.		Loan.		Total.	
	—	Percentage of Gross Revenue.	—	Percentage of Loan Funds Available.	—	Percentage of Total.
Social—						
Education, Health, Child Welfare, Payments to Hospitals and Charities Fund, &c.	66,515,030 <b>70,387,549</b>	35·93 <b>35·86</b>	19,515,482 <b>22,031,836</b>	37·29 <b>41·24</b>	86,030,512 <b>92,419,385</b>	36·23 <b>37·01</b>
Law and Order—						
Law, Police, Penal, &c.	11,502,634 <b>14,033,713</b>	6·21 <b>7·15</b>	690,929 <b>832,601</b>	1·32 <b>1·56</b>	12,193,563 <b>14,866,314</b>	5·14 <b>5·95</b>
Debt Charges	31,992,712 <b>35,238,519</b>	17·29 <b>17·95</b>	..	..	31,992,712 <b>35,238,519</b>	13·47 <b>14·11</b>
Commonwealth-State Housing (Interest and Repayments)	5,244,936 <b>5,740,825</b>	2·83 <b>2·92</b>	..	..	5,244,936 <b>5,740,825</b>	2·21 <b>2·30</b>
Railways—						
Working Expenses and Loan Expenditure	39,576,828 <b>40,721,240</b>	21·38 <b>20·74</b>	7,563,610 <b>7,664,374</b>	14·45 <b>14·35</b>	47,140,438 <b>48,385,614</b>	19·85 <b>19·38</b>
Pensions	2,126,997 <b>2,826,788</b>	1·15 <b>1·44</b>	..	..	2,126,997 <b>2,826,788</b>	·90 <b>1·13</b>
Pensions (excluding Railways)	2,664,810 <b>2,299,549</b>	1·44 <b>1·17</b>	..	..	2,664,810 <b>2,299,549</b>	1·12 <b>·92</b>
Primary Production—						
Agriculture, Lands, Soldier Settlement, Forests, Country Water Supply, &c.	10,383,934 <b>10,996,064</b>	5·61 <b>5·60</b>	11,411,324 <b>11,597,171</b>	21·80 <b>21·71</b>	21,795,258 <b>22,593,235</b>	9·18 <b>9·05</b>
Advances to State Electricity Commission	..	..	6,750,000 <b>7,000,000</b>	12·90 <b>13·10</b>	6,750,000 <b>7,000,000</b>	2·84 <b>2·80</b>
Advance to State Superannuation Board	600,000	·32	..	..	600,000	·25
Other Public Works	..	..	3,594,930 <b>1,910,422</b>	6·87 <b>3·58</b>	3,594,930 <b>1,910,422</b>	1·52 <b>·76</b>
Other Expenditure	11,778,344 <b>14,050,371</b>	6·37 <b>7·16</b>	2,178,706 <b>2,380,459</b>	4·16 <b>4·45</b>	13,957,050 <b>16,430,830</b>	5·88 <b>6·58</b>
Transfers to Trust Accounts to meet expenditure in future years	2,545,347 <b>3,659</b>	1·38 <b>..</b>	..	..	2,545,347 <b>3,659</b>	1·07 <b>..</b>
Total Expenditure from Consolidated Revenue and Loan	184,931,572 <b>196,298,277</b>	99·91 <b>99·99</b>	51,704,981 <b>53,416,863</b>	98·79 <b>99·99</b>	236,636,553 <b>249,715,140</b>	99·66 <b>99·99</b>
Loan Funds carried forward	..	..	633,048 <b>3,328</b>	1·21 <b>·01</b>	633,048 <b>3,328</b>	·27 <b>..</b>
Revenue Surplus	169,831 <b>10,536</b>	·09 <b>·01</b>	..	..	169,831 <b>10,536</b>	·07 <b>·01</b>
Total Revenue and Loan Proceeds available to meet expenditure	185,101,403 <b>196,308,813</b>	100·00 <b>100·00</b>	52,338,029 <b>53,420,191</b>	100·00 <b>100·00</b>	237,439,432 <b>249,729,004</b>	100·00 <b>100·00</b>

## STATEMENT No. 3.

## LOAN FUND.

## ABSTRACT OF TRANSACTIONS FOR THE YEAR 1961-62.

	£	s.	d.	£	s.	d.
<i>Balance</i> of Loan Funds at 30th June, 1961 ..	925,510	12	7			
<i>Less</i> Charges to Treasurer's Advance at 30th June, 1961 .. .. .	292,462	19	9			
	<hr/>					
Loan Cash on hand at 1st July, 1961 .. ..	633,047	12	10			
<i>Receipts—</i>						
Proceeds of Loans Raised—						
For Works, &c. .. .. .	50,075,000	0	0			
,, Redemption .. .. .	34,687,425	4	5			
Loan Repayments .. .. .	2,956,087	9	9			
	<hr/>			88,351,560	7	0
<i>Disbursements—</i>						
Works, &c., Under Parliamentary Authority ..	53,206,348	2	11			
,, ,, From Treasurer's Advance .. .. .	210,514	18	3			
	<hr/>			53,416,863	1	2
Moneys applied to Redemption .. .. .	34,486,771	9	5			
Flotation Expenses .. .. .	243,944	5	7			
Conversion Bonus .. .. .	200,653	15	0			
	<hr/>			88,348,232	11	2
<i>Balance</i> Loan Cash on Hand at 30th June, 1962 .. .. .				3,327	15	10
	<hr/>					

## LIABILITY FOR LOANS.

State's Liability to Commonwealth at 30th June, 1961	633,008,578	7	1			
Loans raised in 1961-62—	£	s.	d.			
For Works, &c. .. .. .	48,597,575	4	4			
,, Redemption .. .. .	34,777,043	0	2			
	<hr/>			83,374,618	4	6
	<hr/>			716,383,196	11	7
<i>Less</i> Loans Repurchased or Redeemed—						
By Redemption Loans .. .. .	34,559,376	14	9			
,, National Debt Sinking Fund .. .. .	7,346,404	16	9			
	<hr/>			41,905,781	11	6
State's Liability to Commonwealth at 30th June, 1962 .. .. .				*674,477,415	0	1
<i>Less</i> Cash at credit of National Debt Sinking Fund	211,677	2	9			
Unexpended balance of Loan Cash .. .. .	3,327	15	10			
	<hr/>			215,004	18	7
Net Liability for Loans at 30th June, 1962 .. .. .				*674,262,410	1	6
Net Liability for Loans at 30th June, 1961 .. .. .				632,161,965	4	2
The increase during the year was .. .. .				42,100,444	17	4
	<hr/>					

\* Does not include £141,411,208 advanced by the Commonwealth for Housing purposes nor £8,995,057 advanced for special assistance for Soldier Settlement.

## STATEMENT No. 4.

## TRUST FUNDS.

The Treasurer's liability on account of the Trust Fund, at 30th June, 1962, was :—

Amounts lodged and invested—	£	£	£
Various funds as per Treasurer's Statement .. .. .	..	..	15,317,394
Securities lodged .. .. .	..	..	7,571,617
General Account balances—			
Various funds as per Treasurer's Statement .. .. .	..	..	29,953,071
			<u>52,842,082</u>
 Represented by :—			
Stock and Securities—			
Commonwealth Government Inscribed Stock, &c. ..	..	12,616,621	..
Melbourne and Metropolitan Board of Works Stock .. .. .	..	927,400	..
Melbourne and Metropolitan Tramways Board Stock .. .. .	..	155,000	..
State Electricity Commission Stock .. .. .	..	1,347,630	..
Gas and Fuel Corporation Registered Debenture Stock .. .. .	..	405,000	..
Geelong Harbor Trust Debentures .. .. .	..	117,407	..
Kyabram Co-operative Fruit Preserving Co. Ltd.—Shares .. .. .	..	3,634	..
Gas and Fuel Corporation of Victoria—Shares .. .. .	..	7,369,416	..
Blue Moon Fruit Co-operative Ltd.—Shares .. .. .	..	10	..
Melbourne Harbor Trust Stock .. .. .	..	65,000	..
State Savings Bank Deposit Stock .. .. .	..	575,000	..
Pilot Vessel <i>Akuna</i> —Registered Mortgage Debenture .. .. .	..	88,892	..
		<u>23,671,010</u>	
 Cash Advanced—			
For Revenue deficits .. .. .	..	1,707,342	..
For Other advances .. .. .	..	2,520,766	..
		<u>4,228,108</u>	
Cash as per Treasurer's Statement .. .. .	..	24,956,828	..
 <i>Deduct—</i>			
Loan Fund—Credit Balance .. .. .	..	3,328	..
Declared Revenue Surplus .. .. .	..	10,536	..
		<u>13,864</u>	
		<u>24,942,964</u>	
			<u>52,842,082</u>

**DEBT CHARGES ACCOUNT.**

The following particulars have been compiled from the Treasurer's Statements with the object of indicating that portion of the Revenue which may be regarded as available for the payment of Interest, Sinking Fund Contributions, &c., i.e., the amounts received to meet the Debt Charges paid for the year 1961-62.

		<b>Receipts.</b>			<b>Payments.</b>		
<i>Paid to Revenue—</i>		£	s.	d.	£	s.	d.
Water Trusts and Corporations, &c.	402,141	1	11				
Sewerage Authorities .. .. .	21,753	8	8	25,745,808	9	0	
Geelong Waterworks & Sewerage Trust	15,327	18	4	2,150,685	14	9	
Latrobe Valley Water & Sewerage Board .. .. .	255,256	19	9	109,571	12	1	
Melbourne and Metropolitan Board of Works .. .. .	19,038	3	4	28,006,065	15	10	
Land Settlement .. .. .	762,784	5	9	4,882,117	13	0	
Country Roads Board Fund .. .. .	893,944	8	4				32,888,183 8 10
State Electricity Commission .. .. .	3,931,308	0	4				
Grain Elevators Board .. .. .	50,524	14	6				
Housing Commission .. .. .	4,051,724	3	5				960,411 10 4
Home Builders' Account .. .. .	594,395	18	6				
Gas and Fuel Corporation .. .. .	241,764	2	1				
Rural Finance Corporation .. .. .	320,833	8	10				
Banks—Interest on Public Account	230,583	10	5				6,225,681 1 1
Miscellaneous .. .. .	183,591	3	11				
				11,974,971	8	1	
<i>Balance—</i> Amount which had to be met from Taxation and other sources .. .. .				28,145,664	15	6	
							40,120,636 3 7

In the preceding year (1960-61) Taxation, &c., provided £25,676,810 0s. 1d. The increase last year was £2,468,854 15s. 5d.

## STATEMENT No. 5—continued.

## DEBT CHARGES : STATISTICAL ANALYSIS.

Year.	Loan Liability (Average for each Year).†	Debt Charges Paid in each Year.	Net Amount Avail- able for Payment of Debt Charges.	Amount with which Taxation, &c., was Charged.	Average Debt Charge Rate on Loan Liability— Per Cent.	Rate of Receipts— Per Cent.	Provided by Taxation, &c.—Per Cent.
	£	£	£	£	£ s. d.	£ s. d.	£ s. d.
1952-53 .. ..	321,009,225	12,297,027	2,911,742	9,385,285	3 16 7	0 18 2	2 18 5
1953-54 .. ..	358,241,674	14,327,243	3,333,905	10,993,338	4 0 0	0 18 7	3 1 5
1954-55 .. ..	394,081,484	16,782,943	3,926,577	12,856,366	4 5 2	0 19 11	3 5 3
1955-56 .. ..	428,456,232	19,160,720	4,269,329	14,891,391	4 9 5	0 19 11	3 9 6
1956-57 .. ..	463,766,048	21,102,752	4,708,362	16,394,390	4 11 0	1 0 4	3 10 8
1957-58 .. ..	500,015,672	23,918,452	4,896,071	19,022,381	4 15 8	0 19 7	3 16 1
1958-59 .. ..	536,612,245	26,215,694	5,207,850	21,007,844	4 17 8	0 19 5	3 18 3
1959-60 .. ..	574,566,917	29,645,507	5,695,985	23,949,522	5 3 2	0 19 10	4 3 4
1960-61 .. ..	613,565,297	31,992,712	6,315,902	25,676,810	5 4 3	1 0 7	4 3 8
1961-62 .. ..	653,742,997	35,265,929	7,120,264	28,145,665	5 7 11	1 1 10	4 6 1

† Excludes advances from Commonwealth Government for Housing and certain advances for Soldier Settlement.

## COUNTRY WATER SUPPLY.

Year.	Loan Liability (Average for each Year).	Debt Charges on Water Supply Loans.	Net Earnings Available for Payment of Debt Charges.	Amount Provided by Taxation, &c.	Average Debt Charge Rate on Water Supply Loans —Per Cent.	Rate Earned—Per Cent.	Provided by Taxation, &c.—Per Cent.
	£	£	£	£	£ s. d.	£ s. d.	£ s. d.
1952-53 .. ..	60,677,092	2,193,884	..	2,193,884	3 12 4	..	3 12 4
1953-54 .. ..	68,292,379	2,507,318	..	2,507,318	3 13 5	..	3 13 5
1954-55 .. ..	77,002,616	3,096,235	..	3,096,235	4 0 5	..	4 0 5
1955-56 .. ..	84,957,069	3,490,361	72,220	3,418,141	4 2 2	0 1 8	4 0 6
1956-57 .. ..	91,579,468	3,814,836	..	3,814,836	4 3 4	..	4 3 4
1957-58 .. ..	98,040,683	4,264,713	401,130	3,863,583	4 7 0	0 8 2	3 18 10
1958-59 .. ..	104,864,693	4,640,190	322,656	4,317,534	4 8 6	0 6 2	4 2 4
1959-60 .. ..	111,855,889	5,063,370	239,871	4,823,499	4 10 6	0 4 3	4 6 3
1960-61 .. ..	119,230,446	5,483,647	268,932	5,214,715	4 12 0	0 4 6	4 7 6
1961-62 .. ..	127,111,430	6,053,361	614,118	5,439,243	4 15 3	0 9 8	4 5 7



## STATEMENT No. 6.

## RAILWAY ACCOUNTS.

## Statement of Railway Receipts and Expenditure, including Revenue and Loan Moneys.

Receipts.			Expenditure.		
	£	s. d.		£	s. d.
<i>Revenue—</i>			<i>Charged to Revenue—</i>		
Railway Income .. .. .	..	42,725,623 14 6	Working Expenses .. .. .	..	40,000,032 8 11
Treasury credit for concessions in certain Country Freight Charges ..	..	143,000 0 0	Accident Fund .. .. .	..	504,207 15 3
Recoup Kerang-Koondrook Tramway Act .. .. .	..	14,566 0 0	Renewals and Replacements Fund .. .. .	..	200,000 0 0
Recoup Pensioners' Fares Concessions .. .. .	..	100,000 0 0	Commissioners' Salaries .. .. .	..	17,000 0 0
			Pensions and Gratuities .. .. .	..	2,258,290 13 3
			Railway Equalization Account .. .. .	..	*3,658 17 1
		42,983,189 14 6			42,983,189 14 6
<i>Loan—</i>			<i>Charged to Loan—</i>		
Applied from the Loan Fund .. .. .	..	7,637,453 8 11	Additions and Improvements .. .. .	..	4,188,782 14 1
			Rolling-stock, Equipment, Machinery, and other Works .. .. .	..	219,694 18 4
			Construction of new lines, &c. .. .. .	..	224,054 0 4
			Replacement (Rehabilitation) Works .. .. .	..	3,004,921 16 2
					7,637,453 8 11
Total .. .. .	..	50,620,643 3 5	Total .. .. .	..	50,620,643 3 5

\* Available as required to meet Railway working expenses in future years.

## STATEMENT NO. 6—continued.

The expenditure charged to Revenue for the last six years and the deficiency in the Railway Receipts are shown in the following statement :—

Expenditure.	1956-57.	Per cent. of Revenue.	1957-58.	Per cent. of Revenue.	1958-59.	Per cent. of Revenue.	1959-60.	Per cent. of Revenue.	1960-61.	Per cent. of Revenue.	1961-62.	Per cent. of Revenue.
Working Expenses .. .. .	£ 37,185,983	} 99·3	36,054,257	} 100·4	35,777,135	} 93·9	36,957,974	} 94·7	38,876,566	} 91·2	40,000,032	} 93·1
Commissioners' Salaries .. .. .	14,000		14,000		14,900		200,000		200,000		17,000	
Renovals and Replacements Fund .. .. .	200,000	·5	200,000	·6	200,000	·5	200,000	·5	200,000	·5	200,000	·5
Railway Accident, &c., Fund .. .. .	335,875	·9	370,630	1·0	434,049	1·1	488,743	1·3	483,264	1·1	504,208	1·2
Pensions and Gratuities .. .. .	1,620,954	4·3	1,712,623	4·8	1,845,153	4·8	1,969,664	5·1	2,126,997	5·0	2,258,291	5·2
National Debt Sinking Fund .. .. .	182,546	·5	186,878	·5	196,822	·5	208,036	·5	211,232	·5	..	..
Interest .. .. .	3,023,161	8·1	3,283,262	9·1	3,466,653	9·1	3,605,250	9·2	3,777,482	8·9	..	..
Exchange on Interest Payments in London .. .. .	124,133	} ·3	123,180	} ·3	147,284	} ·4	173,882	} ·5	190,016	} ·5	..	..
Loan Conversion Expenses .. .. .	3,898		3,179		2,037		14,998		1,017		..	..
Railways Equalization Account .. .. .	..	..	..	..	..	..	..	..	920,347	2·1	3,659	..
Receipts .. .. .	42,690,550	113·9	41,948,009	116·7	42,084,033	110·3	43,634,201	111·8	46,803,921	109·8	42,983,190	100·0
Deficiency .. .. .	37,463,316	..	35,947,810	..	38,141,702	..	39,031,893	..	42,624,173	..	42,983,190	..
Deficiency .. .. .	5,227,234	..	6,000,199	..	3,942,331	..	4,602,308	..	4,179,748	..	..	..

## COUNTRY WATER SUPPLY.—RECEIPTS AND EXPENDITURE (adjusted to nearer pound), 1961-62.

<b>Receipts.</b>		<b>Expenditure.</b>			
		<i>Charged to Revenue—</i>	<i>State Development Account.</i>	<i>Country Water Supply.</i>	<i>Total.</i>
	£	£	£	£	£
<b>Receipts.</b>					
<i>Debt Charges.—Water Trusts and Other Corporations, &amp;c.</i>					
	£	£			
<i>Rates, &amp;c.—</i>					596,213
Coliban .. .. .					
Waterworks Districts .. .. .	198,167				1,997,454
Irrigation Districts .. .. .	476,829				571,440
Urban Districts .. .. .	1,777,042				71,326
Flood Protection and Drainage Districts .. .. .	684,652				966,116
Miscellaneous .. .. .	63,165				426,861
	150,340				33,304
	3,350,195				4,138,377
	919,225				14,000
<i>Recoups of Amounts paid from Revenue</i>					99,138
	4,269,420				4,251,515
<b>Total Revenue</b>	4,865,633		197,993	117,051	315,044
<b>Loan—</b>					
<i>Country Water Supply—</i>					
Applied from the Loan Fund	2,806,596				
Add Charges to Treasurer's Advance	71,399				
	2,877,995				
<i>State Development Account—</i>					
Applied from the Loan Fund	5,077,709				
	7,955,704				
			4,725,740	1,012,577	5,738,317
					10,304,876
<i>Charged to Loan—</i>					
<i>Total Revenue Expenditure.</i>					
Trusts, &c. (for Advances)			13,881	1,905,925	
Districts .. .. .			5,052,828		
Plant and Machinery .. .. .				58,798	
Latrobe Valley Water Supply .. .. .				913,272	
Tallangatta Township Removal .. .. .			930		
Salt Affected Land—Acquisition, &c. .. .. .			10,070		
			5,077,709	2,877,995	
					7,955,704
<b>Net Cost to Taxation and Revenue from Other Sources</b>	5,439,243				
					18,260,580
<b>Total</b>	18,260,580				18,260,580

## APPENDIX A.

## TREASURER'S ADVANCE 1961-62.

The following amounts were charged to Treasurer's Advance at 30th June, 1962, pending the passing of the appropriate Loan Application Act.

	£	s.	d.	£	s.	d.
Public Works—						
Health .. .. .	373	9	8			
Lower Yarra Crossing .. .. .	28,278	10	8			
Napier-street Bridge .. .. .	2,050	18	11			
University of Melbourne .. .. .	80,505	0	0			
Weights and Measures .. .. .	987	12	6			
	<hr/>			112,195	11	9
Railways—						
Construction of New Lines of Railway, &c. .. .. .				26,920	1	8
Water Supply—						
Ballarat Water Commissioners .. .. .	23,632	6	5			
Benalla Waterworks Trust .. .. .	1,218	15	4			
Bendigo Creek River Improvement Trust .. .. .	785	6	3			
Drouin Waterworks Trust .. .. .	8,000	0	0			
Inverloch Waterworks Trust .. .. .	232	8	1			
Moe Waterworks Trust .. .. .	1,200	10	5			
Myrtleford Waterworks Trust .. .. .	1,799	0	4			
Portland Waterworks Trust .. .. .	5,723	19	7			
Romsey Waterworks Trust .. .. .	999	10	5			
Seymour Waterworks Trust .. .. .	6,000	0	0			
Stratford Waterworks Trust .. .. .	7,640	5	8			
Tongala Waterworks Trust .. .. .	320	6	4			
Trafalgar Waterworks Trust .. .. .	3,899	9	8			
Violet Town Waterworks Trust .. .. .	994	6	9			
Warrandyte Waterworks Trust .. .. .	8,360	19	9			
Yarram Waterworks Trust .. .. .	591	19	10			
	<hr/>			71,399	4	10
Total .. .. .				210,514	18	3
				<hr/>		

## APPENDIX B.

Summary of particulars contained in Orders of His Excellency the Governor in Council pursuant to the provisions of Section 25 of the *Audit Act* 1958.

Vote.		Transferred—				
Division.	Sub-Division.	From Item.		To Item.		£
		Item No.	Particulars.	Item No.	Particulars.	
<b>PARLIAMENT.</b>						
2	2	3 & 4	Books and Publications, &c., and postal, &c., expenses	2	Office requisites and equipment, &c.	200
3	2	2 & 3	Office requisites, &c., and stores, tools, equipment, &c.	1	Travelling and subsistence	7
<b>DEPARTMENT OF PREMIER.</b>						
8	1	4	Payments in lieu of long service leave	1, 2	Salaries and allowances	232
..	2	5	Motor vehicles, purchase and running expenses	1, 2 and 4	Travelling &c., office requisites and postal, &c., expenses	2,364
9	2	2 and 5	Office requisites, &c., and motor vehicles, &c.	2, 3	Books and publications, &c.	600
10	2	1, 2, 3, 4, 5 and 7	Travelling, &c., office requisites, &c., books, &c., motor vehicles, &c., and publicity	2, 3 and 4	Office requisites, &c., books and publications, &c., and postal, &c., expenses	539
11	1	2	Overtime and penalty rates	3	Payments in lieu of long service leave	8
..	2	3	Books and publications, &c.	2	Office requisites, &c.	150
13	2	3	" " " "	1, 4 and 5	Travelling, &c., postal, &c., expenses and examination expenses	690
14	1	1	Salaries and allowances	2	Overtime and penalty rates	400
..	2	1	Travelling, &c.	2, 3 and 4	Office requisites, &c., books, publications, &c., and postal, &c., expenses	280
<b>DEPARTMENT OF CHIEF SECRETARY.</b>						
15	2	2, 3, and 4	Office requisites, &c., books, publications &c., and postal &c., expenses	1 and 5	Travelling, &c., and motor vehicles, &c.	269
..	3	2, 3, 4, 5 and 6	Expenses, censorship of films, expenses, Building Societies Act No. 8765, Premium Committee, Act No. 6325 expenses, expenses Insurance Commissioner Country Fire Authority and Workers Compensation Acts and allowances to ex-members &c., of Police Force	1	Commissions and Boards of Inquiry	705
16	2	2	Office requisites, &c.	1	Travelling, etc.	44
17	1	1	Salaries and allowances	2	Overtime and penalty rates	300
..	2	1	Travelling, &c.	2 and 4	Office requisites &c., and postal &c., expenses	260
18	1	1	Salaries and allowances	2	Overtime and penalty rates	250
..	2	2	Office requisites, &c.	3	Books, publications, &c.	100
19	2	5	Motor vehicles, &c.	4	Postal, &c., expenses	200
24	2	1, 3, 4, 6 and 7	Travelling, &c., books, publications, &c., postal, &c., expenses, fuel, &c., and fish hatcheries operating expenses	2 and 5	Office requisites, &c., and motor vehicles, &c.	6,023
25	2	2 and 4	Office requisites, &c., and postal, &c., expenses	1	Travelling, &c.	13
26	1	1	Salaries and allowances	3	Payments in lieu of long service leave	117
..	2	1	Travelling, &c.	2	Office requisites, &c.	123
27	1	1	Salaries and allowances	2	Overtime and penalty rates	1,100
27	2	3, 4 and 5	Books, publications, &c., postal, &c., expenses and motor vehicles, &c.	1 and 2	Travelling, &c., and office requisites, &c.	2,129
28	1	2	Overtime and penalty rates	1	Salaries and allowances	434
..	2	5, 6, 7 and 9	Motor vehicles, &c., fuel, &c., expenses &c., of governmental institutions, &c., and maintenance of migrant children	1, 2, 3, 4 and 8	Travelling, &c., office requisites, &c., books, &c., postal, &c., and expenses including grants and subsidies in connexion with State wards, &c.	11,823
29	1	1	Salaries and allowances	2 and 3	Overtime and penalty rates and payments in lieu of long service leave	2,231
..	2	1	Travelling, &c.	4	Postal, &c., expenses	450
..	..	8	Expenses, &c., in connexion with State wards, &c.	2 and 6	Office requisites, &c., and fuel, &c.	5,005
30	2	8	Materials for manufacture	2, 3, 4, 5, 6 and 7	Office requisites, &c., books, &c., postal, &c., expenses motor vehicles, &c., fuel, &c., stores, &c.	21,610
32	2	2, 3 and 5	Office requisites &c., books, &c., and motor vehicles, &c.	1 and 4	Travelling, &c., and postal, &c., expenses	926
33	1	2 and 3	Overtime and penalty rates and payments in lieu of long service leave	1	Salaries and allowances	13,439
..	2	2, 3, 5, 7, 8, 13 and 15	Office requisites, &c., books, &c., motor vehicles, &c., personal equipment, uniforms, &c., scientific equipment, &c., provision for police hospital and police long service, &c., medals	4, 6, 9, 10 and 12	Postal, &c., expenses, fuel, &c., contribution to Central Fingerprint Bureau, &c., transport of prisoners, &c., and burials	7,827
35	2	2, 4 and 5	Office requisites, &c., postal, &c., expenses and fuel, &c.	3	Books, &c.	300
36	1	1	Salaries and allowances	3	Payments in lieu of long service leave	423
..	2	1, 3 and 6	Travelling, &c., books, &c., and furniture fittings, display and other equipment, &c.	2 and 4	Office requisites, &c., and postal, &c., expenses	265
37	1	1	Salaries and allowances	2	Overtime and penalty rates	226
..	2	1, 2, 4 and 5	Travelling, &c., office requisites, &c., postal, &c., expenses and motor vehicles, &c.	7	Furniture and fittings, display and other equipment, &c.	278
38	1	2	Payments in lieu of long service leave	1	Salaries and allowances	2,037
..	2	2 and 7	Office requisites, &c., and furniture and fittings, display and other equipment, &c.	1 and 5	Travelling, &c., and motor vehicles, &c.	500
39	1	1	Salaries and allowances	2 and 3	Overtime and penalty rates and payments in lieu of long service leave	1,005
..	2	1, 2, 4 and 5	Travelling, &c., office requisites, &c., postal, &c., expenses and motor vehicles, &c.	3	Books, &c.	138
40	2	3 and 5	Books, &c., and publicity	2	Office requisites, &c.	183
41	2	1	Travelling, &c.	4 and 5	Postal, &c. expenses and motor vehicles, &c.	200
<b>DEPARTMENT OF LABOUR AND INDUSTRY.</b>						
42	1	2	Salaries and allowances	3	Overtime and penalty rates	1,500
..	2	2	Office requisites, &c.	5 and 6	Motor vehicles, &c., and expenses of Boards, &c.	850
..	3	2, 3 and 4	Remuneration of President, &c., Industrial Appeals Court, expenses of Apprenticeship week and Fees of Members, &c., Industrial Safety Advisory Council	1	Apprenticeship Commission—Fees and allowances..	590
<b>DEPARTMENT OF EDUCATION.</b>						
43	1	3 and 4	Overtime and penalty rates and payments in lieu of long service leave	2	Salaries and allowances	20,240
..	2	2, 4, 5, 7, 10, 11 and 12	Books, &c., motor vehicles, &c., school and office equipment, &c., visual education libraries, &c., examination expenses and refund of school fees, &c.	1, 3, 6, 8, 9 and 13	Travelling, &c., postal, &c., expenses, school maintenance, domestic arts, manual training and allowances to school cleaners, &c.	36,049
..	3	3 and 4	Allowances to students in training and provision of bus services, &c.	6, 9 and 23	Maintenance, &c., of students from other States, establishment of camp, &c., at Somers and to supplement annual appropriation to Adult Education Fund	5,400

## APPENDIX B—continued

Vote.		Transferred—				
Division.	Sub-Division.	From Item.		To Item.		£
		Item No.	Particulars.	Item No.	Particulars.	
<b>DEPARTMENT OF ATTORNEY-GENERAL.</b>						
45	2	4, 5, 6, 8, 9 and 12	Postal, &c., expenses, motor vehicles, &c., fuel, &c., payments to jurors, &c., costs payable by the Crown and costs—companies (special investigations)	1, 2, 3, 7 and 11	Travelling, &c., office requisites, &c., books, &c., allowances to Witnesses and Prosecutors' appearance fees	13,323
..	3	2	Contribution to special fund for Superannuation Allowances to Judges' Associates	3	Contribution towards cost of printing manual of Honorary Justices' Association	212
46	1	2 and 3	Overtime and penalty rates and payments in lieu of long service leave	1	Salaries and allowances	1,286
..	2	3, 5, 7, 9 and 10	Books, &c., fuel, &c., post mortems, refunds of fines and remuneration to surgeons	2, 4 and 6	Office requisites, &c., postal, &c., expenses and medical supplies, &c., for Coroner's Court, &c.,	7,400
47	1	2	Overtime and penalty rates	1	Salaries and allowances	50
..	2	4	Postal, &c., expenses	3	Books, &c.	50
48	1	2	Overtime and penalty rates	1	Salaries and allowances	701
..	2	2 and 6	Office requisites, &c., and publicity	4	Postal and telephone expenses	400
<b>DEPARTMENT OF TREASURER.</b>						
49	1	2	Salaries and allowances	3	Overtime and penalty rates	400
..	2	2, 3, 4, 5, and 6	Office requisites, &c., books, &c., postal, &c., expenses, motor vehicles, &c., and refunds of moneys unclaimed over six years	1 and 7	Travelling, &c., and interest on deposits, &c.	1,321
..	3	2	Payment to New Zealand Government in respect of subscriptions in New Zealand to Tattersall Consultations	7 and 10	Refunds of money paid for permits, &c., to supplement annual subsidy to Royal Mint, refund of interstate transport fees, &c., recoup to Railways Department (Kerang and Koondrook tramway,) railway passes, &c., contribution to Victorian Promotion Trust Fund, A.B.C.—grant towards cost of Victorian Symphony Orchestra, grant to Commonwealth Parliamentary Association and grant to State Service Concert Orchestra	42,645
51	2	5	Transport and other cartage expenses, &c.	1	Travelling, &c.	20
52	2	3	Books, &c.	1	Travelling, &c.	8
53	1	1	Salaries and allowances	2	Overtime and penalty rates	54
..	2	2	Office requisites, &c.	1 and 3	Travelling, &c., and books, &c.	300
54	2	4	Postal, &c., expenses	1	Travelling, &c.	725
55	1	2	Overtime and penalty rates	1	Salaries and allowances	50
56	1	2 and 3	Overtime and penalty rates and payments in lieu of long service leave	1	Salaries and allowances	3,274
..	2	3, 4, 5 and 6	Books, &c., postal, &c., expenses, motor vehicles, &c., and fuel, &c.	1, 2 and 8	Travelling, &c., office requisites, &c., and working charges	4,447
<b>DEPARTMENT OF LANDS AND SURVEY.</b>						
57	2	1, 5 and 9	Travelling, &c., motor vehicles, &c., and fees for registration of powers of attorney, &c.	2, 3, 4, 6 and 8	Office requisites, &c., books, &c., postal, expenses &c., fuel, &c., and survey expenses	6,467
..	3	5	Payment to Soldier Settlement Commission for land to be used for recreation purposes	2, 3, and 9	Aerial survey equipment, &c., rebates to certain wire netting purchasers and repairs, &c., to Crown property	475
58	3	1	Payment to municipal councils, &c., in lieu of rates..	2	Costs and expenses of land utilization, &c.	60
59	1	1	Salaries and allowances	3	Payments in lieu of long service leave	261
..	2	1, 2, 4, 5 and 6	Travelling, &c., office requisites, &c., postal, &c., expenses, motor vehicles, &c., and fuel, &c.	3 and 7	Books, &c., and tools, equipment, &c.	400
<b>DEPARTMENT OF PUBLIC WORKS.</b>						
60	1	3 and 4	Overtime and penalty rates and payments in lieu of long service leave	2	Salaries and allowances	4,978
..	2	1 and 4	Travelling, &c., and postal, &c., expenses..	2, 3 and 5	Office requisites, &c., books, &c., and holiday and sick pay—employees on works	9,382
..	3	2 and 5	Rents, &c., and Storeyards—repairs and maintenance &c.	1, 6 and 9	Maintenance, repairs, &c., to buildings, &c., extension, repairs, &c., to Murray levees and repairs, &c., to Government House and grounds	5,173
61	2	3 and 4	Books, &c., and postal, &c., expenses	1 and 2	Travelling, &c., and office requisites, &c.	473
..	3	3	Lighterage of explosives—expenses	1, 2, 4 and 6	Maintenance, &c., of wharves, &c., navigational aids, &c., marine survey expenses and expenses &c., of Marine Board	2,463
<b>DEPARTMENT OF LOCAL GOVERNMENT.</b>						
62	2	5	Motor vehicles, &c.	1 and 3	Travelling, &c., and Books, &c.	350
63	2	1 and 5	Travelling, &c., and motor vehicles, &c.	2, 3 and 4	Office requisites, &c., books, &c., and postal, &c., expenses	403
<b>DEPARTMENT OF STATE MINES.</b>						
64	2	1	Travelling, &c.	4	Postal, &c., expenses	100
<b>DEPARTMENT OF FORESTS.</b>						
65	1	3	Payments in lieu of long service leave	1	Salaries and allowances	1,522
..	3	2	State Sawmill—Working expenses	1	Utilization of forest produce	2,990
<b>DEPARTMENT OF WATER SUPPLY.</b>						
66	1	1	Salaries and allowances	2	Overtime and penalty rates	2,350
..	2	4, 5, 6, 7, 11 and 12	Postal, &c., expenses, fuel, &c., worker's compensation insurance, rent, repairs, &c., of residences and pay-roll tax	1, 2, 3, 8, 9 and 10	Travelling, &c., office requisites, &c., books, &c., contour surveys, &c., river gaugings, &c., and central workshops and storeyards	23,202
..	3	4, 5, 8, 9 and 10	Materials, &c., flood protection districts, &c., removal of sand drift, subsidies to waterworks trusts, &c.	1 and 3	Coliban—materials and other expenses and Waterworks districts, &c.—materials and other expenses	18,712
<b>DEPARTMENT OF AGRICULTURE.</b>						
67	2	1 and 2	Travelling, &c., and office requisites, &c.	5	Motor vehicles, &c.	365
..	3	1	Victoria Dock Cool Stores—equipment and running expenses	6	Contribution to Commonwealth Agricultural Bureaux	189
68	1	3	Payments in lieu of long service leave	1	Salaries and allowances	51
..	2	5	Motor vehicles, &c.	2	Office requisites, &c.	100
69	3	1, 2, 5, 7, 8, 9, 10 and 11	Running expenses, &c.—State Research Farm, Werribee. Research Station, Rutherglen, Tobacco Research Station, Myrtleford, and crop and pasture experiments, Glenormiston, irrigated pasture experiments, agricultural, &c., work, agronomy scholarships and contribution to Wheat Industry Trust Account	6	Mallee Research Station, Walpeup—towards meeting cost of running expenses, &c.	725

## APPENDIX B—continued

Vote.		Transferred—				
Division.	Sub-Division.	From Item.		To Item.		
		Item No.	Particulars.	Item No.	Particulars.	
<b>DEPARTMENT OF AGRICULTURE—continued.</b>						
70	1	2 and 3	Overtime and penalty rates and payments in lieu of long service leave	1	Salaries and allowances	£ 3,656
..	2	6	Fuel, &c.	2 and 7	Office requisites, &c., and expenses, &c., of inspectors	123
..	3	1, 5, 6 and 8	Running expenses, &c.—Rutherglen Viticultural Station and Wahgunyah Nursery and horticultural experiments—Glenormiston, horticultural experimental, &c., work and horticultural scholarships	3	Horticultural Research Station—Scoresby, running expenses, &c.	110
71	2	1, 2, 3, 4, 6, 9 and 10	Travelling, &c., office requisites, &c., books, &c., postal, &c., expenses, fuel, &c., compensation under Swine Act and payment for tuberculin testing	5 and 8	Motor vehicles, &c., and stores &c., in connexion with stock disease control	3,381
72	2	1, 3, 4 and 7	Travelling, &c., books, &c., postal, &c., expenses and refund on fees paid under Milk and Dairy Supervision Act	2, 5 and 6	Office requisites, &c., fuel, &c., and materials, &c., for herd testing	123
<b>DEPARTMENT OF HEALTH.</b>						
73	1	2	Salaries and allowances	3 and 4	Overtime and penalty rates and payments in lieu of long service leave	633
..	2	1, 2, 3 and 4	Travelling, &c., office requisites, &c., books, &c., and postal, &c., expenses	5	Motor vehicles, &c.	81
74	1	1	Salaries and allowances	3	Payments in lieu of long service leave	1,179
..	3	1	Subsidies to municipalities, &c., to provide elderly people with assistance, &c.	2 and 3	Subsidies to municipalities, &c., towards home help schemes. Amount to meet cost of travel on State-owned transport of people of limited means visiting hospitals	15,359
75	3	2	Preventive measures concerning tuberculosis including publicity, &c.	1 and 3	Maintenance, &c., of State Sanatoria and tuberculosis wards at hospitals, &c.	24,000
76	1	1	Salaries and allowances	2	Payments in lieu of long service leave	380
..	2	3, 6, 7 and 9	Books, &c., Ante-Natal Clinics sessional fees, &c., of medical officers, &c., school medical and dental expenses and expenses in connexion with infant welfare and pre-school scholarships	1, 4 and 8	Travelling, &c., postal, &c., expenses and medical &c., expenses in connexion with children under care of Children's Welfare Department	12,640
77	2	5, 6, 9 and 10	Motor vehicles, &c., fuel, &c., commital of patients and expenses of boarding out patients	1, 2, 3, 4 and 8	Travelling, &c., office requisites, &c., books, &c., postal expenses, &c., and medicines and drugs &c.	31,169
<b>DEPARTMENT OF RAILWAYS.</b>						
78	1	3, 4, 5 and 9	Rolling-stock Branch, Electrical Engineering Branch Stores Branch and Contribution to Railway Accident and Fire Insurance Fund	1, 2, 6, 7 and 10	Traffic and Commercial Branches, Way and Works Branch Refreshment and Advertising services, General Expenses and Payroll tax	221,962
<b>STATE COAL MINE.</b>						
80	3	2	Coal Mine Workers' Pensions Fund Contribution	3	Superannuation charges	242
<b>MINISTRY OF TRANSPORT.</b>						
81	2	4 and 5	Postal, &c., expenses and Motor vehicles, &c.,	2	Office requisites, &c.	153

## APPENDIX C-1

## ENDOWMENTS AND GRANTS.

	1960-61.	1961-62.	Increase + Decrease -
	£	£	£
<b>Social—</b>			
Alcoholism Foundation of Victoria .. .. .	..	800	+ 800
Alexander Miller Memorial Homes Trust .. .. .	2,000	2,000	..
Australia Day Council .. .. .	1,250	1,250	..
Australian Association for United Nations .. .. .	500	500	..
Australian Red Cross Society for After-care Treatment of Poliomyelitis Sufferers .. .. .	16,000	16,000	..
Ballarat Youth Centre .. .. .	800	800	..
Boys' Employment Movement .. .. .	1,100	1,200	+ 100
Boy Scouts Association .. .. .	2,000	2,000	..
Bush Nursing .. .. .	89,000	96,500	+ 7,500
College of Optometry .. .. .	11,500	..	- 11,500
Elwood Life Saving Club .. .. .	..	1,000	+ 1,000
Father and Son Welfare Movement .. .. .	600	600	..
Girl Guides Association .. .. .	2,000	2,000	..
Lord Mayor's Children's Camp Fund .. .. .	5,000	5,000	..
Marriage Guidance Council of Victoria .. .. .	2,500	1,000	- 1,500
National Fitness Council .. .. .	17,500	20,000	+ 2,500
National Safety Council .. .. .	5,750	10,000	+ 4,250
Occupational Therapy .. .. .	1,500	2,000	+ 500
Over Fifty Association .. .. .	400	400	..
Playgrounds and Recreation Association of Victoria .. .. .	5,000	5,000	..
Probation Officers' Association .. .. .	100	100	..
Rotary Youth Club at Bendigo .. .. .	500	500	..
Royal Humane Society .. .. .	10	10	..
Royal Life Saving Society .. .. .	2,500	5,000	+ 2,500
St. John's Ambulance Brigade .. .. .	1,450	1,750	+ 300
Salvation Army .. .. .	500	500	..
Science and Technology Careers Bureau .. .. .	..	2,000	+ 2,000
State Relief Committee .. .. .	22,000	22,000	..
Surf Life Saving Association of Australia .. .. .	3,000	6,000	+ 3,000
Victorian Amateur Swimming Association .. .. .	1,000	1,000	..
Victorian Council of Pedal Clubs .. .. .	400	..	- 400
Victorian Council for Social Services .. .. .	1,700	1,700	..
Victorian Family Council .. .. .	500	500	..
Victorian Nursing Council—Training Schools for Nurses .. .. .	..	12,000	+ 12,000
Walter and Eliza Hall Research .. .. .	16,000	16,000	..
Young Christian Workers Movement .. .. .	1,000	1,000	..
Young Farmers' Clubs Association .. .. .	12,000	13,500	+ 1,500
Young Men's Christian Association .. .. .	2,000	2,000	..
Youth Unlimited .. .. .	500	..	- 500
<b>Cultural—</b>			
Bands .. .. .	1,950	2,400	+ 450
Children's Free Libraries .. .. .	5,000	9,000	+ 4,000
Country Art Galleries .. .. .	3,500	10,000	+ 6,500
Country Free Libraries .. .. .	9,000	9,000	..
Cultural Development .. .. .	43,230	47,895	+ 4,665
Municipal and Regional Libraries .. .. .	295,000	336,965	+ 41,965
Orchestral Concerts .. .. .	14,150	14,072	- 78
Victorian Symphony Orchestra .. .. .	25,000	32,500	+ 7,500
<b>Sundry—</b>			
Animal Welfare League .. .. .	500	500	..
Australian Publicity Council .. .. .	5,000	5,000	..
Ballarat Fish Acclimatization Society .. .. .	1,200	1,200	..
British Commonwealth Youth Sunday .. .. .	4,298	3,967	- 331
British Memorial Foundation .. .. .	100	100	..
Cemeteries, Improvement and Maintenance .. .. .	7,000	7,000	..
Commonwealth Parliamentary Association—Victorian Branch .. .. .	700	11,611	+ 10,911
Congress of International Council of Nurses .. .. .	1,500	..	- 1,500
Exhibition Trustees .. .. .	1,000	1,000	..
Female Prison Reform—Grant to Consultative Council .. .. .	50	50	..
Guide Dog owners and Friends Association .. .. .	500	500	..
Kerang Agricultural Research Farm .. .. .	..	500	+ 500
Macalister Research Farm Co-operative Ltd. .. .. .	..	1,000	+ 1,000
Melbourne Medical Post-Graduate Committee .. .. .	2,000	2,000	..
National Association of Testing Authorities .. .. .	250	350	+ 100
National Trust of Australia (Victoria) .. .. .	6,000	6,000	..
Natural Resources Conservation League of Victoria .. .. .	5,000	..	- 5,000
Phillip Island Koala Reserve Committee of Management .. .. .	1,200	1,200	..
Royal Institute of Public Administration .. .. .	..	250	+ 250
Royal Society for the Prevention of Cruelty to Animals .. .. .	500	500	..
Save the Forests Campaign .. .. .	5,000	5,000	..
South African Soldiers Association of Victoria .. .. .	..	2,000	+ 2,000
Standards Association of Australia .. .. .	1,500	1,500	..
Trustees, Shrine of Remembrance .. .. .	1,000	1,000	..
Victorian Field Game Shooter's Association .. .. .	..	400	+ 400
Victorian Piscatorial Council .. .. .	800	900	+ 100
War Nurses Memorial Centre .. .. .	2,000	2,000	..
Water Research Foundation of Australia Ltd. .. .. .	5,000	5,000	..
Zoological Board of Victoria .. .. .	15,000	16,000	+ 1,000
<b>Total .. .. .</b>	<b>693,488</b>	<b>791,970</b>	<b>+ 98,482</b>

The Treasury vote for cultural development is included in total in the above statement. A dissection of the allocations from this vote is given Appendix C-2.





## APPENDIX C-2—continued.

	£
Kyneton Lions' Club Musical Festival .. .. .	200
Latrobe Valley Eisteddfod .. .. .	200
Malvern Arts Council .. .. .	50
Mansfield Arts Group .. .. .	25
Maryborough Arts Society .. .. .	100
Melba Memorial Conservatorium of Music .. .. .	750
Mildura District Orchestral Society .. .. .	200
"Moomba" Festival .. .. .	2,000
Mordialloc City Philharmonic Society .. .. .	100
Mordialloc Eisteddfod .. .. .	25
Mornington Eisteddfod .. .. .	100
Mortlake Drama Group .. .. .	25
Morwell Players .. .. .	50
National Theatre Movement of Australia .. .. .	14,250
National Theatre Movement of Australia (Ballarat Branch) .. .. .	200
National Theatre Movement of Australia (Swan Hill Branch) .. .. .	300
Newtown and Chilwell Highland Gathering Committee .. .. .	50
Nhill Music and Drama Society .. .. .	25
Northcote Dramatic Society .. .. .	50
Orbost Drama Group .. .. .	25
Oriana Madrigal Choir .. .. .	50
Peninsula Arts Society .. .. .	50
Portland Council for the Encouragement of Music and the Arts .. .. .	100
"Q" Theatre Guild .. .. .	100
Ringwood Arts and Crafts Society .. .. .	25
Rochester Music and Drama Circle .. .. .	25
St. Arnaud Drama Group .. .. .	50
St. John's Competitions, Ballarat .. .. .	125
Sale Eisteddfod Society .. .. .	200
Sale Repertory Group .. .. .	50
Sandringham City Choral Society .. .. .	50
Sandringham Symphony Orchestra .. .. .	100
Seymour Dramatic Club .. .. .	50
Shepparton and District Highland Gathering Society .. .. .	100
Shepparton Drama Group .. .. .	25
Shepparton Musical Advancement Society .. .. .	150
Shepparton Players .. .. .	25
Shepparton Symphony Orchestra .. .. .	215
South Gippsland Music and Speech Festival .. .. .	50
South-street Society .. .. .	1,500
Stawell Choral Society .. .. .	50
Stawell Drama Group .. .. .	25
Thespians (Yallourn) Dramatic Society .. .. .	25
Thorpdale Drama Group .. .. .	25
Toora Drama Group .. .. .	25
Traralgon Music Drama and Art Society .. .. .	150
Victorian Artists' Society .. .. .	500
Victorian Ballet Guild .. .. .	750
Victorian Drama League .. .. .	750
Victorian Highland Pipe Band Association .. .. .	250
Victorian Light Opera Company .. .. .	100
Wangaratta Arts Council .. .. .	750
Wangaratta Eisteddfod Society .. .. .	25
Wangaratta Players .. .. .	50
Warrandyte Arts Association .. .. .	150
Warrnambool City Musical Society .. .. .	50
Wendouree Arts Council .. .. .	25
West End Eisteddfod (Footscray) .. .. .	300
Western District Eisteddfod .. .. .	250
Williamstown Light Opera Company .. .. .	100
Williamstown Little Theatre Movement .. .. .	150
Wonkana Choral Society .. .. .	50
Yallourn Little Theatre .. .. .	50
Yallourn Orchestral and Choral Society .. .. .	100
<b>Total</b> .. .. .	<b>47,895</b>

## APPENDIX D.

## STATEMENT OF STORES HELD FOR ISSUE BY GOVERNMENT DEPARTMENTS AND PUBLIC AUTHORITIES.

Department or Public Authority.	Nature of Stores.	Value as at 30th June, 1962.
<b>1. Departments—</b>		£
Agriculture .. .. .	Machinery and Equipment Parts, Fuel, Seed, Publications ..	76,860
Chief Secretary—		
(a) Police Branch (including Motor Registration Branch)	Radio and Vehicle Parts, Clothing, Office Requisites ..	184,483
(b) Social Welfare Branch .. .. .	Clothing, Bedding, Crockery, Hardware .. ..	226,677
Crown Lands and Survey .. .. .	Implements, Equipment, Plans, Photographic Materials ..	282,184
Education .. .. .	School Requisites, Books, and Equipment .. ..	292,045
Forests .. .. .	Vehicle Parts, Tools, Fuel .. .. .	253,577
Health (including Mental Hygiene Authority) ..	Furniture, Hardware, Linen, Instruments, Clothing, Drugs ..	387,929
Mines .. .. .	Machinery, Tools, Tubing, Chemicals .. .. .	191,429
Public Works .. .. .	Mechanical and Electrical Equipment, Spare Parts, Furniture, Building Materials	276,131
Railways (including State Coal Mine) .. .. .	Engineering, Refreshment Services, and General Stores ..	4,746,395
Treasurer—Government Printer .. .. .	Paper, Stationery, Publications .. .. .	548,611
Water Supply .. .. .	Machinery Parts, Tools and General Stores .. ..	968,173
<b>2. Public Authorities—</b>		
Cancer Institute Board .. .. .	Medical, Technical and General Stores .. .. .	25,807
Council of Adult Education .. .. .	Theatrical Equipment .. .. .	5,958
Country Fire Authority .. .. .	Fire Appliances, Hose, Spare Parts, Uniforms .. ..	37,547
Country Roads Board .. .. .	Vehicle Parts and Accessories, Camping Equipment, General Stores	570,253
Egg and Egg Pulp Marketing Board .. .. .	Eggs, Packing Materials, Spare Parts .. .. .	285,836
Gas and Fuel Corporation .. .. .	Gas Appliances, Fittings, and General Stores .. ..	1,589,736
Geelong Harbor Trust .. .. .	Engineering and Maintenance Stores .. .. .	34,130
Grain Elevators Board .. .. .	Mechanical Parts, Steel, Fuel .. .. .	4,699
Housing Commission .. .. .	Building Materials, Spare Parts .. .. .	237,986
Latrobe Valley Water and Sewerage Board ..	Construction Materials, Pipes, Spare Parts .. ..	33,580
Melbourne and Metropolitan Board of Works ..	Engineering Stores, Spare Parts, Pipes, Meters .. ..	1,050,000
Melbourne and Metropolitan Tramways Board ..	Engineering Stores and Parts, Uniforms, and Stationery ..	405,903
Melbourne Harbor Trust .. .. .	Maintenance and Engineering Stores .. .. .	413,527
Metropolitan Fire Brigades Board .. .. .	Fire Appliances, Electrical and Engineering Stores, Uniforms	91,000
Portland Harbor Trust .. .. .	Maintenance and Engineering Stores .. .. .	56,960
Rural Finance and Settlement Commission ..	Constructional and General Stores .. .. .	80,208
State Electricity Commission .. .. .	Electrical, Maintenance, and Constructional Stores ..	3,169,505
State Relief Committee .. .. .	Clothing, Bedding, Hardware, Provisions .. .. .	71,122
Transport Regulation Board .. .. .	Stationery and Office Requisites .. .. .	6,815
University of Melbourne .. .. .	Building Materials and Stationery .. .. .	20,500
Victorian Inland Meat Authority .. .. .	Livestock, Meat, Packing Materials, General Stores ..	49,000
	Total .. .. .	16,874,566

APPENDIX E

EDUCATION DEPARTMENT  
Comparative Analysis of Expenditure from Loan and Revenue

NOTE:—1961-62 shown in heavy type.  
1960-61 shown in light type.

	Administration	Central Schools and Classes	Correspondence School	Girls' Secondary Schools	High Schools	Higher Elementary Schools	Primary Schools	Registered Schools	Special Schools and Hostels attached thereto	Special Activities (Library, Music, Visual Education, &c.)	Technical Schools	Teachers' Colleges	Teachers' Colleges Hostels	Universities	Pensions, &c.	Miscellaneous	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>EXPENDITURE.</b>																	
Salaries (including Pay-roll Tax)	689,844 641,931	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	689,844 641,931
Salaries—Teachers (including Pay-roll Tax)	..	214,158 214,449	113,249 94,514	458,578 423,492	6,713,397 5,675,481	116,158 137,433	15,019,468 13,948,000	..	408,602 374,558	823,039 738,205	3,881,211 3,711,288	753,417 691,228	..	..	..	..	28,501,277 26,008,648
Salaries—Teachers, &c., in Charge of Hostels (including Pay-roll Tax)	..	..	..	..	..	..	..	..	3,098 2,946	..	..	..	16,658 15,619	..	..	..	19,756 18,565
Salaries—Clerical Assistance (including Pay-roll Tax)	..	5,403 4,943	10,369 10,569	13,310 12,457	189,833 158,714	1,661 2,887	5,417 5,637	..	..	15,342 17,438	..	31,534 22,882	1,895 1,621	..	..	..	274,764 237,148
Wages—Domestic Staff	..	..	..	..	..	..	..	..	3,644 3,343	7,698 7,053	..	..	149,500 138,073	..	..	..	160,842 148,469
Allowances to Students in Training	..	..	..	..	..	..	..	..	..	..	..	2,799,963 2,556,629	..	..	..	..	2,799,963 2,556,629
Buildings (including Residences), Furniture, &c. (including Maintenance)	88	7,879 4,884	12,692 3,019	328,057 149,899	4,045,115 3,451,924	16,889 85,868	4,298,821 4,177,422	..	104,263 111,236	368 4,181	2,757,692 2,394,462	477,776 474,497	56,292 212,332	2,619,694 1,531,000	..	..	14,725,626 12,600,724
Buildings—Rentals	..	..	..	823 563	9,805 14,900	353 918	11,413 15,979	..	..	..	10,626 12,453	..	1,245 1,500	..	..	..	34,265 46,341
Travelling Expenses, Office Requisites, School Cleaning, Equipment, &c.	145,037 124,057	20,960 25,350	11,730 14,187	49,838 68,860	626,237 572,802	6,935 17,958	1,107,238 1,116,020	..	27,825 25,646	75,069 75,268	..	126,658 150,006	..	..	..	..	2,197,527 2,190,154
Domestic Arts and Manual Training—class materials, &c.	..	551 487	..	19,221 19,149	148,260 121,020	4,840 5,826	12,414 11,593	..	1,386 2,705	7	26	115	..	..	..	..	186,820 160,780
Conveyance of Pupils	..	5,255 3,629	..	37,775 33,507	830,719 784,354	36,855 57,573	831,001 800,952	445,771 392,062	31,609 25,247	3,722 3,821	301,028 292,276	..	..	..	..	..	2,523,735 2,393,421
Bursaries, Scholarships, and Maintenance allowances	1,078	1,997 2,221	130 26	17,592 12,707	206,646 154,085	1,382 1,695	936 663	93,272 87,904	160	..	95,686 64,903	506	..	11,683 11,300	..	..	431,068 335,504
Fees—University and other	..	..	..	..	..	..	..	..	..	..	..	101,907 93,876	..	..	..	..	101,907 97,124
Teachers Tribunal	17,782 18,017	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3,248	17,782 18,017

Grants .. .. .	65,070	..	..	..	300	..	891	..	5,943	5,500	100,000	25,000	25,000	..	1,822,600	1,721,600	..	2,000	2,025,304
	70,094	..	..	..	300	..	891	..	..	5,500	..	..	..	..	1,721,600	1,721,600	..	2,000	1,825,385
Pensions and Superannuation to retired Teachers and Officers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,020,025
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	939,034
Costs of Text Books and other publications	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	105,011	105,011
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	117,984	117,984
Allowances, Maintenance, &c. (under reciprocal arrangements with other States)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,043	2,043
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,374	2,374
Maintenance Grants—Technical Schools	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Miscellaneous .. .. .	9,942	2,140	4,548	4,548	66,715	943	139,528	434	4,006	22,889	111,872	7,597	7,597	..	..	..	..	15,126	528,837
	16,960	2,176	4,453	4,453	63,314	1,389	136,427	1,475	6,441	17,855	103,041	7,897	7,897	..	..	..	..	15,126	514,889
<b>Total Expenditure</b> .. .. .	928,841	258,343	929,742	725,087	12,837,027	186,016	21,427,127	539,477	590,536	953,634	9,793,141	4,324,473	4,324,473	..	4,453,977	382,630	107,054	58,881,396	
	871,059	258,139	725,087	725,087	10,996,894	311,547	20,213,584	481,441	552,150	869,321	8,815,014	4,022,015	4,022,015	..	3,263,900	506,491	140,732	53,089,712	
<b>RECEIPTS.</b>																			
Tuition Fees .. .. .	..	14	104	27	14,837	76	819	..	..	..	..	929	1,103	..	..	..	..	..	17,910
	..	..	..	..	13,067	140	984	..	..	..	..	..	..	..	..	..	..	..	16,007
Rents .. .. .	..	..	406	577	53,577	586	85,533	..	1,215	1,093	10,466	1,926	3,028	..	..	..	..	..	154,752
	..	..	577	..	31,673	1,477	110,170	..	834	1,395	13,846	3,028	..	..	..	..	..	..	163,000
Students' Board .. .. .	..	..	..	..	..	..	..	..	1,706	13,979	..	..	..	..	..	175,601	..	..	191,286
	..	..	..	..	..	..	..	..	1,583	13,741	..	..	..	..	..	168,711	..	..	184,035
Sale of Text Books, &c. .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	45,372	45,372
	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	34,723	34,723
Broken Bond payments .. .. .	57,211	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	57,211
	50,755	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	50,755
Miscellaneous .. .. .	15,626	..	..	..	57	..	12,376	..	21	1,799	955	..	..	..	..	11,861	..	..	42,695
	14,507	..	..	..	1,365	1	8,238	..	224	1,057	6	..	..	..	11,392	..	..	..	36,908
<b>Total Receipts</b> .. .. .	72,837	14	510	604	68,421	662	98,728	..	2,942	16,871	11,421	2,855	4,131	..	187,462	45,372	..	509,226	
	65,262	..	604	..	46,105	1,618	119,392	..	2,641	16,193	13,852	4,131	..	..	180,103	34,723	..	485,428	
<b>Net Expenditure</b> .. .. .	856,004	258,343	929,232	724,483	12,768,606	185,354	21,328,399	539,477	587,594	936,763	9,781,720	4,321,618	4,017,884	..	4,453,977	195,168	61,682	58,372,170*	
	805,797	258,125	724,483	..	10,950,789	309,929	20,094,192	481,441	549,509	853,128	8,801,162	4,017,884	326,388	..	3,263,900	326,388	106,009	52,604,284	

\* Includes £400,000 expended from Special Works Trust Account—Commonwealth Grant.

## APPENDIX F.

## SUMMARY OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30TH JUNE, 1962, OF AGRICULTURE DEPARTMENT—EDUCATIONAL, RESEARCH, AND EXPERIMENTAL INSTITUTIONS.

	Receipts.				Payments.				Net Cost.
	Students' Fees.	Sale of Produce, &c.	Rents and Other Receipts.	Total Receipts.	Salaries and Wages.	Maintenance and Other Working Expenses.	Capital Expenditure.	Total Payments.	
	£	£	£	£	£	£	£	£	£
Burnley Horticultural College ..	2,220	..	285	2,505	32,056	6,400	7,821	46,277	43,772
Dookie Agricultural College ..	25,277	31,351	15,226	71,854	126,561	62,740	270,536	459,837	387,983
Glenormiston Dairy College ..	..	14,159	602	14,761	10,983	7,480	9,233	27,696	12,935
Longerenong Agricultural College	10,189	19,524	6,414	36,127	62,921	31,735	11,486	106,142	70,015
School of Dairy Technology, Werribee .. .. .	210	5,119	787	6,116	7,928	13,033	3,051	24,012	17,896
Ellinbank Dairy Research Centre .. .. .	..	6,059	1,041	7,100	19,068	9,534	9,840	38,442	31,342
Potato Research Station, Healesville .. .. .	..	3,372	396	3,768	9,844	7,066	12,744	29,654	25,886
Horticultural Research Station, Mildura .. .. .	..	..	19	19	3,425	1,550	1,968	6,943	6,924
Tobacco Research Station, Myrtleford .. .. .	..	4,040	735	4,775	18,078	11,339	16,500	45,917	41,142
Rutherglen Research Station ..	..	17,846	2,030	19,876	22,348	14,634	9,083	46,065	26,189
Rutherglen Viticultural Station	..	2,364	184	2,548	10,389	1,991	1,072	13,452	10,904
Horticultural Research Station, Scoresby .. .. .	..	2,304	626	2,930	19,030	10,301	13,844	43,175	40,245
Horticultural Research Station, Tatura .. .. .	..	12,616	2,699	15,315	19,409	14,452	4,918	38,779	23,464
Mallee Research Station, Walpeup .. .. .	..	7,594	2,552	10,146	12,599	6,528	9,163	28,290	18,144
State Research Farm, Werribee	..	28,770	3,626	32,396	57,258	52,408	30,465	140,131	107,735
Hamilton Pastoral Research Station .. .. .	..	3,523	247	3,770	6,014	7,664	16,530	30,208	26,438
Kyabram Irrigation Research Station .. .. .	..	2,810	249	3,059	10,049	4,960	9,901	24,910	21,851
	37,896	161,451	37,718	237,065	447,960	263,815	438,155	1,149,930	912,865

In connexion with the Tobacco Research Station at Myrtleford, the above figures do not include a Commonwealth contribution of £47,000 which was credited to an Account within the Treasury Trust Fund, and a contributory payment of £3,375 to the Commonwealth.

Further, for the purposes of a Pastoral Research Centre, the Commonwealth Government through Wool Research Funds allocated £3,000, for maintenance and salary costs. The actual contribution, £500, in the year is not shown in the receipts for Hamilton Research Station in the above summary.